

Brookfield Infrastructure Partners L.P.

Interim Report Q3 2022

UNAUDITED INTERIM CONDENSED AND CONSOLIDATED FINANCIAL STATEMENTS

*AS OF SEPTEMBER 30, 2022 AND DECEMBER 31, 2021 AND
FOR THE THREE AND NINE-MONTH PERIODS ENDED SEPTEMBER 30, 2022 AND 2021*

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Brookfield Infrastructure Partners L.P. (our “partnership” and together with its subsidiary and operating entities “Brookfield Infrastructure”) is a leading global infrastructure company that owns and operates high-quality, essential, long-life assets in the utilities, transport, midstream and data sectors across North and South America, Asia Pacific and Europe. It is focused on assets that have contracted and regulated revenues that generate predictable and stable cash flows.

Brookfield Asset Management Inc. (together with its affiliates other than Brookfield Infrastructure, “Brookfield”) has an approximate 27.1% economic interest in Brookfield Infrastructure on a fully exchanged basis. Brookfield Infrastructure has appointed Brookfield as its Service Provider to provide certain management, administrative and advisory services, for a fee, under the Master Services Agreement.

BROOKFIELD INFRASTRUCTURE PARTNERS L.P.

UNAUDITED INTERIM CONDENSED AND CONSOLIDATED STATEMENTS OF FINANCIAL POSITION

US\$ MILLIONS, UNAUDITED	Notes	As of	
		September 30, 2022	December 31, 2021
Assets			
Cash and cash equivalents	7	\$ 1,053	\$ 1,406
Financial assets	7	1,073	740
Accounts receivable and other	7	2,262	2,204
Inventory		509	400
Assets classified as held for sale	4	2,529	146
Current assets		7,426	4,896
Property, plant and equipment	8	35,842	38,655
Intangible assets	9	11,449	14,214
Investments in associates and joint ventures	10	5,499	4,725
Investment properties		625	655
Goodwill	6	8,601	8,979
Financial assets	7	1,001	536
Other assets		1,399	1,141
Deferred income tax asset		118	160
Total assets		\$ 71,960	\$ 73,961
Liabilities and Partnership Capital			
Liabilities			
Accounts payable and other	7	\$ 4,202	\$ 4,019
Corporate borrowings	7,11	422	431
Non-recourse borrowings	7,11	3,284	2,701
Financial liabilities	7	282	1,510
Liabilities directly associated with assets classified as held for sale	4	1,493	—
Current liabilities		9,683	8,661
Corporate borrowings	7,11	3,388	2,288
Non-recourse borrowings	7,11	21,998	23,833
Financial liabilities	7	1,708	1,730
Other liabilities		4,512	5,027
Deferred income tax liability		5,597	6,011
Preferred shares	7	20	20
Total liabilities		46,906	47,570
Partnership capital			
Limited partners	16	5,200	5,702
General partner	16	28	31
Non-controlling interest attributable to:			
Redeemable Partnership Units held by Brookfield	16	2,186	2,408
BIPC exchangeable shares	16	1,250	1,369
Exchangeable units ⁽¹⁾	16	71	85
Perpetual subordinated notes	16	293	—
Interest of others in operating subsidiaries		15,108	15,658
Preferred unitholders	16	918	1,138
Total partnership capital		25,054	26,391
Total liabilities and partnership capital		\$ 71,960	\$ 73,961

1. Includes non-controlling interest attributable to Exchange LP units and BIPC exchangeable LP units.

The accompanying notes are an integral part of the financial statements.

BROOKFIELD INFRASTRUCTURE PARTNERS L.P.

UNAUDITED INTERIM CONDENSED AND CONSOLIDATED STATEMENTS OF OPERATING RESULTS

US\$ MILLIONS, UNAUDITED	Notes	For the three-month period ended September 30		For the nine-month period ended September 30	
		2022	2021	2022	2021
Revenues	14	\$ 3,627	\$ 2,939	\$ 10,719	\$ 8,285
Direct operating costs ⁽¹⁾	8,9,15	(2,590)	(2,132)	(7,808)	(5,872)
General and administrative expenses		(109)	(102)	(338)	(293)
		928	705	2,573	2,120
Interest expense		(480)	(368)	(1,358)	(1,085)
Share of earnings from investments in associates and joint ventures	10	5	24	25	101
Mark-to-market on hedging items	7	127	(24)	264	(4)
Other (expense) income		(86)	314	1	1,658
Income before income tax		494	651	1,505	2,790
Income tax expense					
Current		(70)	(91)	(370)	(259)
Deferred		(63)	(24)	(55)	(276)
Net income		\$ 361	\$ 536	\$ 1,080	\$ 2,255
Attributable to:					
Limited partners		\$ 32	\$ 225	\$ 108	\$ 506
General partner		60	53	180	154
Non-controlling interest attributable to:					
Redeemable Partnership Units held by Brookfield		13	93	45	209
BIPC exchangeable shares		8	40	26	83
Exchange LP Units		—	2	—	3
Interest of others in operating subsidiaries		248	123	721	1,300
Basic and diluted income per limited partner unit:	16	\$ 0.05	\$ 0.48	\$ 0.17	\$ 1.07

1. Our company reclassified depreciation and amortization expense, which was previously presented as a separate line item, to direct operating costs. Direct operating costs include \$520 million and \$1,616 million of depreciation and amortization expenses for the three and nine-month periods ended September 30, 2022, respectively. Prior period amounts were also adjusted to reflect this change, which resulted in an increase to direct operating costs of \$525 million and \$1,486 million for the three and nine-month periods ended September 30, 2021, with an equal and offsetting decrease to depreciation and amortization expense. This reclassification had no impact on revenues, net income, or basic and diluted earnings per limited partner unit.

The accompanying notes are an integral part of the financial statements.

BROOKFIELD INFRASTRUCTURE PARTNERS L.P.

UNAUDITED INTERIM CONDENSED AND CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME

US\$ MILLIONS, UNAUDITED	Notes	For the three-month period ended September 30		For the nine-month period ended September 30	
		2022	2021	2022	2021
Net income		\$ 361	\$ 536	\$ 1,080	\$ 2,255
Other comprehensive loss:					
Items that will not be reclassified subsequently to profit or loss:					
Revaluation of asset retirement obligation		(7)	—	41	—
Marketable securities, net of tax	7	—	(12)	—	153
Unrealized actuarial (losses) gains		(6)	—	12	20
Tax impact of remeasurement of revaluation surplus and other	18	3	(5)	(12)	(99)
		(10)	(17)	41	74
Items that may be reclassified subsequently to profit or loss:					
Foreign currency translation		(1,418)	(491)	(2,169)	(441)
Cash flow hedge	7	132	40	582	200
Net investment hedge	7	158	54	280	13
Taxes on the above items		(52)	(14)	(166)	(48)
Share of income from investments in associates and joint ventures	10	396	62	544	67
		(784)	(349)	(929)	(209)
Total other comprehensive loss		(794)	(366)	(888)	(135)
Comprehensive (loss) income		\$ (433)	\$ 170	\$ 192	\$ 2,120
Attributable to:					
Limited partners		\$ (49)	\$ 114	\$ 21	\$ 494
General partner		60	52	180	153
Non-controlling interest attributable to:					
Redeemable Partnership Units held by Brookfield		(22)	46	9	203
BIPC exchangeable shares		(10)	20	8	78
Exchangeable units ⁽¹⁾		(1)	2	(1)	3
Interest of others in operating subsidiaries		(411)	(64)	(25)	1,189

1. Includes non-controlling interest attributable to Exchange LP units and BIPC exchangeable LP units.

The accompanying notes are an integral part of the financial statements.

BROOKFIELD INFRASTRUCTURE PARTNERS L.P.

UNAUDITED INTERIM CONDENSED AND CONSOLIDATED STATEMENTS OF PARTNERSHIP CAPITAL

FOR THE THREE-MONTH PERIOD ENDED SEPTEMBER 30, 2022 US\$ MILLIONS	Limited Partners						Non-controlling interest – Redeemable Partnership Units held by Brookfield	Non-controlling interest – BIPC exchangeable shares	Non-controlling interest – Exchangeable units ⁽⁴⁾	Non-controlling interest – In operating subsidiaries	Non-controlling interest – Perpetual subordinated notes	Preferred unitholders capital	Total partners' capital
	Limited partners' capital	(Deficit)	Ownership changes	Accumulated other comprehensive income ⁽¹⁾	Limited partners	General partner							
Balance as of June 30, 2022	\$ 6,085	\$ (2,327)	\$ 1,430	\$ 231	\$ 5,419	\$ 29	\$ 2,282	\$ 1,303	\$ 75	\$ 15,720	\$ 293	\$ 918	\$ 26,039
Net income	—	32	—	—	32	60	13	8	—	248	—	—	361
Other comprehensive loss	—	—	—	(81)	(81)	—	(35)	(18)	(1)	(659)	—	—	(794)
Comprehensive income (loss)	—	32	—	(81)	(49)	60	(22)	(10)	(1)	(411)	—	—	(433)
Unit issuance ⁽²⁾	3	—	—	—	3	—	—	—	—	—	—	—	3
Partnership distributions ⁽³⁾	—	(165)	—	—	(165)	(61)	(69)	(40)	(3)	—	—	—	(338)
Partnership preferred distributions ⁽³⁾	—	(9)	—	—	(9)	—	(5)	(2)	—	—	—	—	(16)
Subsidiary distributions to non-controlling interest	—	—	—	—	—	—	—	—	—	(201)	—	—	(201)
Other items ⁽²⁾	1	—	—	—	1	—	—	(1)	—	—	—	—	—
Balance as at September 30, 2022	<u>\$ 6,089</u>	<u>\$ (2,469)</u>	<u>\$ 1,430</u>	<u>\$ 150</u>	<u>\$ 5,200</u>	<u>\$ 28</u>	<u>\$ 2,186</u>	<u>\$ 1,250</u>	<u>\$ 71</u>	<u>\$ 15,108</u>	<u>\$ 293</u>	<u>\$ 918</u>	<u>\$ 25,054</u>

1. Refer to Note 18, Accumulated Other Comprehensive Income (Loss).
2. Refer to Note 16, Partnership Capital.
3. Refer to Note 17, Distributions.
4. Includes non-controlling interest attributable to Exchange LP units and BIPC exchangeable LP units.

The accompanying notes are an integral part of the financial statements.

BROOKFIELD INFRASTRUCTURE PARTNERS L.P.

UNAUDITED INTERIM CONDENSED AND CONSOLIDATED STATEMENTS OF PARTNERSHIP CAPITAL

FOR THE THREE-MONTH PERIOD ENDED SEPTEMBER 30, 2021 US\$ MILLIONS	Limited Partners											
	Limited partners' capital	(Deficit)	Ownership changes	Accumulated other comprehensive income ⁽¹⁾	Limited partners	General partner	Non-controlling interest – Redeemable Partnership Units held by Brookfield	Non-controlling interest – BIPC exchangeable shares	Non-controlling interest – Exchange LP Units	Non-controlling interest – in operating subsidiaries	Preferred unitholders capital	Total partners' capital
Balance as at June 30, 2021	\$ 5,532	\$ (2,157)	\$ 519	\$ 381	\$ 4,275	\$ 20	\$ 1,703	\$ 643	\$ 11	\$ 13,475	\$ 1,324	\$ 21,451
Net income	—	225	—	—	225	53	93	40	2	123	—	536
Other comprehensive loss	—	—	—	(111)	(111)	(1)	(47)	(20)	—	(187)	—	(366)
Comprehensive income (loss)	—	225	—	(111)	114	52	46	20	2	(64)	—	170
Unit issuance ^{(2),(5)}	3	—	—	—	3	—	—	1,140	256	—	—	1,399
Partnership distributions ⁽³⁾	—	(151)	—	—	(151)	(53)	(61)	(32)	(3)	—	—	(300)
Partnership preferred distributions ⁽³⁾	—	(11)	—	—	(11)	—	(5)	(2)	—	—	—	(18)
Acquisition of subsidiaries ⁽⁴⁾	—	—	—	—	—	—	—	—	—	3,765	—	3,765
Disposition of subsidiaries ⁽⁵⁾	—	—	—	—	—	—	—	—	—	(153)	—	(153)
Subsidiary distributions to non-controlling interest	—	—	—	—	—	—	—	—	—	(220)	—	(220)
Acquisition of non-controlling interest ⁽⁵⁾	—	—	—	—	—	—	—	—	—	(214)	—	(214)
Preferred units redeemed ⁽²⁾	—	(13)	—	—	(13)	—	(5)	(2)	—	—	(186)	(206)
Other items ^{(1),(4),(5)}	2	96	596	(100)	594	6	304	(730)	(183)	(304)	—	(313)
Balance as at September 30, 2021	\$ 5,537	\$ (2,011)	\$ 1,115	\$ 170	\$ 4,811	\$ 25	\$ 1,982	\$ 1,037	\$ 83	\$ 16,285	\$ 1,138	\$ 25,361

1. Refer to Note 18, Accumulated Other Comprehensive Income (Loss).
2. Refer to Note 16, Partnership Capital.
3. Refer to Note 17, Distributions.
4. Refer to Note 6, Acquisition of Businesses.
5. Refer to Note 5, Disposition of Businesses.

The accompanying notes are an integral part of the financial statements.

BROOKFIELD INFRASTRUCTURE PARTNERS L.P.

UNAUDITED INTERIM CONDENSED AND CONSOLIDATED STATEMENTS OF PARTNERSHIP CAPITAL

FOR THE NINE-MONTH PERIOD ENDED SEPTEMBER 30, 2022 US\$ MILLIONS	Limited Partners													Total partners' capital
	Limited partners' capital	(Deficit)	Ownership changes	Accumulated other comprehensive income ⁽¹⁾	Limited partners	General partner	Non-controlling interest – Redeemable Partnership Units held by Brookfield	Non-controlling interest – BIPC exchangeable shares	Non-controlling interest – Exchangeable Units	Non-controlling interest – in operating subsidiaries	Non-controlling interest – Perpetual subordinated notes	Preferred unitholders capital		
Balance as at January 1, 2022	\$ 6,074	\$ (2,125)	\$ 1,430	\$ 323	\$ 5,702	\$ 31	\$ 2,408	\$ 1,369	\$ 85	\$ 15,658	\$ —	\$ 1,138	\$ 26,391	
Net income	—	108	—	—	108	180	45	26	—	721	—	—	1,080	
Other comprehensive loss	—	—	—	(87)	(87)	—	(36)	(18)	(1)	(746)	—	—	(888)	
Comprehensive income (loss)	—	108	—	(87)	21	180	9	8	(1)	(25)	—	—	192	
Unit issuance ^{(2),(4)}	11	—	—	—	11	—	—	—	—	—	—	—	11	
Partnership distributions ⁽³⁾	—	(495)	—	—	(495)	(183)	(207)	(120)	(9)	—	—	—	(1,014)	
Partnership preferred distributions ⁽³⁾	—	(29)	—	—	(29)	—	(15)	(7)	—	—	—	—	(51)	
Subsidiary distributions to non- controlling interest	—	—	—	—	—	—	—	—	—	(525)	—	—	(525)	
Preferred units redeemed ⁽²⁾	—	(14)	—	—	(14)	—	(9)	—	—	—	—	(220)	(243)	
Issuance of perpetual subordinated notes ⁽³⁾	—	—	—	—	—	—	—	—	—	—	293	—	293	
Other items ⁽²⁾	4	86	—	(86)	4	—	—	—	(4)	—	—	—	—	
Balance as at September 30, 2022	\$ 6,089	\$ (2,469)	\$ 1,430	\$ 150	\$ 5,200	\$ 28	\$ 2,186	\$ 1,250	\$ 71	\$ 15,108	\$ 293	\$ 918	\$ 25,054	

1. Refer to Note 18, Accumulated Other Comprehensive Income (Loss).
2. Refer to Note 16, Partnership Capital.
3. Refer to Note 17, Distributions.
4. Refer to Note 6, Acquisition of Businesses.

The accompanying notes are an integral part of the financial statements.

BROOKFIELD INFRASTRUCTURE PARTNERS L.P.

UNAUDITED INTERIM CONDENSED AND CONSOLIDATED STATEMENTS OF PARTNERSHIP CAPITAL

FOR THE NINE-MONTH PERIOD ENDED SEPTEMBER 30, 2021 US\$ MILLIONS	Limited Partners											
	Limited partners' capital	(Deficit)	Ownership changes	Accumulated other comprehensive income ⁽¹⁾	Limited partners	General partner	Non-controlling interest – Redeemable Partnership Units held by Brookfield	Non-controlling interest – BIPC exchangeable shares	Non-controlling interest – Exchange LP Units	Non-controlling interest – in operating subsidiaries	Preferred unitholders capital	Total partners' capital
Balance as at January 1, 2021	\$ 5,526	\$ (2,285)	\$ 540	\$ 452	\$ 4,233	\$ 19	\$ 1,687	\$ 638	\$ 12	\$ 13,954	\$ 1,130	\$ 21,673
Net income	—	506	—	—	506	154	209	83	3	1,300	—	2,255
Other comprehensive loss	—	—	—	(12)	(12)	(1)	(6)	(5)	—	(111)	—	(135)
Comprehensive income (loss)	—	506	—	(12)	494	153	203	78	3	1,189	—	2,120
Unit issuance ⁽²⁾	9	—	—	—	9	—	—	1,140	256	—	—	1,405
Partnership distributions ⁽³⁾	—	(453)	—	—	(453)	(153)	(185)	(78)	(5)	—	—	(874)
Partnership preferred distributions ⁽³⁾	—	(32)	—	—	(32)	—	(14)	(6)	—	—	—	(52)
Acquisition of subsidiaries ⁽⁵⁾	—	—	—	—	—	—	—	—	—	4,053	—	4,053
Disposition of subsidiaries ⁽⁴⁾	—	—	—	—	—	—	—	—	—	(1,561)	—	(1,561)
Subsidiary distributions to non-controlling interest	—	—	—	—	—	—	—	—	—	(758)	—	(758)
Acquisition of non-controlling interest ⁽⁵⁾	—	—	—	—	—	—	—	—	—	(410)	—	(410)
Preferred units issued ⁽²⁾	—	—	—	—	—	—	—	—	—	—	194	194
Preferred units redeemed ⁽²⁾	—	(13)	—	—	(13)	—	(5)	(2)	—	—	(186)	(206)
Other items ^{(1),(4),(5)}	2	266	575	(270)	573	6	296	(733)	(183)	(182)	—	(223)
Balance as at September 30, 2021	\$ 5,537	\$ (2,011)	\$ 1,115	\$ 170	\$ 4,811	\$ 25	\$ 1,982	\$ 1,037	\$ 83	\$ 16,285	\$ 1,138	\$ 25,361

1. Refer to Note 18, Accumulated Other Comprehensive Income (Loss).
2. Refer to Note 16, Partnership Capital.
3. Refer to Note 17, Distributions.
4. Refer to Note 5, Disposition of Businesses.
5. Refer to Note 6, Acquisition of Businesses.

The accompanying notes are an integral part of the financial statements.

BROOKFIELD INFRASTRUCTURE PARTNERS L.P.

UNAUDITED INTERIM CONDENSED AND CONSOLIDATED STATEMENTS OF CASH FLOWS

US\$ MILLIONS, UNAUDITED	Notes	For the three-month period ended September 30		For the nine-month period ended September 30	
		2022	2021	2022	2021
Operating Activities					
Net income		\$ 361	\$ 536	\$ 1,080	\$ 2,255
Adjusted for the following items:					
Earnings from investments in associates and joint ventures, net of distributions received	10	64	3	210	(15)
Depreciation and amortization expense	8,9,15	520	525	1,616	1,486
Mark-to-market on hedging items, provisions and other	7	(64)	(252)	(243)	(1,600)
Deferred income tax expense		63	24	55	276
Changes in non-cash working capital, net		(268)	81	(573)	(195)
Cash from operating activities		<u>676</u>	<u>917</u>	<u>2,145</u>	<u>2,207</u>
Investing Activities					
Acquisition of subsidiaries, net of cash acquired	6	(296)	(2,583)	(338)	(2,728)
Disposal of subsidiaries, net of cash disposed	5	25	554	25	3,142
Investments in associates and joint ventures	10	(193)	—	(864)	—
Disposal of investments in associates and joint ventures	10	—	—	275	412
Purchase of long-lived assets	8,9	(769)	(588)	(2,103)	(1,334)
Disposal of long-lived assets	8,9	8	9	29	32
Purchase of financial assets		(139)	(639)	(521)	(1,141)
Sale of financial assets		147	403	548	929
Net settlement of foreign exchange hedging items	7	89	8	113	(9)
Cash used by investing activities		<u>(1,128)</u>	<u>(2,836)</u>	<u>(2,836)</u>	<u>(697)</u>
Financing Activities					
Distributions to general partner	17	(61)	(53)	(183)	(153)
Distributions to other unitholders	17	(293)	(265)	(882)	(773)
Subsidiary distributions to non-controlling interest		(201)	(220)	(525)	(758)
Capital provided by non-controlling interest	16	—	2,106	293	2,206
Capital provided to non-controlling interest		—	—	—	(1,408)
Acquisition of partial interest from non-controlling interest	6	—	(437)	—	(720)
Deposit repaid to parent	19	—	(201)	—	(545)
Proceeds from corporate borrowings	11	—	—	474	244
Net proceeds from (repayment of) commercial paper program	11	156	2	(8)	498
Proceeds from corporate credit facility	11	679	3,147	2,881	4,977
Repayment of corporate credit facility	11	(342)	(2,501)	(2,036)	(5,462)
Proceeds from non-recourse borrowings	11	1,377	2,979	4,777	4,576
Repayment of non-recourse borrowings	11	(1,160)	(1,527)	(3,167)	(2,501)
Other financing activities		323	(123)	233	(492)
Settlement of deferred consideration		(118)	—	(1,155)	—
Net preferred units redeemed	16	—	(206)	(243)	(12)
Partnership units issued	16	3	3	11	9
Cash from (used by) financing activities		<u>363</u>	<u>2,704</u>	<u>470</u>	<u>(314)</u>
Cash and cash equivalents					
Change during the period		(89)	785	(221)	1,196
Cash reclassified as assets held for sale		(101)	(161)	(131)	(161)
Impact of foreign exchange on cash		(58)	(59)	(1)	(62)
Balance, beginning of period		1,301	1,275	1,406	867
Balance, end of period		<u>\$ 1,053</u>	<u>\$ 1,840</u>	<u>\$ 1,053</u>	<u>\$ 1,840</u>

The accompanying notes are an integral part of the financial statements.

NOTES TO THE UNAUDITED INTERIM CONDENSED AND CONSOLIDATED FINANCIAL STATEMENTS

AS OF SEPTEMBER 30, 2022 AND DECEMBER 31, 2021 AND

FOR THE THREE AND NINE-MONTH PERIODS ENDED SEPTEMBER 30, 2022 AND 2021

1. ORGANIZATION AND DESCRIPTION OF THE BUSINESS

Brookfield Infrastructure Partners L.P. (our “partnership” and, together with its subsidiaries and operating entities, “Brookfield Infrastructure”) owns and operates utilities, transport, midstream and data businesses in North and South America, Europe and the Asia Pacific region. Our partnership was formed as a limited partnership established under the laws of Bermuda, pursuant to a limited partnership agreement dated May 17, 2007, as amended and restated. Our partnership is a subsidiary of Brookfield Asset Management Inc. (“Brookfield”). Our partnership’s units are listed on the New York Stock Exchange and the Toronto Stock Exchange under the symbols “BIP” and “BIP.UN”, respectively. Our cumulative Class A preferred limited partnership units, Series 1, Series 3, Series 9 and Series 11 are listed on the Toronto Stock Exchange under the symbols “BIP.PR.A,” “BIP.PR.B,” “BIP.PR.E” and “BIP.PR.F,” respectively. Our cumulative Class A preferred limited partnership units, Series 13 and Series 14, are listed on the New York Stock Exchange under the symbols “BIP.PR.A” and “BIP.PR.B”, respectively. Our partnership’s registered office is 73 Front Street, 5th Floor Hamilton, HM 12, Bermuda.

In these notes to the consolidated financial statements, references to “units” are to the limited partnership units in our partnership other than the preferred units, references to our “preferred units” are to preferred limited partnership units in our partnership and references to our “unitholders” and “preferred unitholders” are to the holders of our units and preferred units, respectively. References to “Class A Preferred Units,” “Series 1 Preferred Units,” “Series 3 Preferred Units,” “Series 9 Preferred Units,” “Series 11 Preferred Units,” “Series 13 Preferred Units” and “Series 14 Preferred Units” are to cumulative Class A preferred limited partnership units, cumulative Class A preferred limited partnership units, Series 1, cumulative Class A preferred limited partnership units, Series 3, cumulative Class A preferred limited partnership units, Series 9, cumulative Class A preferred limited partnership units, Series 11, cumulative Class A preferred limited partnership units, Series 13, and cumulative Class A preferred limited partnership units Series 14, in our partnership, respectively.

2. SUMMARY OF ACCOUNTING POLICIES

a) Statement of Compliance

These interim condensed and consolidated financial statements of our partnership and its subsidiaries (together “Brookfield Infrastructure”) 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 Brookfield Infrastructure applied in its consolidated financial statements as of and for the year-ended December 31, 2021. The accounting policies that our partnership applied in its annual consolidated financial statements as of and for the year-ended December 31, 2021 are disclosed in Note 3 of such financial statements, with which reference should be made in reading these interim condensed and consolidated financial statements.

These interim condensed and consolidated financial statements were authorized for issuance by the Board of Directors of our partnership on November 14, 2022.

b) Significant Accounting Judgments and Key Sources of Estimation Uncertainty

In preparing our consolidated financial statements, we make judgments in applying our accounting policies. The areas of policy judgment are consistent with those reported in our consolidated financial statements as of and for the year-ended December 31, 2021. As disclosed in our 2021 annual consolidated financial statements, our partnership 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.

3. SEGMENT INFORMATION

IFRS 8, *Operating Segments*, requires operating segments to be determined based on information that is regularly reviewed by the Executive Management and the Board of Directors for the purpose of allocating resources to the segment and to assess its performance. The Chief Operating Decision Maker (“CODM”) uses Funds from Operations (“FFO”) in assessing performance and in making resource allocation decisions, which enable the determination of return on the equity deployed. We define FFO as net income excluding the impact of depreciation and amortization, deferred income taxes, mark-to-market on hedging items 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.

FFO includes balances attributable to the partnership generated by investments in associates and joint ventures 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.

<u>Total attributable to Brookfield Infrastructure</u>									
FOR THE THREE-MONTH PERIOD ENDED SEPTEMBER 30, 2022 US\$ MILLIONS	Utilities	Transport	Midstream	Data	Corporate	Total	Contribution from investments in associates	Attributable to non- controlling interest	As per IFRS financials ⁽¹⁾
Revenues	\$ 480	\$ 608	\$ 383	\$ 151	\$ —	\$ 1,622	\$ (624)	\$ 2,629	\$ 3,627
Costs attributed to revenues ⁽²⁾	(196)	(330)	(157)	(63)	—	(746)	309	(1,633)	(2,070)
General and administrative expenses	—	—	—	—	(109)	(109)	—	—	(109)
Other (expense) income	(19)	(3)	(1)	(1)	39	15	10	(27)	(2)
Interest expense	(69)	(72)	(53)	(27)	(36)	(257)	78	(301)	(480)
FFO	196	203	172	60	(106)	525			
Depreciation and amortization expense						(308)	120	(332)	(520)
Deferred taxes						(42)	(10)	(11)	(63)
Mark-to-market on hedging items and other						(62)	112	(77)	(27)
Share of earnings from associates						—	5	—	5
Net income attributable to non-controlling interest						—	—	(248)	(248)
Net income attributable to partnership ⁽³⁾						\$ 113	\$ —	\$ —	\$ 113

<u>Total attributable to Brookfield Infrastructure</u>									
FOR THE THREE-MONTH PERIOD ENDED SEPTEMBER 30, 2021 US\$ MILLIONS	Utilities	Transport	Midstream	Data	Corporate	Total	Contribution from investments in associates	Attributable to non- controlling interest	As per IFRS financials ⁽¹⁾
Revenues	\$ 401	\$ 520	\$ 219	\$ 152	\$ —	\$ 1,292	\$ (486)	\$ 2,133	\$ 2,939
Costs attributed to revenues ⁽²⁾	(165)	(270)	(91)	(68)	—	(594)	235	(1,248)	(1,607)
General and administrative expenses	—	—	—	—	(102)	(102)	—	—	(102)
Other (expense) income	(12)	(2)	2	1	27	16	3	(64)	(45)
Interest expense	(42)	(67)	(27)	(27)	(27)	(190)	64	(242)	(368)
FFO	182	181	103	58	(102)	422			
Depreciation and amortization expense						(270)	106	(361)	(525)
Deferred taxes						(19)	8	(13)	(24)
Mark-to-market on hedging items and other						280	46	(82)	244
Share of earnings from associates						—	24	—	24
Net income attributable to non-controlling interest						—	—	(123)	(123)
Net income attributable to partnership ⁽³⁾						\$ 413	\$ —	\$ —	\$ 413

Total attributable to Brookfield Infrastructure									
FOR THE NINE-MONTH PERIOD ENDED SEPTEMBER 30, 2022 US\$ MILLIONS	Utilities	Transport	Midstream	Data	Corporate	Total	Contribution from investments in associates	Attributable to non-controlling interest	As per IFRS financials ⁽¹⁾
Revenues	\$ 1,404	\$ 1,803	\$ 1,217	\$ 448	\$ —	\$ 4,872	\$ (1,812)	\$ 7,659	\$ 10,719
Costs attributed to revenues ⁽²⁾	(580)	(1,000)	(539)	(194)	—	(2,313)	907	(4,786)	(6,192)
General and administrative expenses	—	—	—	—	(338)	(338)	—	—	(338)
Other (expense) income	(70)	(8)	(2)	4	108	32	25	(253)	(196)
Interest expense	(203)	(208)	(138)	(80)	(93)	(722)	232	(868)	(1,358)
FFO	551	587	538	178	(323)	1,531			
Depreciation and amortization expense						(964)	374	(1,026)	(1,616)
Deferred taxes						(94)	(33)	72	(55)
Mark-to-market on hedging items and other						(114)	282	(77)	91
Share of earnings from associates						—	25	—	25
Net income attributable to non-controlling interest						—	—	(721)	(721)
Net income attributable to partnership ⁽³⁾						\$ 359	\$ —	\$ —	\$ 359

Total attributable to Brookfield Infrastructure									
FOR THE NINE-MONTH PERIOD ENDED SEPTEMBER 30, 2021 US\$ MILLIONS	Utilities	Transport	Midstream	Data	Corporate	Total	Contribution from investments in associates	Attributable to non-controlling interest	As per IFRS financials ⁽¹⁾
Revenues	\$ 1,219	\$ 1,521	\$ 583	\$ 452	\$ —	\$ 3,775	\$ (1,450)	\$ 5,960	\$ 8,285
Costs attributed to revenues ⁽²⁾	(509)	(799)	(188)	(202)	—	(1,698)	705	(3,393)	(4,386)
General and administrative expenses	—	—	—	—	(293)	(293)	—	—	(293)
Other (expense) income	(46)	(6)	(13)	6	76	17	4	(163)	(142)
Interest expense	(126)	(200)	(73)	(78)	(77)	(554)	198	(729)	(1,085)
FFO	538	516	309	178	(294)	1,247			
Depreciation and amortization expense						(823)	358	(1,021)	(1,486)
Deferred taxes						(155)	(7)	(114)	(276)
Mark-to-market on hedging items and other						686	91	760	1,537
Share of earnings from associates						—	101	—	101
Net income attributable to non-controlling interest						—	—	(1,300)	(1,300)
Net income attributable to partnership ⁽³⁾						\$ 955	\$ —	\$ —	\$ 955

1. The above tables reconcile Brookfield Infrastructure's share of results to our partnership's unaudited interim condensed and consolidated statements of operating results on a line by line basis by aggregating the components comprising the earnings from our partnership's investments in associates and reflecting the portion of each line item attributable to non-controlling interests.
2. Costs attributed to revenues exclude depreciation and amortization expense. Refer to Note 15, Direct Operating Costs, for further details.
3. Includes net income attributable to limited partners, the general partner, non-controlling interests - Redeemable Partnership Units held by Brookfield, non-controlling interests - Exchange LP Units, non-controlling interests - BIPC Exchangeable LP units and non-controlling interests - BIPC exchangeable shares.

Segment assets

For the purpose of monitoring segment performance and allocating resources between segments, the CODM monitors the assets, including investments accounted for using the equity method, attributable to each segment.

The following is an analysis of Brookfield Infrastructure's assets by reportable operating segment:

AS OF SEPTEMBER 30, 2022 US\$ MILLIONS	Total Attributable to Brookfield Infrastructure						Contribution from investments in associates	Attributable to non-controlling interest	Working capital adjustment and other	As per IFRS financials ⁽¹⁾
	Utilities	Transport	Midstream	Data	Corporate	Total				
Total assets	\$ 7,354	\$ 8,025	\$ 9,777	\$ 3,535	\$ (786)	\$27,905	\$ (5,143)	\$ 41,245	\$ 7,953	\$ 71,960

AS OF DECEMBER 31, 2021 US\$ MILLIONS	Total Attributable to Brookfield Infrastructure						Contribution from investments in associates	Attributable to non-controlling interest	Working capital adjustment and other	As per IFRS financials ⁽¹⁾
	Utilities	Transport	Midstream	Data	Corporate	Total				
Total assets	\$ 6,184	\$ 8,601	\$ 10,378	\$ 3,405	\$ (1,471)	\$27,097	\$ (4,825)	\$ 42,415	\$ 9,274	\$ 73,961

- The above table provides each segment's assets in the format that management organizes its reporting segments to make operating decisions and assess performance. Each segment is presented based on our partnership's share of total assets, taking into account Brookfield Infrastructure's ownership in operations using consolidation and the equity method whereby our partnership either controls or exercises significant influence over the investment, respectively. The above table reconciles Brookfield Infrastructure's share of total assets to total assets presented on our partnership's Consolidated Statements of Financial Position by removing net liabilities contained within investments in associates and joint ventures and reflecting the assets attributable to non-controlling interests, and adjusting for working capital assets which are netted against working capital liabilities.

4. ASSETS AND LIABILITIES CLASSIFIED AS HELD FOR SALE

In June 2022, Brookfield Infrastructure, alongside institutional partners, agreed to the sale of its Indian toll road operations for total net proceeds of approximately \$0.2 billion (Indian toll road consortium of approximately \$0.6 billion). In August 2022, Brookfield Infrastructure, alongside institutional partners, agreed to the sale of its Brazil electricity transmission operation for total net proceeds of approximately \$0.2 billion (Brazil electricity operation consortium of approximately \$0.8 billion). As a result, these assets and liabilities of the business were classified as held for sale as at September 30, 2022. In addition, a subsidiary of Brookfield Infrastructure is in advanced stage of the sale of its 50% interest in a freehold landlord port in Victoria, Australia. As a result, our net investment in the port, which was previously presented as investments in associates, has been classified as held for sale.

The major classes of assets and liabilities of the businesses classified as held for sale are as follows:

US\$ MILLIONS	September 30, 2022
Assets	
Cash and cash equivalents	\$ 131
Accounts receivable and other current assets	35
Current assets	166
Property, plant and equipment	4
Investment in associates ⁽¹⁾	130
Intangible assets	2,060
Goodwill and other non-current assets	169
Total assets classified as held for sale	\$ 2,529
Liabilities	
Accounts payable and other liabilities	\$ 209
Deferred income tax liability	227
Non-recourse borrowings	1,057
Total liabilities associated with assets held for sale	1,493
Net assets classified as held for sale	\$ 1,036

1. Refer to Note 10, Investments in Associates and Joint Ventures, for further details.

5. DISPOSITION OF BUSINESSES

Dispositions completed in 2021

a) Disposition of our Chilean toll road operation

On November 16, 2021, Brookfield Infrastructure, alongside institutional partners (collectively, the “AVN consortium”) completed the sale of its 17% interest in our Chilean toll road business (AVN consortium total of approximately 34%). The sale resulted in net proceeds of approximately \$165 million (AVN consortium total of approximately \$315 million). Our partnership recognized a gain of approximately \$140 million (AVN consortium total of \$270 million) in Other income (expense) on the Consolidated Statements of Operating Results. The partnership’s share of losses relating to previous foreign exchange movements and hedges of \$8 million were reclassified from accumulated other comprehensive income to Other income (expense) on the Consolidated Statements of Operating Results.

b) Disposition of our U.S. district energy operation

On July 16, 2021, Brookfield Infrastructure completed the sale of its 40% interest in our U.S. district energy operation. The sale resulted in net proceeds of approximately \$555 million. Our partnership recognized a gain of approximately \$425 million in Other income (expense) on the Consolidated Statements of Operating Results. The partnership’s share of accumulated revaluation surplus of \$150 million was reclassified from accumulated other comprehensive income directly to retained earnings and recorded within Other items on the Consolidated Statements of Partnership Capital.

c) Disposition of our Canadian district energy operation

On June 7, 2021, Brookfield Infrastructure, alongside institutional partners (collectively, the “Enwave Canada consortium”) completed the sale of its 25% interest in our Canadian district energy operation. The sale resulted in net proceeds of approximately \$450 million (Enwave Canada consortium total of approximately \$1.8 billion). Our partnership recognized a gain of approximately \$295 million (Enwave Canada consortium total of approximately \$1.2 billion) in Other income (expense) on the Consolidated Statements of Operating Results. The partnership’s share of accumulated revaluation surplus of \$124 million was reclassified from accumulated other comprehensive income directly to retained earnings and recorded within Other items on the Consolidated Statements of Partnership Capital. The partnership’s share of net gains relating to previous foreign exchange movements and hedges of \$9 million were reclassified from accumulated other comprehensive income to Other income (expense) on the Consolidated Statements of Operating Results.

d) Disposition of our U.K. regulated distribution business’s portfolio of smart meters

On May 12, 2021, our U.K. regulated distribution business sold its smart meters business for gross consideration of approximately \$820 million. After the repayment of debt and working capital requirements at the business, our partnership received net proceeds of approximately \$340 million. The business recognized a gain of approximately \$195 million in Other income (expense) on the Consolidated Statements of Operating Results, of which approximately \$155 million is attributable to our partnership. The partnership’s share of accumulated revaluation surplus of \$142 million was reclassified from accumulated other comprehensive income directly to retained earnings and recorded within Other items on the Consolidated Statements of Partnership Capital. The partnership’s share of net gains relating to previous foreign exchange movements and hedges of \$12 million were reclassified from accumulated other comprehensive income to Other income (expense) on the Consolidated Statements of Operating Results.

6. ACQUISITION OF BUSINESSES

Acquisitions Completed in 2022

a) Individually insignificant business combinations

During the year, Brookfield and its institutional partners (the “acquisition consortiums”) acquired a 17% interest in an Indian telecommunications business for approximately \$30 million (acquisition consortium total of approximately \$165 million for a 100% interest) and a 30% interest in three Canadian residential infrastructure businesses for approximately \$90 million (acquisition consortium total of \$300 million for a 100% interest).

The following table summarizes the purchase price allocation of individually insignificant business combinations that have been completed in 2022:

US\$ MILLIONS	
Cash	\$ 95
Equity consideration ⁽¹⁾	13
Contingent consideration	8
Total consideration	<u>\$ 116</u>

1. *As part of our consideration, we issued shares of the subsidiary which are compound financial instruments.*

Fair value of assets and liabilities acquired (provisional)⁽¹⁾:

US\$ MILLIONS	
Cash and cash equivalents	\$ 6
Accounts receivable and other	22
Property, plant and equipment	140
Intangible assets	138
Goodwill	286
Accounts payable and other liabilities	(56)
Non-recourse borrowings	(51)
Deferred income tax liabilities	(18)
Net assets acquired before non-controlling interest	<u>467</u>
Non-controlling interest ⁽²⁾	(351)
Net assets acquired	<u>\$ 116</u>

1. *The fair values of certain acquired assets and liabilities for these operations have been determined on a provisional basis given the proximity of the acquisitions to the reporting date, pending finalization of the determination of the fair values of the acquired assets and liabilities. Our partnership is in the process of obtaining additional information primarily in order to assess the fair values of property, plant and equipment, intangible assets, deferred income taxes and the resulting impact to goodwill as at the date of the acquisitions.*

2. *Non-controlling interest represents the interest not acquired by Brookfield Infrastructure, measured at fair value at the acquisition dates.*

Supplemental Information

Had the individually insignificant acquisitions been effective January 1, 2022, the revenue and net income of Brookfield Infrastructure would have increased by approximately \$50 million and \$15 million, respectively, for the nine-month period ended September 30, 2022.

In determining the pro-forma revenue and net income attributable to our partnership, management has:

- Calculated depreciation of property, plant and equipment and amortization of intangible assets acquired on the basis of the fair values at the time of the business combination rather than the carrying amounts recognized in the pre-acquisition financial statements and;
- Based borrowing costs on the funding levels, credit ratings and debt and equity position of Brookfield Infrastructure after the business combination.

Acquisitions Completed in 2021

(a) Acquisition of Brazilian electricity transmission operation

On February 26, 2021, Brookfield Infrastructure, alongside institutional partners, exercised its option to acquire an additional 15% interest in Jose Maria de Macedo de Eletricidade S.A (“JMM”), a Brazilian electricity transmission operation, increasing Brookfield Infrastructure’s ownership in JMM to 31%. Prior to February 26, 2021, our partnership’s existing interest in JMM was accounted for using the equity method.

On December 24, 2021, Brookfield Infrastructure, alongside institutional partners, exercised its option to acquire an additional 15% interest in Giovanni Sanguinetti Transmissora de Energia S.A. (“Sanguinetti”) and Veredas Transmissora de Electricidade S.A. (“Veredas”), Brazilian electricity transmission operations, increasing Brookfield Infrastructure’s ownership in both operations to 31%. Prior to December 24, 2021, our partnership’s existing interest in both operations were accounted for using the equity method.

Consideration Transferred:

US\$ MILLIONS	
Cash	\$ 56
Pre-existing interest in the businesses	92
Total consideration	\$ 148

Fair value of assets and liabilities acquired as of the date of acquisitions (provisional)⁽¹⁾:

US\$ MILLIONS	
Cash and cash equivalents	\$ 70
Accounts receivable and other	13
Intangible assets	1,094
Goodwill	44
Accounts payable and other liabilities	(99)
Non-recourse borrowings	(481)
Deferred income tax liabilities	(152)
Net assets acquired before non-controlling interest	489
Non-controlling interest ⁽²⁾	(341)
Net assets acquired	\$ 148

- The fair values of certain acquired assets and liabilities for these operations have been determined on a provisional basis given the proximity of the acquisitions to the reporting date, pending finalization of the determination of the fair values of the acquired assets and liabilities. Our partnership is in the process of obtaining additional information primarily in order to assess the fair values of intangible assets, deferred income taxes and the resulting impact to goodwill as at the date of the acquisition.*
- Non-controlling interest represents the consideration paid for the interest not acquired by Brookfield Infrastructure, measured at fair value at the acquisition dates.*

(b) Acquisition of a Canadian diversified midstream operation

On August 20, 2021, Brookfield Infrastructure, alongside institutional partners (collectively, the “IPL consortium”) acquired an effective 41% interest (IPL consortium total of 69%) in IPL for total consideration of approximately \$2.8 billion (IPL consortium total of approximately \$4.7 billion). The acquisition was funded through cash provided by the partnership of \$0.8 billion (IPL consortium total of \$1.9 billion), \$0.2 billion of BIPC exchangeable LP units, \$1.1 billion of BIPC exchangeable shares and \$0.5 billion (IPL consortium total of \$0.9 billion) of asset level debt raised on closing. In addition, Brookfield Infrastructure had an existing 3% interest in IPL (IPL consortium total - 10%) valued at \$0.2 billion prior to the acquisition (IPL consortium total of \$0.6 billion). Concurrently, Brookfield Infrastructure entered into a voting agreement with an affiliate of Brookfield, providing Brookfield Infrastructure the right to direct the relevant activities of the entity, thereby providing Brookfield Infrastructure with control. Accordingly, Brookfield Infrastructure consolidated the entity effective August 20, 2021. Acquisition costs of approximately \$65 million were recorded as Other income (expense) within the Consolidated Statements of Operating Results.

Consideration Transferred:

US\$ MILLIONS	
Cash	\$ 1,268
BIPC exchangeable shares	1,061
BIPC exchangeable LP units	245
Pre-existing interest in business ⁽¹⁾	192
Total consideration	<u>\$ 2,766</u>

1. Prior to the acquisition, Brookfield held an interest in the acquiree which was accounted for as a financial asset.

Fair value of assets and liabilities acquired as of August 20, 2021:

US\$ MILLIONS	
Cash and cash equivalents	\$ 121
Accounts receivable and other	440
Property, plant and equipment	9,864
Intangible assets	2,570
Goodwill	2,096
Accounts payable and other liabilities	(700)
Lease liabilities	(226)
Non-recourse borrowings	(6,185)
IPL shares held by public shareholders ⁽¹⁾	(2,086)
Deferred income tax liabilities	(1,229)
Net assets acquired before non-controlling interest	4,665
Non-controlling interest ⁽²⁾	(1,899)
Net assets acquired	<u>\$ 2,766</u>

1. IPL shares held by public shareholders represent the 31% interest in IPL not yet acquired by Brookfield as of August 20, 2021. The interest is classified as liability on acquisition due to the mandatory extension of Brookfield’s offer to acquire the remaining interest in IPL. The mandatory extension expired on September 3, 2021 and the remaining \$1.6 billion interest was reclassified to non-controlling interest thereafter.

2. Non-controlling interest represents the consideration paid for the interest not acquired by Brookfield Infrastructure, measured at fair value at the acquisition date.

The goodwill recorded on acquisition is largely reflective of the potential to obtain long-term contracts for the business’ unutilized capacity and production growth. The goodwill recognized is not deductible for income tax purposes.

Subsequent to the initial acquisition, Brookfield Infrastructure, alongside institutional partners, acquired an additional 4% interest (IPL consortium total of 7%) in IPL during the period between August 25, 2021 and September 3, 2021, increasing our partnership’s ownership of the business to approximately 45% (IPL consortium total of 76%), for approximately \$315 million (IPL consortium total of \$530 million). The acquisition was funded through cash provided by the partnership of approximately \$225 million (IPL consortium total of approximately \$440 million), \$11 million of BIPC exchangeable LP units and \$79 million of BIPC exchangeable shares. No gain or loss was recognized on acquisition.

On October 28, 2021 Brookfield Infrastructure, alongside institutional partners, acquired an additional 14% interest (IPL consortium total of 24%) in IPL for total consideration of \$0.9 billion (IPL consortium of \$1.6 billion). The acquisition was funded through cash provided by the partnership of approximately \$0.4 billion (IPL consortium total of approximately \$1.1 billion) and \$0.5 billion of BIPC exchangeable shares and BIPC exchangeable LP units. Subsequent to the acquisition, our partnership's ownership of the business is 59% (IPL consortium total of 100%). As a result of the carrying value of non-controlling interests exceeding the purchase price, a gain of approximately \$30 million was recognized directly in ownership changes and recorded within Other items on the Consolidated Statements of Partnership Capital.

c) Acquisition of additional interest in our Brazilian regulated gas transmission operation

On April 30, 2021, Brookfield Infrastructure, alongside institutional partners (the "NTS consortium"), acquired an additional 3% interest (NTS consortium total of 10%) in our Brazilian regulated gas transmission operation, increasing our partnership's ownership of the business to approximately 31%. Total consideration paid was \$87 million (NTS consortium total of \$283 million), all of which was funded using asset level debt raised on closing. As a result of the purchase price exceeding the previous carrying value of non-controlling interests, a loss of \$32 million was recognized directly in ownership changes and recorded within Other items on the Consolidated Statements of Partnership Capital.

d) Individually insignificant business combinations

In 2021, Brookfield and its institutional partners (the "acquisition consortiums") acquired a 26% interest in an Australian port operation for approximately \$15 million (acquisition consortium total of approximately \$50 million for a 100% interest), a 11% interest in a European residential infrastructure operation for approximately \$20 million (acquisition consortium total of approximately \$165 million for a 100% interest), a 15% interest in a U.K. residential infrastructure operation for approximately \$20 million (acquisition consortium total of approximately \$125 million for a 100% interest), a 30% interest in a North American residential infrastructure operation for approximately \$25 million (acquisition consortium total of \$90 million for a 100% interest), a 29% interest in a North American data center operation for approximately \$5 million (acquisition consortium total of approximately \$25 million for a 100% interest), and a 9% interest in a North American rail operation for approximately \$1 million (acquisition consortium total of approximately \$10 million for a 100% interest).

The following table summarizes the purchase price allocation of individually insignificant business combinations that were completed in 2021:

US\$ MILLIONS	
Cash	\$ 79
Deferred consideration	3
Contingent consideration	2
Total consideration	\$ 84

Fair value of assets and liabilities acquired as of the date of acquisitions (provisional)⁽¹⁾:

US\$ MILLIONS	
Cash and cash equivalents	\$ 26
Accounts receivable and other	34
Property, plant and equipment	314
Intangible assets	71
Goodwill	260
Accounts payable and other liabilities	(51)
Lease liabilities	(109)
Non-recourse borrowings	(32)
Deferred income tax liabilities	(49)
Net assets acquired before non-controlling interest	464
Non-controlling interest ⁽²⁾	(380)
Net assets acquired	\$ 84

- The fair values of certain acquired assets and liabilities for these operations have been determined on a provisional basis given the proximity of the acquisitions to the reporting date, pending finalization of the determination of the fair values of the acquired assets and liabilities. Our partnership is in the process of obtaining additional information primarily in order to assess the fair values of property, plant and equipment, intangible assets, deferred income taxes and the resulting impact to goodwill as at the date of the acquisitions.*
- Non-controlling interest represents the interest not acquired by Brookfield Infrastructure, measured at fair value at the acquisition dates.*

7. 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, Brookfield Infrastructure 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 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 on hedging items for those in an effective hedging relationship and changes in the fair value of securities designated as fair value through other comprehensive income are recognized in other comprehensive income.

Carrying Value and Fair Value of Financial Instruments

The following table provides the allocation of financial instruments and their associated classifications as at September 30, 2022:

US\$ MILLIONS

Financial Instrument Classification

MEASUREMENT BASIS	Fair value through profit or loss	Amortized Cost	Total
Financial assets			
Cash and cash equivalents	\$ —	\$ 1,053	\$ 1,053
Accounts receivable and other	—	3,006	3,006
Financial assets (current and non-current) ⁽¹⁾	1,956	118	2,074
Total	\$ 1,956	\$ 4,177	\$ 6,133
Financial liabilities			
Corporate borrowings	\$ —	\$ 3,810	\$ 3,810
Non-recourse borrowings (current and non-current)	—	25,282	25,282
Accounts payable and other	—	3,738	3,738
Financial liabilities (current and non-current) ⁽¹⁾	287	1,703	1,990
Lease liabilities	—	3,411	3,411
Preferred shares ⁽²⁾	—	20	20
Total	\$ 287	\$ 37,964	\$ 38,251

1. Derivative instruments which are elected for hedge accounting totaling \$1,010 million are included in financial assets and \$103 million of derivative instruments are included in financial liabilities.

2. \$20 million of preferred shares issued to wholly-owned subsidiaries of Brookfield.

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

US\$ MILLIONS

Financial Instrument Classification

MEASUREMENT BASIS	Fair value through profit or loss	Amortized Cost	Total
Financial assets			
Cash and cash equivalents	\$ —	\$ 1,406	\$ 1,406
Accounts receivable and other	—	2,718	2,718
Financial assets (current and non-current) ⁽¹⁾	1,171	105	1,276
Total	\$ 1,171	\$ 4,229	\$ 5,400
Financial liabilities			
Corporate borrowings	\$ —	\$ 2,719	\$ 2,719
Non-recourse borrowings (current and non-current)	—	26,534	26,534
Accounts payable and other	—	3,392	3,392
Financial liabilities (current and non-current) ⁽¹⁾	501	2,739	3,240
Lease liabilities	—	3,840	3,840
Preferred shares ⁽²⁾	—	20	20
Total	\$ 501	\$ 39,244	\$ 39,745

1. Derivative instruments which are elected for hedge accounting totaling \$384 million are included in financial assets and \$314 million of derivative instruments are included in financial liabilities.
2. \$20 million of preferred shares issued to wholly-owned subsidiaries of Brookfield.

The following table provides the carrying values and fair values of financial instruments as at September 30, 2022 and December 31, 2021:

US\$ MILLIONS	September 30, 2022		December 31, 2021	
	Carrying Value	Fair Value	Carrying Value	Fair Value
Financial assets				
Cash and cash equivalents	\$ 1,053	\$ 1,053	\$ 1,406	\$ 1,406
Accounts receivable and other	3,006	3,006	2,718	2,718
Financial assets (current and non-current)	2,074	2,074	1,276	1,276
Total	\$ 6,133	\$ 6,133	\$ 5,400	\$ 5,400
Financial liabilities				
Corporate borrowings ⁽¹⁾	\$ 3,810	\$ 3,546	\$ 2,719	\$ 2,805
Non-recourse borrowings (current and non-current) ⁽²⁾	25,282	24,561	26,534	26,769
Accounts payable and other	3,738	3,738	3,392	3,392
Financial liabilities (current and non-current)	1,990	1,990	3,240	3,240
Preferred shares ⁽³⁾	20	20	20	20
Total	\$ 34,840	\$ 33,855	\$ 35,905	\$ 36,226

1. Corporate borrowings are classified under level 1 of the fair value hierarchy; quoted prices in an active market are available.
2. Non-recourse borrowings are classified under level 2 of the fair value hierarchy with the exception of certain borrowings at our U.K. port operation, which are classified under level 1. For level 2 fair values, future cash flows are estimated based on observable forward interest rates at the end of the reporting period.
3. \$20 million of preferred shares issued to wholly-owned subsidiaries of Brookfield.

Hedging Activities

Brookfield Infrastructure 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, Brookfield Infrastructure 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

Brookfield Infrastructure 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 nine-month periods ended September 30, 2022, gains of \$132 million and \$582 million, respectively (2021: gains of \$40 million and \$200 million) were recorded in other comprehensive income for the effective portion of the cash flow hedges. As of September 30, 2022, there was a net derivative asset balance of \$736 million relating to derivative contracts designated as cash flow hedges (December 31, 2021: \$101 million).

Net Investment Hedges

Brookfield Infrastructure uses foreign exchange contracts and foreign currency denominated debt instruments to manage its foreign currency exposures arising from net investments in foreign operations having a functional currency other than the U.S. dollar. For the three and nine-month periods ended September 30, 2022, gains of \$158 million and \$280 million, respectively (2021: gains of \$54 million and \$13 million) were recorded in other comprehensive income relating to the hedges of net investments in foreign operations. Further, for the three and nine-month periods ended September 30, 2022, Brookfield Infrastructure received \$89 million and \$113 million, respectively (2021: paid \$8 million and \$25 million) relating to the settlement of foreign exchange contracts in the period. As of September 30, 2022, there was a net unrealized derivative asset balance of \$171 million relating to derivative contracts designated as net investment hedges (December 31, 2021: liability balance of \$31 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 partnership'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 Brookfield Infrastructure's financial assets and financial liabilities:

US\$ MILLIONS	Fair value hierarchy	September 30, 2022	December 31, 2021
Marketable securities	Level 1 ⁽¹⁾	\$ 74	\$ 179
Foreign currency forward contracts	Level 2 ⁽²⁾		
Financial asset		\$ 442	\$ 104
Financial liability		49	98
Interest rate swaps & other	Level 2 ⁽²⁾		
Financial asset		\$ 1,386	\$ 882
Financial liability		146	307
Other contracts	Level 3 ⁽³⁾		
Financial asset		\$ 54	\$ 6
Financial liability		92	96

1. Valuation technique: Quoted bid prices in an active market.

2. 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.

3. Valuation technique: Discounted cash flow. Future cash flows primarily driven by assumptions concerning the amount and timing of estimated future cash flow.

During the three and nine-month periods ended September 30, 2022, no transfers were made between level 1 and 2 or level 2 and 3.

8. PROPERTY, PLANT AND EQUIPMENT

US\$ MILLIONS	Utilities	Transport	Midstream	Data	Total
Balance at January 1, 2021	\$ 9,289	\$ 8,697	\$ 4,321	\$ 8,593	\$ 30,900
Additions, net of disposals	478	434	423	429	1,764
Acquisitions through business combinations ⁽¹⁾	180	134	9,865	—	10,179
Assets held by subsidiaries disposed during the period ⁽²⁾	(2,300)	(15)	—	—	(2,315)
Non-cash additions (disposals) ⁽³⁾	34	(107)	88	(532)	(517)
Net foreign currency exchange differences	(116)	(145)	165	(166)	(262)
Balance at December 31, 2021	\$ 7,565	\$ 8,998	\$ 14,862	\$ 8,324	\$ 39,749
Additions, net of disposals	340	421	588	493	1,842
Acquisitions through business combinations ⁽¹⁾	107	—	—	33	140
Non-cash disposals	(155)	(7)	(4)	(42)	(208)
Assets reclassified as held for sale ⁽⁴⁾	—	(8)	—	—	(8)
Net foreign currency exchange differences	(1,003)	(614)	(1,272)	(652)	(3,541)
Balance at September 30, 2022	\$ 6,854	\$ 8,790	\$ 14,174	\$ 8,156	\$ 37,974
Accumulated depreciation:					
Balance at January 1, 2021	\$ (1,613)	\$ (1,404)	\$ (356)	\$ (263)	\$ (3,636)
Depreciation expense	(352)	(481)	(270)	(419)	(1,522)
Disposals	19	9	17	—	45
Assets held by subsidiaries disposed during the period ⁽²⁾	663	12	—	—	675
Non-cash disposals	—	140	3	45	188
Net foreign currency exchange differences	11	56	(16)	8	59
Balance at December 31, 2021	\$ (1,272)	\$ (1,668)	\$ (622)	\$ (629)	\$ (4,191)
Depreciation expense	(237)	(347)	(310)	(292)	(1,186)
Disposals	12	—	—	—	12
Assets reclassified as held for sale	—	4	—	—	4
Non-cash disposals	—	29	6	32	67
Net foreign currency exchange differences	170	188	71	57	486
Balance at September 30, 2022	\$ (1,327)	\$ (1,794)	\$ (855)	\$ (832)	\$ (4,808)
Accumulated fair value adjustments:					
Balance at January 1, 2021	\$ 2,934	\$ 1,048	\$ 338	\$ —	\$ 4,320
Fair value adjustments	134	48	70	—	252
Net foreign currency exchange differences	(26)	(50)	—	—	(76)
Assets held by subsidiaries disposed during the period ⁽²⁾	(1,399)	—	—	—	(1,399)
Balance at December 31, 2021	\$ 1,643	\$ 1,046	\$ 408	\$ —	\$ 3,097
Net foreign currency exchange differences	(279)	(136)	(6)	—	(421)
Balance at September 30, 2022	\$ 1,364	\$ 910	\$ 402	\$ —	\$ 2,676
Net book value:					
December 31, 2021	\$ 7,936	\$ 8,376	\$ 14,648	\$ 7,695	\$ 38,655
September 30, 2022⁽⁵⁾	\$ 6,891	\$ 7,906	\$ 13,721	\$ 7,324	\$ 35,842

1. Refer to Note 6, Acquisition of Businesses, for further details.

2. Refer to Note 5, Disposition of Businesses, for further details.

3. Non-cash disposals within the data segment primarily relates to revisions to the purchase price allocation at our telecom tower operation in India.

4. Refer to Note 4, Assets and Liabilities Classified as Held for Sale, for further details.

5. Includes right-of-use assets of \$121 million in our utilities segment, \$962 million in our transport segment, \$346 million in our midstream segment and \$2,022 million in our data segment. Current lease liabilities of \$384 million have been included in accounts payable and other and non-current lease liabilities of \$3,027 million have been included in other liabilities in the Consolidated Statements of Financial Position.

The partnership'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, 2021. Brookfield Infrastructure determined fair value under the income method or on a depreciated replacement cost basis. The partnership's right-of-use assets recorded as property, plant, and equipment are measured using the cost model. Assets under development are revalued where fair value could be reliably measured.

9. INTANGIBLE ASSETS

US\$ MILLIONS	As of	
	September 30, 2022	December 31, 2021
Cost	\$ 13,169	\$ 15,785
Accumulated amortization	(1,720)	(1,571)
Total	\$ 11,449	\$ 14,214

Intangible assets are allocated to the following cash generating units, or group of cash generating units:

US\$ MILLIONS	As of	
	September 30, 2022	December 31, 2021
Brazilian regulated gas transmission operation	\$ 2,715	\$ 2,645
Canadian diversified midstream operation	2,185	2,536
North American rail operations	1,743	1,867
North American residential energy infrastructure operation	1,608	1,720
Brazilian electricity transmission operation ⁽¹⁾	—	1,366
Peruvian toll roads	985	976
Indian telecom tower operation	699	782
Indian toll roads ⁽¹⁾	—	658
U.K. telecom towers operation	392	480
U.K. port operation	239	289
Other ⁽²⁾	883	895
Total	\$ 11,449	\$ 14,214

1. Refer to Note 4, Assets and Liabilities Classified as Held for Sale, for further details.

2. Other intangibles are primarily comprised of customer contracts at our Australian port operation, Western Canadian natural gas gathering and processing operation, U.S. data center operation, Colombian natural gas transmission operation, natural gas operation in India and contracted order book at our U.K. regulated distribution operation.

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

US\$ MILLIONS	For the nine-month period ended September 30, 2022	For the 12-month period ended December 31, 2021
	Cost at beginning of the period	\$ 15,785
Additions through business combinations ⁽¹⁾	138	3,734
Additions, net of disposals	106	67
Assets held by subsidiaries disposed during the period ⁽²⁾	(2)	(957)
Assets reclassified as held for sale ⁽³⁾	(2,270)	—
Non-cash additions ⁽⁴⁾	105	271
Foreign currency translation	(693)	(563)
Ending Balance	\$ 13,169	\$ 15,785

1. Refer to Note 6, Acquisition of Businesses, for further details.

2. Refer to Note 5, Disposition of Businesses, for further details.

3. Refer to Note 4, Assets and Liabilities Classified as Held for Sale, for further details.

4. Non-cash additions for the nine-month period ended September 30, 2022 primarily relate to revisions to the purchase price allocation at our residential infrastructure operation in Germany.

The following table presents the accumulated amortization for Brookfield Infrastructure's intangible assets:

US\$ MILLIONS	For the nine-month period ended September 30, 2022	For the 12-month period ended December 31, 2021
Accumulated amortization at beginning of the period	\$ (1,571)	\$ (1,466)
Assets held by subsidiaries disposed during the period ⁽¹⁾	—	281
Non-cash additions, net of disposals	(3)	26
Assets reclassified as held for sale ⁽²⁾	210	—
Amortization	(430)	(514)
Disposals	1	—
Foreign currency translation	73	102
Ending Balance	\$ (1,720)	\$ (1,571)

1. Refer to Note 5, *Disposition of Businesses*, for further details.

2. Refer to Note 4, *Assets and Liabilities Classified as Held for Sale*, for further details.

10. INVESTMENTS IN ASSOCIATES AND JOINT VENTURES

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

US\$ MILLIONS	For the nine-month period ended September 30, 2022	For the 12-month period ended December 31, 2021
Balance at the beginning of the period	\$ 4,725	\$ 5,528
Share of earnings for the period	25	88
Foreign currency translation and other	(282)	(323)
Share of other comprehensive income	544	163
Distributions	(235)	(157)
Disposition of interest ^{(1),(7)}	(142)	(336)
Held for sale ⁽²⁾	—	(146)
Change in basis of accounting ^{(3),(4)}	—	(92)
Acquisitions ^{(5),(6),(8)}	864	—
Ending Balance^{(9),(10)}	\$ 5,499	\$ 4,725

1. In March 2021, Brookfield Infrastructure sold an effective 13% interest in its U.S. gas pipeline for net proceeds of \$412 million. Approximately \$125 million of the proceeds were used to repay a shareholder loan. On disposition, Brookfield Infrastructure recognized a gain on sale of approximately \$75 million in Other (expense) income (expense) in the Consolidated Statement of Operating Results. Based on our ownership interest and governance rights retained, our partnership will continue to equity account for this investment in the midstream segment.

2. In December 2021, a subsidiary of Brookfield Infrastructure agreed to the sale of its 50% interest in a freehold landlord port in Victoria, Australia. The transaction is subject to regulatory approval. The subsidiary is expected to receive net proceeds of approximately \$0.3 billion.

3. On February 26, 2021, Brookfield Infrastructure exercised its option to acquire an additional 15% interest in Jose Maria de Macedo de Eletricidade S.A. ("JMM"), a Brazilian electricity transmission operation, increasing Brookfield Infrastructure's ownership in JMM to 31%. As a result of governance rights obtained, Brookfield Infrastructure consolidated JMM effective February 26, 2021. Refer to Note 6, *Acquisition of Businesses*, for further details.

4. On December 24, 2021, Brookfield Infrastructure, alongside institutional partners, exercised its option to acquire an additional 15% interest in Giovanni Sanguinetti Transmissora de Energia S.A. ("Sanguinetti") and Veredas Transmissora de Electricidade S.A. ("Veredas"), which are both Brazilian electricity transmission operations, increasing Brookfield Infrastructure's ownership in both operations to 31%. As a result of governance rights obtained, Brookfield Infrastructure consolidated Sanguinetti and Veredas as of December 24, 2021. Refer to Note 6, *Acquisition of Businesses*, for further details.

5. On February 16, 2022, Brookfield Infrastructure acquired an approximate 8% interest in AusNet Services Ltd., an Australian regulated utility, for total equity consideration of approximately \$0.5 billion.

6. On April 1, 2022, Brookfield Infrastructure acquired a 13% interest in an Australian smart meter business, for total equity consideration of approximately \$215 million.

7. On June 13, 2022, Brookfield Infrastructure sold an effective 49% interest in its North American container terminal operation for net proceeds of \$275 million. On disposition, Brookfield Infrastructure recognized a gain on sale of approximately \$125 million and income tax expense of approximately \$50 million in the Consolidated Statements of Operating Results. \$142 million of revaluation gains (net of tax) were reclassified from accumulated other comprehensive income directly to retained earnings and recorded within Other items on the Consolidated Statements of Partnership Capital.

8. On August 4, 2022, Brookfield Infrastructure acquired an approximate 13% interest in an Australian data transmission business, for total consideration of \$193 million.

9. Subsequent to quarter-end, our New Zealand data distribution business completed the sale of a portfolio of telecom towers which generated net proceeds of approximately \$140 million to the partnership.

10. The closing balance includes a shareholder loan of \$375 million receivable from our U.S. gas pipeline (2021: \$375 million).

The following table represents the carrying value of our partnership's investments in associates and joint ventures:

US\$ MILLIONS	As of	
	September 30, 2022	December 31, 2021
Utilities	\$ 869	\$ 230
Transport	1,954	2,317
Midstream	1,050	1,052
Data	1,180	1,087
Corporate	446	39
Ending Balance	\$ 5,499	\$ 4,725

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

US\$ MILLIONS	As of			
	September 30, 2022		December 31, 2021	
Financial position:				
Total assets	\$ 67,057	\$	52,969	
Total liabilities	(38,621)		(31,731)	
Net assets	\$ 28,436	\$	21,238	
	For the three-month period ended September 30		For the nine-month period ended September 30	
	2022	2021	2022	2021
Financial performance:				
Total revenue	\$ 5,790	\$ 3,950	\$ 16,261	\$ 11,812
Total net income for the period	311	558	1,212	1,404
Brookfield Infrastructure's share of net income before reclassification	5	24	25	114
Reclassification of previously recognized foreign currency movements	—	—	—	(13)
Brookfield Infrastructure's share of net income	\$ 5	\$ 24	\$ 25	\$ 101

11. BORROWINGS

a) Corporate Borrowings

Brookfield Infrastructure has a \$2.1 billion senior unsecured revolving credit facility used for general working capital purposes including acquisitions. The \$2.1 billion is available on a revolving basis for the full term of the facility. All amounts outstanding under this facility will be repayable on June 29, 2027. All obligations of Brookfield Infrastructure under the facility are guaranteed by our partnership. Loans under this facility accrue interest at a floating rate based on LIBOR plus 1.2%. Brookfield Infrastructure is required to pay an unused commitment fee under the facility of 13 basis points per annum. As at September 30, 2022, draws on the credit facility were \$845 million (December 31, 2021: \$nil) and \$15 million of letters of credit were issued (December 31, 2021: \$12 million).

	Maturity ⁽²⁾	Annual Rate ⁽²⁾	Currency	As of	
				September 30, 2022	December 31, 2021
Corporate revolving credit facility	June 29, 2027	LIBOR plus 1.2%	US\$	\$ 845	\$ —
Commercial paper	October 25, 2022	3.4%	US\$	422	431
Non-current:					
Medium-term notes ⁽¹⁾ :					
Public - Canadian	February 22, 2024	3.3%	C\$	217	237
Public - Canadian	February 22, 2024	3.3%	C\$	289	317
Public - Canadian	September 11, 2028	4.2%	C\$	506	554
Public - Canadian	October 9, 2029	3.4%	C\$	506	554
Public - Canadian	September 1, 2032	2.9%	C\$	362	396
Public - Canadian	April 25, 2034	5.4%	C\$	289	—
Public - Canadian	April 25, 2052	5.8%	C\$	145	—
Subordinated notes ⁽¹⁾ :					
Public - U.S.	May 24, 2081	5.0%	US\$	250	250
				3,831	2,739
Deferred financing costs and other				(21)	(20)
Total				\$ 3,810	\$ 2,719

1. Refer to Note 13, *Subsidiary Public Issuers*, for further details.

2. Maturity and annual rate associated with our commercial paper program represents a weighted average of all outstanding obligations as of September 30, 2022.

Brookfield Infrastructure has entered into a \$1 billion revolving credit facility with Brookfield to provide additional liquidity for general corporate purposes and capital expenditures, if required. The revolving credit facility automatically renews for eight consecutive one-year terms, which would result in the facility ultimately maturing in February 2027. Brookfield has the option to terminate the agreement prior to April 14 each year by providing Brookfield Infrastructure with a written notice. Loans under this facility accrued interest on LIBOR plus 1.8% and no commitment fees were incurred for any undrawn balance. As of September 30, 2022, there were no (2021: \$nil) borrowings outstanding.

On November 14, 2022, Brookfield Infrastructure Finance ULC issued C\$700 million of medium-term notes in two tranches: C\$450 million maturing on November 14, 2027 with a coupon of 5.616% per annum and C\$250 million maturing on February 14, 2033 with a coupon of 5.980% per annum.

On April 25, 2022, Brookfield Infrastructure Finance ULC issued C\$600 million of medium-term notes in two tranches: C\$400 million maturing on April 25, 2034 with a coupon of 5.439% per annum and C\$200 million maturing on April 25, 2052 with a coupon of 5.789% per annum, and \$3 million of debt issuance costs were incurred.

On May 24, 2021, Brookfield Infrastructure Finance ULC issued \$250 million of subordinated notes maturing May 24, 2081, with a coupon of 5.0% and \$6 million of debt issuance costs were incurred.

On February 24, 2021, Brookfield Infrastructure established a U.S. commercial paper program under which a subsidiary of our partnership may issue unsecured commercial paper notes up to a maximum aggregate amount outstanding at any time of \$500 million. Proceeds from the commercial paper issuances are supplemented by our corporate credit facilities. As of September 30, 2022, there were \$422 million of borrowings outstanding (2021: \$431 million).

The increase in corporate borrowings during the nine-month period ended September 30, 2022 is primarily attributable to net draws on our corporate credit facility of \$845 million and the issuance of \$474 million of medium-term notes, partially offset by the impact of foreign exchange.

b) Non-Recourse Borrowings

US\$ MILLIONS	As of	
	September 30, 2022	December 31, 2021
Current	\$ 3,284	\$ 2,701
Non-current	21,998	23,833
Total	\$ 25,282	\$ 26,534

Non-recourse borrowings decreased as compared to December 31, 2021 due to \$1.1 billion of borrowings reclassified to held for sale and the impact of foreign exchange, partially offset by net borrowings of \$1.6 billion.

12. CAPITAL MANAGEMENT

Our partnership's approach to capital management is focused on maximizing returns to unitholders and ensuring capital is deployed in a manner consistent with achieving our investment return objectives.

Invested Capital, which tracks the amount of capital that has been contributed to our partnership, is a measure we utilize to assess returns on capital deployed, relative to targeted returns. Investment decisions are based on, amongst other measures and factors, targeted returns on Invested Capital of 12% to 15% annually over the long term. We measure return on Invested Capital as Adjusted Funds from Operations ("AFFO"), less estimated returns of capital on operations that are not perpetual in nature, divided by the weighted average Invested Capital for the period.

We define AFFO as FFO less capital expenditures required to maintain the current performance of our operations (maintenance capital expenditures). We define Invested Capital as partnership capital removing the impact of the following items: non-controlling interest in operating subsidiaries, retained earnings or deficit, accumulated other comprehensive income and ownership changes.

US\$ MILLIONS	As of	
	September 30, 2022	December 31, 2021
Partnership Capital	\$ 25,054	\$ 26,391
Remove impact of the following items since inception:		
Non-controlling interest - in operating subsidiaries	(15,108)	(15,658)
Deficit	3,107	2,520
Accumulated other comprehensive income	(259)	(543)
Ownership changes and other	(515)	(515)
Invested Capital	\$ 12,279	\$ 12,195

The following table presents the change in Invested Capital during the three and nine-month periods ended September 30, 2022 and 2021:

US\$ MILLIONS	For the three-month period ended September 30		For the nine-month period ended September 30	
	2022	2021	2022	2021
	Opening balance	\$ 12,276	\$ 9,413	\$ 12,195
Net (redemption) issuance of preferred units	—	(186)	(220)	8
Issuance of BIPC exchangeable shares	—	1,140	—	1,140
Issuance of BIPC exchangeable LP units	—	256	—	256
Issuance of perpetual subordinated notes	—	—	293	—
Issuance of limited partnership units	3	3	11	9
Ending balance	\$ 12,279	\$ 10,626	\$ 12,279	\$ 10,626
Weighted Average Invested Capital⁽¹⁾	\$ 12,276	\$ 10,025	\$ 12,266	\$ 9,602

1. For the purposes of calculating Weighted Average Invested Capital for the nine-month period ended September 30, 2022, redemption of preferred units and issuance of perpetual subordinated notes of \$220 million and \$293 million, respectively, were assumed to have been completed concurrently in January of 2022.

13. SUBSIDIARY PUBLIC ISSUERS

An indenture dated as of October 10, 2012 between certain wholly-owned subsidiaries of our partnership, Brookfield Infrastructure Finance ULC, Brookfield Infrastructure Finance LLC, Brookfield Infrastructure Finance Pty Ltd and Brookfield Infrastructure Finance Limited (collectively, the “Co-Issuers”), and Computershare Trust Company of Canada, as supplemented and amended from time to time (“Indenture”) provides for the issuance of one or more series of unsecured notes of the Co-Issuers.

An indenture dated as of May 24, 2021, between Brookfield Infrastructure Finance ULC, our partnership and its subsidiaries, Brookfield Infrastructure L.P. (the “Holding LP”), Brookfield Infrastructure Holdings (Canada) Inc., Brookfield Infrastructure US Holdings I Corporation, BIP Bermuda Holdings I Limited (collectively, the “BIP Guarantors”), BIPC Holdings Inc. (“BIPC Holdings”), Computershare Trust Company of Canada and Computershare Trust Company, N.A., as supplemented and amended from time to time (the “U.S. Indenture”) provides for the issuance of one or more series of unsecured notes of Brookfield Infrastructure Finance ULC.

On November 14, 2022, the Co-Issuers issued C\$700 million of medium-term notes under the Indenture in two tranches in the Canadian bond market: C\$450 million maturing November 14, 2027 with a coupon of 5.616% and C\$250 million maturing February 14, 2033 with a coupon of 5.980%. These medium-term notes are fully and unconditionally guaranteed by the BIP Guarantors and BIPC Holdings.

On April 25, 2022, the Co-Issuers issued C\$600 million of medium-term notes under the Indenture in two tranches in the Canadian bond market: C\$400 million maturing April 25, 2034 with a coupon of 5.439%, and C\$200 million maturing April 25, 2052 with a coupon of 5.789%. These medium-term notes are fully and unconditionally guaranteed by the BIP Guarantors and BIPC Holdings.

On May 24, 2021, Brookfield Infrastructure Finance ULC issued \$250 million of subordinated unsecured notes under the U.S. Indenture maturing May 24, 2081 in the U.S. with a coupon of 5.0% (the “subordinated notes”). The subordinated notes are guaranteed, on a subordinated basis, as to payment of principal, premium (if any) and interest and certain other amounts by the BIP Guarantors and BIPC Holdings. The subordinated notes, including any accrued and unpaid interest thereon, will be exchanged automatically, without the consent or action of the holders thereof, into units of a newly-issued series of Class A preferred limited partnership units of the partnership, being class A preferred limited partnership units, Series 15, upon the occurrence of certain bankruptcy-related events.

The BIP Guarantors will also fully and unconditionally guarantee the payment obligations of Brookfield Infrastructure Preferred Equity Inc. (“Pref Finco” and collectively with the Co-Issuers, the “Fincos”) in respect of any Class A preference shares issued to the public by the Pref Finco, if and when issued.

A base shelf prospectus of BIP Investment Corporation (“BIPIC”) dated as of December 11, 2020 provides for the issuance of one or more series of senior preferred shares of BIPIC. The BIP Guarantors and BIPC Holdings will fully and unconditionally guarantee the payment obligations of BIPIC in respect of any senior preferred shares issued by BIPIC under the prospectus.

Each of the Fincos and BIPIC are subsidiaries of our partnership. In the tables below, information relating to the Fincos has been combined. The Fincos have not guaranteed the obligations of BIPIC, nor has BIPIC guaranteed the obligations of the Fincos.

BIPC Holdings has also fully and unconditionally guaranteed the payment obligations of the partnership in respect of certain of the partnership’s currently outstanding cumulative class A preferred limited partnership units and may guarantee the payment obligations of the partnership in respect of additional cumulative class A preferred limited partnership units issued to the public, if and when issued.

The following tables set forth consolidated summary financial information for our partnership, the Fincos, BIPIC and BIPC Holdings:

FOR THE THREE-MONTH PERIOD ENDED SEPTEMBER 30, 2022 US\$ MILLIONS	Our partnership ⁽²⁾	The Fincos	BIPIC	BIPC Holdings	Subsidiaries of our partnership other than the Fincos, BIPIC, and BIPC Holdings ⁽³⁾	Consolidating adjustments ⁽⁴⁾	Our partnership consolidated
Revenues	\$ —	\$ —	\$ —	\$ —	\$ —	\$ 3,627	\$ 3,627
Net income (loss) attributable to partnership ⁽¹⁾	32	—	—	—	113	(32)	113
FOR THE THREE-MONTH PERIOD ENDED SEPTEMBER 30, 2021							
Revenues	\$ —	\$ —	\$ —	\$ —	\$ —	\$ 2,939	\$ 2,939
Net income (loss) attributable to partnership ⁽¹⁾	225	—	—	45	368	(225)	413
FOR THE NINE-MONTH PERIOD ENDED SEPTEMBER 30, 2022 US\$ MILLIONS							
Revenues	\$ —	\$ —	\$ —	\$ —	\$ —	\$ 10,719	\$ 10,719
Net income (loss) attributable to partnership ⁽¹⁾	108	—	—	—	359	(108)	359
FOR THE NINE-MONTH PERIOD ENDED SEPTEMBER 30, 2021							
Revenues	\$ —	\$ —	\$ —	\$ —	\$ —	\$ 8,285	\$ 8,285
Net income (loss) attributable to partnership ⁽¹⁾	506	—	—	180	775	(506)	955
AS OF SEPTEMBER 30, 2022							
Current assets	\$ —	\$ —	\$ —	\$ —	\$ —	\$ 7,426	\$ 7,426
Non-current assets	6,411	—	1,047	3,043	8,724	45,309	64,534
Current liabilities	—	—	197	—	—	9,486	9,683
Non-current liabilities	—	2,543	—	128	—	34,552	37,223
Non-controlling interests							
Redeemable Partnership Units held by Brookfield	—	—	—	—	—	2,186	2,186
BIPC exchangeable shares	—	—	—	—	—	1,250	1,250
Exchangeable units ⁽⁵⁾	—	—	—	—	—	71	71
Perpetual subordinated notes	—	—	—	—	—	293	293
In operating subsidiaries	—	—	—	—	—	15,108	15,108
Preferred unitholders	—	—	—	—	—	918	918
AS OF DECEMBER 31, 2021							
Current assets	\$ —	\$ —	\$ —	\$ —	\$ —	\$ 4,896	\$ 4,896
Non-current assets	6,840	—	1,045	2,373	9,835	48,972	69,065
Current liabilities	—	—	232	—	—	8,429	8,661
Non-current liabilities	—	2,288	—	—	—	36,621	38,909
Non-controlling interests							
Redeemable Partnership Units held by Brookfield	—	—	—	—	—	2,408	2,408
BIPC exchangeable shares	—	—	—	—	—	1,369	1,369
Exchangeable units ⁽⁵⁾	—	—	—	—	—	85	85
In operating subsidiaries	—	—	—	—	—	15,658	15,658
Preferred unitholders	—	—	—	—	—	1,138	1,138

1. Includes net income attributable to limited partners, the general partner, non-controlling interests - Redeemable Partnership Units held by Brookfield, non-controlling interests - Exchange LP units, non-controlling interests - BIPC exchangeable LP units and non-controlling interests - BIPC exchangeable shares.
2. Includes investments in all subsidiaries of our partnership under the equity method.
3. Includes investments in all other subsidiaries of the Holding LP, Brookfield Infrastructure Holdings (Canada) Inc., Brookfield Infrastructure US Holdings I Corporation and BIP Bermuda Holdings I Limited under the equity method.
4. Includes elimination of intercompany transactions and balances necessary to present our partnership on a consolidated basis.
5. Includes non-controlling interest attributable to Exchange LP units and BIPC exchangeable LP units.

14. REVENUE

The following table disaggregates revenues by our operating segments:

US\$ MILLIONS	For the three-month period ended September 30		For the nine-month period ended September 30	
	2022	2021	2022	2021
Utilities	\$ 1,350	\$ 1,171	\$ 3,912	\$ 3,491
Midstream	942	443	2,851	996
Transport	891	909	2,659	2,628
Data	444	416	1,297	1,170
Total	\$ 3,627	\$ 2,939	\$ 10,719	\$ 8,285

Substantially all of our partnership's revenues are recognized over time as services are rendered.

The following table disaggregates revenues by geographical region:

US\$ MILLIONS	For the three-month period ended September 30		For the nine-month period ended September 30	
	2022	2021	2022	2021
Canada	\$ 1,113	\$ 620	\$ 3,338	\$ 1,455
U.S.	707	628	1,993	2,012
India	490	467	1,438	1,272
Brazil	407	302	1,176	870
U.K.	382	374	1,181	1,130
Colombia	232	220	682	648
Australia	164	161	503	458
New Zealand	28	34	84	90
Peru	27	24	83	70
Chile	—	41	—	118
Other	77	68	241	162
Total	\$ 3,627	\$ 2,939	\$ 10,719	\$ 8,285

Brookfield Infrastructure's customer base is comprised predominantly of investment grade companies. Our revenues are well diversified by region and counterparty with only one customer making up greater than 10% of our partnership's consolidated revenues. For the three and nine-month periods ended September 30, 2022, revenues generated from this customer within the utilities and data segments were \$394 million and \$1.2 billion, respectively (2021: \$371 million and \$1 billion). Our partnership has completed a review of the credit risk of key counterparties. Based on their liquidity position, business performance, and aging of our accounts receivable, we do not have any significant changes in expected credit losses at this time. Our partnership continues to monitor the credit risk of our counterparties in light of the current economic environment.

15. 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 nine-month periods ended September 30, 2022, and 2021. Comparative figures have been reclassified to conform to the current period's presentation.

<u>US\$ MILLIONS</u>	<u>For the three-month period ended September 30</u>		<u>For the nine-month period ended September 30</u>	
	<u>2022</u>	<u>2021</u>	<u>2022</u>	<u>2021</u>
Depreciation and amortization	\$ 520	\$ 525	\$ 1,616	\$ 1,486
Compensation	412	383	1,269	1,122
Fuel, transportation, and distribution costs	418	397	1,226	1,138
Cost of inventory	715	367	2,122	798
Utilities	128	124	365	339
Other direct operating costs	397	336	1,210	989
Total	\$ 2,590	\$ 2,132	\$ 7,808	\$ 5,872

16. PARTNERSHIP CAPITAL

As at September 30, 2022, our partnership's capital structure was comprised of three classes of partnership units: limited partnership units, preferred units and general partnership units. Limited partnership units entitle the holder to their proportionate share of distributions. Preferred units entitle the holder to cumulative preferential cash distributions in accordance with their terms. General partnership units entitle the holder to the right to govern the financial and operating policies of our partnership. The Holding LP's capital structure is composed of four classes of partnership units: special general partner units, Holding LP Class A preferred units, managing general partner units and redeemable partnership units held by Brookfield.

On June 10, 2022, Brookfield Infrastructure completed a three-for-two stock split of BIP units, BIPC exchangeable shares, Exchange LP Units, and BIPC exchangeable LP units, by way of a subdivision whereby unitholders/shareholders received an additional one-half of a unit/share for each unit/share held. Brookfield Infrastructure's preferred units were not affected by the stock split. All historical unit and share counts, as well as per unit/share disclosures have been adjusted to effect for the change in units due to the stock split.

(a) Special General and Limited Partnership Capital

UNITS MILLIONS	Special General Partner Units		Limited Partnership Units		Total	
	As of and for the nine-month period ended Sept. 30, 2022	As of and for the 12-month period ended Dec. 31, 2021	As of and for the nine-month period ended Sept. 30, 2022	As of and for the 12-month period ended Dec. 31, 2021	As of and for the nine-month period ended Sept. 30, 2022	As of and for the 12-month period ended Dec. 31, 2021
Opening balance	2.4	2.4	457.9	443.1	460.3	445.5
Issued for cash	—	—	0.3	14.6	0.3	14.6
Conversion from Exchange LP Units	—	—	—	0.1	—	0.1
Conversion from BIPC exchangeable shares	—	—	—	0.1	—	0.1
Ending balance	2.4	2.4	458.2	457.9	460.6	460.3

Weighted average number of special general partner units outstanding for the three and nine-month periods ended September 30, 2022 were 2.4 million (2021: 2.4 million). The weighted average number of limited partnership units outstanding for the three and nine-month periods ended September 30, 2022 was 458.2 million and 458.0 million, respectively (2021: 443.4 million and 443.3 million).

US\$ MILLIONS	Special General Partner		Limited Partners		Total	
	As of and for the nine-month period ended Sept. 30, 2022	As of and for the 12-month period ended Dec. 31, 2021	As of and for the nine-month period ended Sept. 30, 2022	As of and for the 12-month period ended Dec. 31, 2021	As of and for the nine-month period ended Sept. 30, 2022	As of and for the 12-month period ended Dec. 31, 2021
Opening balance	\$ 19	\$ 19	\$ 6,074	\$ 5,526	\$ 6,093	\$ 5,545
Unit issuance	—	—	11	545	11	545
Conversion from Exchange LP Units	—	—	3	2	3	2
Conversion from BIPC exchangeable shares	—	—	1	1	1	1
Ending balance	\$ 19	\$ 19	\$ 6,089	\$ 6,074	\$ 6,108	\$ 6,093

In November 2021, Brookfield Infrastructure issued 14.3 million units at \$39.10 per unit in public offerings in the U.S. and Canada. In total, \$556 million of gross proceeds were raised through the issuance and \$23 million in equity issuance costs were incurred. Concurrently, Brookfield Infrastructure issued approximately 10.7 million Redeemable Partnership Units at the public offering price, net of commissions, to Brookfield for additional proceeds of \$400 million.

As a result of the issuances during 2021, inclusive of equity raised as part of the IPL acquisition, equity was reallocated between limited partners, the general partner, non-controlling interests - Redeemable Partnership Units held by Brookfield, non-controlling interests - Exchange LP units, non-controlling interests - BIPC exchangeable LP units, and non-controlling interests - BIPC exchangeable shares to reflect the difference between the ratio in which the unit/shareholders participated in the issuance and their original economic interest in the partnership. The resulting impacts were recognized as ownership changes within the Consolidated Statements of Partnership Capital. Amounts in accumulated other comprehensive income (loss) were also ratably allocated.

In June 2010, we implemented a distribution reinvestment plan (the “Plan”) that allows eligible holders of our partnership to purchase additional units by reinvesting their cash distributions. Under the Plan, units are acquired at a price per unit calculated by reference to the volume weighted average of the trading price for our units on the New York Stock Exchange for the five trading days immediately preceding the relevant distribution date. During the nine-month period ending September 30, 2022, our partnership issued 0.3 million units for proceeds of \$11 million (2021: 0.3 million units for proceeds of \$9 million).

(b) Non-controlling interest – Redeemable Partnership Units held by Brookfield

<u>UNITS MILLIONS</u>	Non-controlling interest – Redeemable Partnership Units held by Brookfield	
	As of and for the nine-month period ended Sept. 30, 2022	As of and for the 12-month period ended Dec. 31, 2021
Opening balance	193.6	182.9
Issued for cash	—	10.7
Ending balance	193.6	193.6

In November 2021, Brookfield Infrastructure issued 10.7 million Redeemable Partnership Units to Brookfield for proceeds of \$400 million. The weighted average number of Redeemable Partnership Units outstanding for both the three and nine-month periods ended September 30, 2022 was 193.6 million (2021: 182.9 million).

<u>US\$ MILLIONS</u>	Non-controlling interest – Redeemable Partnership Units held by Brookfield	
	As of and for the nine-month period ended Sept. 30, 2022	As of and for the 12-month period ended Dec. 31, 2021
Opening balance	\$ 2,728	\$ 2,328
Unit issuance	—	400
Ending balance	\$ 2,728	\$ 2,728

(c) Non-controlling interest – BIPC exchangeable shares

<u>SHARES MILLIONS</u>	Non-controlling interest – BIPC exchangeable shares	
	As of and for the nine-month period ended Sept. 30, 2022	As of and for the 12-month period ended Dec. 31, 2021
Opening balance	110.0	67.4
Share issuance	—	3.2
Issued in conjunction with the acquisition of Inter Pipeline	—	39.0
Conversion to units	—	(0.2)
Conversion from BIPC Exchangeable LP Units	0.3	0.6
Ending balance	110.3	110.0

<u>US\$ MILLIONS</u>	Non-controlling interest – BIPC shares	
	As of and for the nine-month period ended Sept. 30, 2022	As of and for the 12-month period ended Dec. 31, 2021
Opening balance	\$ 1,755	\$ (19)
Share issuance	—	1,770
Conversion to limited partnership units	(1)	(1)
Conversion from BIPC Exchangeable LP Units	3	5
Ending balance	\$ 1,757	\$ 1,755

In November 2021, BIPC, a subsidiary of our partnership issued 3.2 million BIPC exchangeable shares at \$41.73 per share in public offerings in the U.S. and Canada. In total, \$134 million of gross proceeds were raised through the issuance and \$6 million in equity issuance costs were incurred.

In October 2021, BIPC issued 12.2 million BIPC exchangeable shares for a fair value of \$502 million in connection with the acquisition of our Canadian diversified midstream operation. Refer to Note 6, *Acquisition of Business*, for further details.

During August and September 2021, BIPC issued 26.9 million BIPC exchangeable shares for a fair value of \$1,140 million in connection with the acquisition of our Canadian diversified midstream operation. Refer to Note 6, *Acquisition of Businesses*, for further details.

During the nine-month period ended September 30, 2022, BIPC exchangeable shareholders exchanged less than 0.3 million BIPC exchangeable shares for \$1 million of our units (2021: less than 0.1 million for less than \$1 million).

(d) Non-controlling interest – Exchangeable Units

UNITS MILLIONS	Non-controlling interest – Exchangeable units	
	As of and for the nine-month period ended Sept. 30, 2022	As of and for the 12-month period ended Dec. 31, 2021
Opening balance	6.9	1.5
Issuance of BIPC exchangeable LP units	—	6.2
Conversion to BIPC exchangeable shares	(0.3)	(0.6)
Conversion to limited partnership units	—	(0.2)
Ending balance⁽¹⁾	6.6	6.9

US\$ MILLIONS	Non-controlling interest – Exchangeable units	
	As of and for the nine-month period ended Sept. 30, 2022	As of and for the 12-month period ended Dec. 31, 2021
Opening balance	\$ 408	\$ 156
Issuance of BIPC exchangeable LP units	—	259
Conversion to BIPC exchangeable shares	(3)	(5)
Conversion to limited partnership units	(3)	(2)
Ending balance⁽¹⁾	\$ 402	\$ 408

1. Includes non-controlling interest attributable to Exchange LP unitholders and BIPC exchangeable LP unitholders.

During August, September and October 2021, BIPC Exchange LP, a subsidiary of our partnership, issued 6.2 million BIPC Exchangeable LP Units for a fair value of \$259 million in connection with the acquisition of our Canadian diversified midstream operation. Refer to Note 6, *Acquisition of Businesses* for further detail.

During the nine-month period ended September 30, 2022, Exchange LP unitholders exchanged less than 0.1 million Exchange LP units for \$3 million of our units (2021: 0.1 million for less than \$1.0 million).

During the nine-month period ended September 30, 2022, BIPC Exchangeable LP unitholders exchanged 0.3 million BIPC exchangeable LP units for \$3 million of BIPC exchangeable shares. (2021: 0.2 million for less than \$2.0 million).

(e) Non-controlling interest - Perpetual Subordinated Notes

UNITS MILLIONS	Perpetual Subordinated Notes	
	As of and for the nine-month period ended Sept. 30, 2022	As of and for the 12-month period ended Dec. 31, 2021
Opening balance	\$ —	\$ —
Issued for cash	293	—
Ending balance	\$ 293	\$ —

On January 21, 2022, our partnership issued 12 million fixed rate perpetual subordinated notes, at \$25 per unit, with a fixed coupon rate of 5.125% annually. In total, \$293 million net proceeds were raised. The notes do not have a fixed maturity date and are not redeemable at the option of the holders, therefore the notes are classified as non-controlling interest. The perpetual subordinated notes also provide Brookfield Infrastructure, at its discretion, the right to defer the interest (in whole or in part) indefinitely.

(f) Preferred Unitholders' Capital

UNITS MILLIONS	Preferred Units	
	As of and for the nine-month period ended Sept. 30, 2022	As of and for the 12-month period ended Dec. 31, 2021
Opening balance	55.9	57.9
Issued for cash	—	8.0
Repurchased and cancelled	(12.0)	(10.0)
Ending balance	43.9	55.9

US\$ MILLIONS	Preferred Units	
	As of and for the nine-month period ended Sept. 30, 2022	As of and for the 12-month period ended Dec. 31, 2021
Opening balance	\$ 1,138	\$ 1,130
Unit issuance	—	194
Repurchased and cancelled	(220)	(186)
Ending balance	\$ 918	\$ 1,138

On March 31, 2022, our partnership redeemed all of its outstanding Cumulative Class A Preferred Limited Partnership Units, Series 7, for \$243 million. Losses on redemption of \$23 million were recognized directly in equity.

On September 30, 2021, our partnership redeemed all of its outstanding Cumulative Class A Preferred Limited Partnership Units, Series 5, for \$206 million. Losses on redemption of \$20 million were recognized directly in equity.

On January 21, 2021, our partnership issued 8 million Series 14 Preferred Units, at \$25 per unit, with a quarterly fixed distribution of 5.00% annually. In total, \$200 million of gross proceeds were raised and \$6 million in underwriting and issuance costs were incurred. Net proceeds of the issuance were used to finance or refinance eligible green projects following criteria outlined by the International Capital Markets Association.

17. DISTRIBUTIONS

The following table outlines distributions made to each class of partnership units, including BIPC exchangeable shares and Exchange LP units that are exchangeable into units, as well as BIPC exchangeable LP units that are exchangeable into BIPC exchangeable shares:

US\$ MILLIONS EXCEPT PER UNIT INFORMATION	For the three-month period ended September 30			
	2022		2021	
	Total	Per Unit	Total	Per Unit
Limited Partners	\$ 165	\$ 0.36	\$ 151	\$ 0.34
General Partner ⁽¹⁾	61		53	
Non-controlling interest attributable to:				
Redeemable Partnership Units held by Brookfield	69	0.36	61	0.34
BIPC exchangeable shares	40	0.36	32	0.34
Exchangeable units ⁽²⁾	3	0.36	3	0.34
Preferred unitholders	12	0.27	18	0.27
Perpetual subordinated notes	4	0.21	—	—
Total Distributions	\$ 354		\$ 318	

US\$ MILLIONS EXCEPT PER UNIT INFORMATION	For the nine-month period ended September 30			
	2022		2021	
	Total	Per Unit	Total	Per Unit
Limited Partners	\$ 495	\$ 1.08	\$ 453	\$ 1.02
General Partner ⁽¹⁾	183		153	
Non-controlling interest attributable to:				
Redeemable Partnership Units held by Brookfield	207	1.08	185	1.02
BIPC exchangeable shares	120	1.08	78	1.02
Exchangeable units ⁽²⁾	9	1.08	5	1.02
Preferred unitholders	39	0.80	52	0.79
Perpetual subordinated notes	12	0.63	—	—
Total Distributions	\$ 1,065		\$ 926	

1. Distributions to the General Partner include \$60 million and \$180 million of incentive distributions for the three and nine-month periods ended September 30, 2022, respectively (2021: \$52 million and \$152 million).
2. Includes non-controlling interest attributable to Exchange LP units and BIPC exchangeable LP units.

18. ACCUMULATED OTHER COMPREHENSIVE INCOME (LOSS)

a) Attributable to Limited Partners

US\$ MILLIONS	Revaluation surplus	Foreign currency translation	Net investment hedges	Cash flow hedges	Marketable securities	Unrealized actuarial losses	Equity accounted investments	Accumulated other comprehensive income
Balance at January 1, 2022	\$ 673	\$ (1,463)	\$ 27	\$ 56	\$ 125	\$ (10)	\$ 915	\$ 323
Other comprehensive income (loss)	11	(561)	101	39	—	1	322	(87)
Other items ⁽¹⁾	—	—	—	—	—	—	(86)	(86)
Balance at September 30, 2022	\$ 684	\$ (2,024)	\$ 128	\$ 95	\$ 125	\$ (9)	\$ 1,151	\$ 150

US\$ MILLIONS	Revaluation surplus	Foreign currency translation	Net investment hedges	Cash flow hedges	Marketable securities	Unrealized actuarial losses	Equity accounted investments	Accumulated other comprehensive income (loss)
Balance at January 1, 2021	\$ 1,015	\$ (1,562)	\$ 37	\$ (14)	\$ 39	\$ (36)	\$ 973	\$ 452
Other comprehensive (loss) income ⁽²⁾	(50)	(146)	2	37	98	5	42	(12)
Issuance of BIPC exchangeable shares ⁽⁴⁾	(99)	231	(6)	12	(10)	4	(137)	(5)
Other items ^{(3),(4)}	(265)	—	—	—	—	—	—	(265)
Balance at September 30, 2021	\$ 601	\$ (1,477)	\$ 33	\$ 35	\$ 127	\$ (27)	\$ 878	\$ 170

b) Attributable to General Partner

US\$ MILLIONS	Revaluation surplus	Foreign currency translation	Net investment hedges	Cash flow hedges	Marketable securities	Unrealized actuarial losses	Equity accounted investments	Accumulated other comprehensive income
Balance at January 1, 2022	\$ 4	\$ (8)	\$ —	\$ —	\$ 1	\$ —	\$ 5	\$ 2
Other comprehensive (loss) income	—	(2)	—	—	—	—	2	—
Balance at September 30, 2022	\$ 4	\$ (10)	\$ —	\$ —	\$ 1	\$ —	\$ 7	\$ 2

US\$ MILLIONS	Revaluation surplus	Foreign currency translation	Net investment hedges	Cash flow hedges	Marketable securities	Unrealized actuarial losses	Equity accounted investments	Accumulated other comprehensive income
Balance at January 1, 2021	\$ 7	\$ (12)	\$ 2	\$ 1	\$ —	\$ —	\$ 5	\$ 3
Other comprehensive income	—	(1)	—	—	—	—	—	(1)
Issuance of BIPC exchangeable shares ⁽⁴⁾	(3)	4	(2)	(1)	1	—	—	(1)
Balance at September 30, 2021	\$ 4	\$ (9)	\$ —	\$ —	\$ 1	\$ —	\$ 5	\$ 1

c) Attributable to Non-controlling interest – Redeemable Partnership Units held by Brookfield

US\$ MILLIONS	Revaluation surplus	Foreign currency translation	Net investment hedges	Cash flow hedges	Marketable securities	Unrealized actuarial losses	Equity accounted investments	Accumulated other comprehensive income
Balance at January 1, 2022	\$ 283	\$ (616)	\$ 12	\$ 24	\$ 53	\$ (6)	\$ 387	\$ 137
Other comprehensive income (loss)	5	(236)	42	16	—	—	137	(36)
Other items ⁽¹⁾	—	—	—	—	—	—	(36)	(36)
Balance at September 30, 2022	\$ 288	\$ (852)	\$ 54	\$ 40	\$ 53	\$ (6)	\$ 488	\$ 65

US\$ MILLIONS	Revaluation surplus	Foreign currency translation	Net investment hedges	Cash flow hedges	Marketable securities	Unrealized actuarial losses	Equity accounted investments	Accumulated other comprehensive income (loss)
Balance at January 1, 2021	\$ 438	\$ (647)	\$ 17	\$ (9)	\$ 13	\$ (12)	\$ 409	\$ 209
Other comprehensive (loss) income ⁽²⁾	(20)	(61)	1	15	40	2	17	(6)
Issuance of BIPC exchangeable shares ⁽⁴⁾	(61)	95	(3)	8	—	(1)	(64)	(26)
Other items ^{(3),(4)}	(109)	—	—	—	—	—	—	(109)
Balance at September 30, 2021	\$ 248	\$ (613)	\$ 15	\$ 14	\$ 53	\$ (11)	\$ 362	\$ 68

d) Attributable to Non-controlling interest – BIPC exchangeable shares

US\$ MILLIONS	Revaluation surplus	Foreign currency translation & other	Net investment hedges	Cash flow hedges	Marketable securities	Unrealized actuarial losses	Equity accounted investments	Accumulated other comprehensive income
Balance at January 1, 2022	\$ 161	\$ (351)	\$ 7	\$ 13	\$ 30	\$ (2)	\$ 219	\$ 77
Other comprehensive income (loss)	3	(132)	24	9	—	—	78	(18)
Other items ⁽¹⁾	—	—	—	—	—	—	(20)	(20)
Balance at September 30, 2022	\$ 164	\$ (483)	\$ 31	\$ 22	\$ 30	\$ (2)	\$ 277	\$ 39

US\$ MILLIONS	Revaluation surplus	Foreign currency translation & other	Net investment hedges	Cash flow hedges	Marketable securities	Unrealized actuarial losses	Equity accounted investments	Accumulated other comprehensive income
Balance at January 1, 2021	\$ 27	\$ 28	\$ (6)	\$ 22	\$ 5	\$ (3)	\$ (11)	\$ 62
Other comprehensive (loss) income ⁽²⁾	(8)	(26)	1	5	15	—	8	(5)
Issuance of BIPC exchangeable shares ⁽⁴⁾	155	(308)	11	(20)	8	(3)	189	32
Other items ^{(3),(4)}	(42)	—	—	—	—	—	—	(42)
Balance at September 30, 2021	\$ 132	\$ (306)	\$ 6	\$ 7	\$ 28	\$ (6)	\$ 186	\$ 47

e) Attributable to Non-controlling interest – Exchangeable units⁽⁶⁾

US\$ MILLIONS	Revaluation surplus	Foreign currency translation	Net investment hedges	Cash flow hedges	Marketable securities	Unrealized actuarial losses	Equity accounted investments	Accumulated other comprehensive income
Balance at January 1, 2022	\$ 10	\$ (24)	\$ 1	\$ 1	\$ 1	\$ —	\$ 15	\$ 4
Other comprehensive (loss) income	—	(7)	1	—	—	—	5	(1)
Balance at September 30, 2022	\$ 10	\$ (31)	\$ 2	\$ 1	\$ 1	\$ —	\$ 20	\$ 3

US\$ MILLIONS	Revaluation surplus	Foreign currency translation	Net investment hedges	Cash flow hedges	Marketable securities	Unrealized actuarial losses	Equity accounted investments	Accumulated other comprehensive income
Balance at January 1, 2021	\$ 4	\$ (1)	\$ —	\$ —	\$ —	\$ —	\$ 2	\$ 5
Issuance of BIPC exchangeable shares ⁽⁵⁾	8	(21)	—	1	1	—	12	1
Balance at September 30, 2021	\$ 12	\$ (22)	\$ —	\$ 1	\$ 1	\$ —	\$ 14	\$ 6

- In relation to the disposition of a 49% interest in its North American container terminal operation, \$142 million of accumulated other comprehensive income (net of tax) of revaluation surplus gains were reclassified from accumulated other comprehensive income directly to retained earnings and recorded within Other items on the Consolidated Statements of Partnership Capital. Refer to Note 10, Investments in Associates and Joint Ventures, for further details.
- On May 24, 2021, Finance Bill 2021 in the U.K. became substantively enacted. As a result, effective April 2023, the U.K. tax rate will increase from 19% to 25%. During the three and nine-month periods ended September 30, 2021, net income and accumulated other comprehensive income included \$178 million and \$90 million of deferred tax expenses, respectively, related to the rate change.
- In relation to the disposition of a 25% interest in our Canadian district energy operation, \$124 million of accumulated other comprehensive income (net of tax) of revaluation surplus gains were reclassified from accumulated other comprehensive income directly to retained earnings and recorded within Other items on the Consolidated Statements of Partnership Capital. Refer to Note 5, Disposition of Businesses, for further details.
- In relation to the disposition of our smart meters business in the U.K., \$142 million of accumulated other comprehensive income (net of tax) of revaluation surplus gains were reclassified from accumulated other comprehensive income directly to retained earnings and recorded within Other items on the Consolidated Statements of Partnership Capital. Refer to Note 5, Disposition of Businesses, for further details.
- In relation to the issuance of BIPC exchangeable shares and BIPC exchangeable LP units, accumulated other comprehensive income was reallocated between all components of equity. Refer to Note 16, Partnership Capital, for further details.
- Includes non-controlling interest attributable to Exchange LP units and BIPC exchangeable LP units.

19. RELATED PARTY TRANSACTIONS

In the normal course of operations, Brookfield Infrastructure entered into the transactions below with related parties. The immediate parent of Brookfield Infrastructure is our partnership. The ultimate parent of Brookfield Infrastructure is Brookfield. Other related parties of Brookfield Infrastructure represent its subsidiary and operating entities.

Throughout the year, the General Partner, in its capacity as our partnership's general partner, incurs director fees, a portion of which are charged at cost to our partnership in accordance with our limited partnership agreement. Director fees of less than \$1 million were incurred during the three and nine-month periods ended September 30, 2022 (2021: less than \$1 million for the three and nine-month periods).

Since inception, Brookfield Infrastructure has had a management agreement (the "Master Services Agreement") with certain service providers (the "Service Provider"), which are wholly-owned subsidiaries of Brookfield.

Pursuant to the Master Services Agreement, on a quarterly basis, Brookfield Infrastructure pays a base management fee, referred to as the Base Management Fee, to the Service Provider equal to 0.3125% per quarter (1.25% annually) of the market value of our partnership. The Base Management Fee was \$106 million and \$329 million, respectively, for the three and nine-month periods ended September 30, 2022 (2021: \$99 million and \$284 million). As of September 30, 2022, \$105 million was outstanding as payable to the Service Provider (December 31, 2021: \$108 million).

For purposes of calculating the Base Management Fee, the market value of our partnership is equal to the aggregate value of all the outstanding units of our partnership (assuming full conversion of Brookfield's Redeemable Partnership Units in the Holding LP into units of our partnership), preferred units and securities of the other Service Recipients (as defined in Brookfield Infrastructure's Master Services Agreement) 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.

As of September 30, 2022, Brookfield Infrastructure had a loan payable of \$21 million to a subsidiary of Brookfield (December 31, 2021: \$26 million). The loan is payable in full prior to the end of 2024 with an interest rate of 1.7%.

Brookfield Infrastructure, from time to time, will place deposits with, or receive deposits from, Brookfield. As at September 30, 2022, our net deposit from Brookfield was \$nil (December 31, 2021: \$nil) and Brookfield Infrastructure incurred interest expense of less than \$1 million and \$3 million for the three and nine-month periods ended September 30, 2022, respectively (2021: less than \$1 million and \$3 million). Deposits bear interest at market rates.

Brookfield Infrastructure has entered into a \$1 billion revolving credit facility with Brookfield to provide additional liquidity for general corporate purposes and capital expenditures, if required. As of September 30, 2022, there were no borrowings outstanding (December 31, 2021: \$nil).

As at September 30, 2022, Brookfield Infrastructure had approximately \$140 million of borrowings outstanding to subsidiaries and associates of Brookfield (December 31, 2021: \$51 million) and approximately \$1.0 billion of net payables to subsidiaries of Brookfield (December 31, 2021: \$0.6 billion).

Brookfield Infrastructure's subsidiaries provide heating, cooling, connection, port marine and natural gas services on market terms in the normal course of operations to subsidiaries and associates of Brookfield. For the three and nine-month periods ended September 30, 2022, revenues of less than \$1 million and \$4 million, respectively, were generated (2021: less than \$1 million and \$4 million).

Brookfield Infrastructure's subsidiaries purchase power, lease office space and obtain construction, consulting and engineering services in the normal course of operations on market terms from subsidiaries and associates of Brookfield. For the three and nine-month periods ended September 30, 2022, expenses of \$43 million and \$70 million, respectively, were incurred (2021: less than \$1 million for the three and nine-month periods, respectively).

In addition, subsidiaries of Brookfield Infrastructure reported lease assets and liabilities of \$12 million at September 30, 2022 (December 31, 2021: \$12 million) with a subsidiary of Brookfield.

Subsequent to quarter end, our partnership sold a portfolio of investments, which included partial interests in consolidated subsidiaries, with an approximate fair value of \$310 million to an affiliate of Brookfield in exchange for securities of equal value.