

Brookfield Infrastructure Partners L.P.

Interim Report Q3 2023

UNAUDITED INTERIM CONDENSED AND CONSOLIDATED FINANCIAL STATEMENTS

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

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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 Corporation (together with its affiliates other than Brookfield Infrastructure, “Brookfield”) has an approximate 26.0% economic interest in Brookfield Infrastructure on a fully exchanged basis. Brookfield Infrastructure has appointed Brookfield as its Service Providers 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, 2023	December 31, 2022
Assets			
Cash and cash equivalents	6	\$ 1,307	\$ 1,279
Financial assets	6	943	1,392
Accounts receivable and other	6	5,069	2,628
Inventory		490	531
Assets classified as held for sale		—	856
Current assets		7,809	6,686
Property, plant and equipment	7	46,981	37,291
Intangible assets	8	15,629	11,822
Investments in associates and joint ventures	9	5,046	5,325
Investment properties	5	3,972	700
Goodwill	5	14,124	8,789
Financial assets	6	840	721
Other assets	5	3,234	1,524
Deferred income tax asset		103	111
Total assets		<u>\$ 97,738</u>	<u>\$ 72,969</u>
Liabilities and Partnership Capital			
Liabilities			
Accounts payable and other	6	\$ 4,800	\$ 4,478
Corporate borrowings	6,10	1,497	464
Non-recourse borrowings	6,10	4,463	2,567
Financial liabilities	6	330	390
Liabilities directly associated with assets classified as held for sale		—	478
Current liabilities		11,090	8,377
Corporate borrowings	6,10	3,775	3,202
Non-recourse borrowings	6,10	34,383	24,000
Financial liabilities	6	2,249	1,677
Other liabilities		4,648	4,164
Deferred income tax liability		7,587	5,975
Preferred shares	6	20	20
Total liabilities		<u>63,752</u>	<u>47,415</u>
Partnership capital			
Limited partners	15	5,394	5,372
General partner	15	28	27
Non-controlling interest attributable to:			
Redeemable Partnership Units held by Brookfield	15	2,216	2,263
BIPC exchangeable shares	15	1,544	1,289
Exchangeable units ⁽¹⁾	15	73	72
Perpetual subordinated notes	15	293	293
Interest of others in operating subsidiaries		23,520	15,320
Preferred unitholders	15	918	918
Total partnership capital		<u>33,986</u>	<u>25,554</u>
Total liabilities and partnership capital		<u>\$ 97,738</u>	<u>\$ 72,969</u>

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	
		2023	2022	2023	2022
Revenues	13	\$ 4,487	\$ 3,627	\$ 12,961	\$ 10,719
Direct operating costs	7,8,14	(3,384)	(2,590)	(9,893)	(7,808)
General and administrative expenses		(100)	(109)	(312)	(338)
		1,003	928	2,756	2,573
Interest expense		(640)	(480)	(1,775)	(1,358)
Share of earnings from investments in associates and joint ventures	9	96	5	472	25
Mark-to-market gains	6	34	95	27	228
Other (expense) income		(99)	(54)	101	37
Income before income tax		394	494	1,581	1,505
Income tax (expense) recovery					
Current		(142)	(70)	(418)	(370)
Deferred		4	(63)	9	(55)
Net income		\$ 256	\$ 361	\$ 1,172	\$ 1,080
Attributable to:					
Limited partners		\$ 23	\$ 32	\$ 184	\$ 108
General partner		66	60	198	180
Non-controlling interest attributable to:					
Redeemable Partnership Units held by Brookfield		10	13	76	45
BIPC exchangeable shares		5	8	44	26
Exchangeable units ⁽¹⁾		—	—	3	—
Interest of others in operating subsidiaries		152	248	667	721
Basic and diluted income per limited partner unit:	15	\$ 0.03	\$ 0.05	\$ 0.34	\$ 0.17

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 COMPREHENSIVE INCOME

US\$ MILLIONS, UNAUDITED	Notes	For the three-month period ended September 30		For the nine-month period ended September 30	
		2023	2022	2023	2022
Net income		\$ 256	\$ 361	\$ 1,172	\$ 1,080
Other comprehensive income (loss):					
Items that will not be reclassified subsequently to profit or loss:					
Revaluation of asset retirement obligation		9	(7)	6	41
Unrealized actuarial (losses) gains		—	(6)	14	12
Taxes on the above items		(1)	—	(5)	—
Share of income from investments in associates and joint ventures	9	2	—	4	—
Tax impact of remeasurement of revaluation surplus and other		—	3	—	(12)
		10	(10)	19	41
Items that may be reclassified subsequently to profit or loss:					
Foreign currency translation		(746)	(1,418)	(3)	(2,169)
Cash flow hedge	6	55	132	(9)	582
Net investment hedge	6	15	158	(4)	280
Taxes on the above items		(36)	(52)	(28)	(166)
Share of income from investments in associates and joint ventures	9	190	396	37	544
		(522)	(784)	(7)	(929)
Total other comprehensive (loss) income		(512)	(794)	12	(888)
Comprehensive (loss) income		\$ (256)	\$ (433)	\$ 1,184	\$ 192
Attributable to:					
Limited partners		\$ (29)	\$ (49)	\$ 187	\$ 21
General partner		66	60	199	180
Non-controlling interest attributable to:					
Redeemable Partnership Units held by Brookfield		(12)	(22)	77	9
BIPC exchangeable shares		(8)	(10)	44	8
Exchangeable units ⁽¹⁾		(1)	(1)	3	(1)
Interest of others in operating subsidiaries		(272)	(411)	674	(25)

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, 2023 US\$ MILLIONS, UNAUDITED	Limited Partners					General partner	Non-controlling interest – Redeemable Partnership Units held by Brookfield	Non-controlling interest – BIPC exchangeable shares	Non-controlling interest – Exchangeable units ⁽⁵⁾	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								
Balance as at June 30, 2023	\$ 6,102	\$ (2,847)	\$ 1,456	\$ 518	\$ 5,229	\$ 26	\$ 2,195	\$ 1,254	\$ 68	\$ 18,640	\$ 293	\$ 918	\$ 28,623
Net income	—	23	—	—	23	66	10	5	—	152	—	—	256
Other comprehensive loss	—	—	—	(52)	(52)	—	(22)	(13)	(1)	(424)	—	—	(512)
Comprehensive income (loss)	—	23	—	(52)	(29)	66	(12)	(8)	(1)	(272)	—	—	(256)
Unit issuance ⁽²⁾	2	—	—	—	2	—	—	751	—	—	—	—	753
Partnership distributions ⁽³⁾	—	(175)	—	—	(175)	(67)	(75)	(42)	(2)	—	—	—	(361)
Partnership preferred distributions ⁽³⁾	—	(10)	—	—	(10)	—	(4)	(2)	—	—	—	—	(16)
Acquisition of subsidiaries ⁽⁴⁾	—	—	—	—	—	—	—	—	—	5,733	—	—	5,733
Subsidiary distributions to non-controlling interest	—	—	—	—	—	—	—	—	—	(518)	—	—	(518)
Other items ⁽²⁾	101	43	239	(6)	377	3	112	(409)	8	(63)	—	—	28
Balance as at September 30, 2023	<u>\$ 6,205</u>	<u>\$ (2,966)</u>	<u>\$ 1,695</u>	<u>\$ 460</u>	<u>\$ 5,394</u>	<u>\$ 28</u>	<u>\$ 2,216</u>	<u>\$ 1,544</u>	<u>\$ 73</u>	<u>\$ 23,520</u>	<u>\$ 293</u>	<u>\$ 918</u>	<u>\$ 33,986</u>

1. Refer to Note 17, Accumulated Other Comprehensive Income (Loss).
2. Refer to Note 15, Partnership Capital.
3. Refer to Note 16, Distributions.
4. Refer to Note 5, Acquisition of Businesses.
5. 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, UNAUDITED	Limited Partners					General partner	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								
Balance as at 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 17, Accumulated Other Comprehensive Income (Loss).
2. Refer to Note 15, Partnership Capital.
3. Refer to Note 16, 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 NINE-MONTH PERIOD ENDED SEPTEMBER 30, 2023 US\$ MILLIONS, UNAUDITED	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 ⁽⁶⁾	Non-controlling interest – in operating subsidiaries	Non-controlling interest – Perpetual subordinated notes	Preferred unitholders capital	
Balance as at December 31, 2022	\$ 6,092	\$ (2,657)	\$ 1,456	\$ 481	\$ 5,372	\$ 27	\$ 2,263	\$ 1,289	\$ 72	\$ 15,320	\$ 293	\$ 918	\$ 25,554
Net income	—	184	—	—	184	198	76	44	3	667	—	—	1,172
Other comprehensive income	—	—	—	3	3	1	1	—	—	7	—	—	12
Comprehensive income	—	184	—	3	187	199	77	44	3	674	—	—	1,184
Unit issuance ^{(2),(4)}	10	—	—	—	10	—	—	751	—	—	—	—	761
Partnership distributions ⁽³⁾	—	(525)	—	—	(525)	(201)	(224)	(126)	(7)	—	—	—	(1,083)
Partnership preferred distributions ⁽³⁾	—	(29)	—	—	(29)	—	(12)	(6)	—	—	—	—	(47)
Acquisition of subsidiaries ⁽⁴⁾	—	—	—	—	—	—	—	—	—	9,522	—	—	9,522
Disposition of subsidiaries ⁽⁵⁾	—	—	—	—	—	—	—	—	—	(372)	—	—	(372)
Subsidiary distributions to non- controlling interest	—	—	—	—	—	—	—	—	—	(1,561)	—	—	(1,561)
Other items ⁽²⁾	103	61	239	(24)	379	3	112	(408)	5	(63)	—	—	28
Balance as at September 30, 2023	\$ 6,205	\$ (2,966)	\$ 1,695	\$ 460	\$ 5,394	\$ 28	\$ 2,216	\$ 1,544	\$ 73	\$ 23,520	\$ 293	\$ 918	\$ 33,986

1. Refer to Note 17, Accumulated Other Comprehensive Income (Loss).
2. Refer to Note 15, Partnership Capital.
3. Refer to Note 16, Distributions.
4. Refer to Note 5, Acquisition of Businesses.
5. Refer to Note 4, Disposition of Businesses.
6. 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 NINE-MONTH PERIOD ENDED SEPTEMBER 30, 2022 US\$ MILLIONS, UNAUDITED	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 – Exchangeable units ⁽⁶⁾	Non-controlling interest – in operating subsidiaries	Non-controlling interest – Perpetual subordinated notes	Preferred unitholders capital	Total partners' capital
Balance as at December 31, 2021	\$ 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⁾	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 ⁽²⁾	—	—	—	—	—	—	—	—	—	—	293	—	293
Other items ^{(1),(4),(5)}	4	86	—	(86)	4	—	—	—	(4)	—	—	—	—
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 17, Accumulated Other Comprehensive Income (Loss).
2. Refer to Note 15, Partnership Capital.
3. Refer to Note 16, Distributions.
4. Refer to Note 4, Disposition of Businesses.
5. Refer to Note 5, Acquisition of Businesses.
6. 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 CASH FLOWS

US\$ MILLIONS, UNAUDITED	Notes	For the three-month period ended September 30		For the nine-month period ended September 30	
		2023	2022	2023	2022
Operating Activities					
Net income		\$ 256	\$ 361	\$ 1,172	\$ 1,080
Adjusted for the following items:					
Earnings from investments in associates and joint ventures, net of distributions received	9	30	64	191	210
Depreciation and amortization expense	7,8,14	669	520	1,946	1,616
Mark-to-market, provisions and other	6	156	(64)	48	(243)
Deferred income tax (recovery) expense		(4)	63	(9)	55
Changes in non-cash working capital, net		(7)	(268)	(761)	(573)
Cash from operating activities		<u>1,100</u>	<u>676</u>	<u>2,587</u>	<u>2,145</u>
Investing Activities					
Acquisition of subsidiaries, net of cash acquired	5	(5,970)	(296)	(10,747)	(338)
Disposal of subsidiaries, net of cash disposed	4	—	25	602	25
Investments in associates and joint ventures	9	—	(193)	(702)	(864)
Disposal of investments in associates and joint ventures	9	435	—	1,107	275
Purchase of long-lived assets	7,8	(621)	(769)	(1,691)	(2,103)
Disposal of long-lived assets	7,8	5	8	79	29
Purchase of financial assets		(39)	(139)	(382)	(521)
Sale of financial assets		108	147	627	548
Net settlement of foreign exchange hedging items	6	2	89	2	113
Other investing activities		(54)	—	(722)	—
Cash used by investing activities		<u>(6,134)</u>	<u>(1,128)</u>	<u>(11,827)</u>	<u>(2,836)</u>
Financing Activities					
Distributions to general partner	16	(67)	(61)	(201)	(183)
Distributions to other unitholders	16	(310)	(293)	(929)	(882)
Subsidiary distributions to non-controlling interest		(518)	(201)	(1,561)	(525)
Capital provided by non-controlling interest	15	4,908	—	8,618	293
Capital provided to non-controlling interest		—	—	(423)	—
Disposal of partial interest to non-controlling interest, net of taxes		124	—	124	—
Proceeds from corporate borrowings	10	513	—	513	474
Net proceeds from (repayment of) commercial paper program	10	40	156	517	(8)
Proceeds from corporate credit facility	10	1,799	679	4,856	2,881
Repayment of corporate credit facility	10	(1,700)	(342)	(4,276)	(2,036)
Proceeds from non-recourse borrowings	10	3,472	1,377	10,053	4,777
Repayment of non-recourse borrowings	10	(2,695)	(1,160)	(6,730)	(3,167)
Settlement of deferred consideration		—	(118)	—	(1,155)
Net preferred units redeemed	15	—	—	—	(243)
Partnership units issued	15	2	3	10	11
Lease liability repaid		(67)	—	(189)	—
Other financing activities		(478)	323	(1,137)	233
Cash from financing activities		<u>5,023</u>	<u>363</u>	<u>9,245</u>	<u>470</u>
Cash and cash equivalents					
Change during the period		(11)	(89)	5	(221)
Cash reclassified as assets held for sale		—	(101)	(6)	(131)
Impact of foreign exchange on cash		(62)	(58)	29	(1)
Balance, beginning of period		1,380	1,301	1,279	1,406
Balance, end of period		<u>\$ 1,307</u>	<u>\$ 1,053</u>	<u>\$ 1,307</u>	<u>\$ 1,053</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, 2023 AND DECEMBER 31, 2022 AND

FOR THE THREE AND NINE-MONTH PERIODS ENDED SEPTEMBER 30, 2023 AND 2022

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 Corporation (“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. MATERIAL ACCOUNTING POLICY INFORMATION

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, 2022. The accounting policies that our partnership applied in its annual consolidated financial statements as of and for the year-ended December 31, 2022 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 13, 2023.

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 judgment are consistent with those reported in our consolidated financial statements as of and for the year-ended December 31, 2022. As disclosed in our 2022 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.

c) Recently adopted accounting standards

Brookfield Infrastructure applied, for the first time, certain new standards applicable to our partnership that became effective January 1, 2023. The impact of these amendments on our partnership's accounting policies are as follows:

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

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

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

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

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 gains (losses) 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.

FOR THE THREE-MONTH PERIOD ENDED SEPTEMBER 30, 2023 US\$ MILLIONS	Total attributable to Brookfield Infrastructure						Contribution from investments in associates	Attributable to non-controlling interest	As per IFRS financials ⁽¹⁾
	Utilities	Transport	Midstream	Data	Corporate	Total			
Revenues	\$ 681	\$ 530	\$ 407	\$ 167	\$ —	\$ 1,785	\$ (514)	\$ 3,216	\$ 4,487
Costs attributed to revenues ⁽²⁾	(336)	(237)	(164)	(58)	—	(795)	184	(2,104)	(2,715)
General and administrative expenses	—	—	—	—	(100)	(100)	—	—	(100)
Other (expense) income	(32)	(2)	(4)	(3)	53	12	13	(72)	(47)
Interest expense	(84)	(86)	(76)	(40)	(56)	(342)	92	(390)	(640)
FFO	229	205	163	66	(103)	560			
Depreciation and amortization expense						(356)	119	(432)	(669)
Deferred taxes						(26)	4	26	4
Mark-to-market and other						(74)	6	(92)	(160)
Share of earnings from associates						—	96	—	96
Net income attributable to non-controlling interest						—	—	(152)	(152)
Net income attributable to partnership ⁽³⁾						\$ 104	\$ —	\$ —	\$ 104

FOR THE THREE-MONTH PERIOD ENDED SEPTEMBER 30, 2022 US\$ MILLIONS	Total attributable to Brookfield Infrastructure						Contribution from investments in associates	Attributable to non-controlling interest	As per IFRS financials ⁽¹⁾
	Utilities	Transport	Midstream	Data	Corporate	Total			
Revenues	\$ 480	\$ 499	\$ 383	\$ 151	\$ —	\$ 1,513	\$ (624)	\$ 2,738	\$ 3,627
Costs attributed to revenues ⁽²⁾	(196)	(221)	(157)	(63)	—	(637)	309	(1,742)	(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 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

FOR THE NINE-MONTH PERIOD ENDED SEPTEMBER 30, 2023 US\$ MILLIONS	Total attributable to Brookfield Infrastructure						Contribution from investments in associates	Attributable to non-controlling interest	As per IFRS financials ⁽¹⁾
	Utilities	Transport	Midstream	Data	Corporate	Total			
Revenues	\$ 1,986	\$ 1,559	\$ 1,308	\$ 533	\$ —	\$ 5,386	\$ (1,629)	\$ 9,204	\$ 12,961
Costs attributed to revenues ⁽²⁾	(991)	(711)	(563)	(204)	—	(2,469)	605	(6,083)	(7,947)
General and administrative expenses	—	—	—	—	(312)	(312)	—	—	(312)
Other (expense) income	(85)	(8)	(17)	(2)	138	26	35	(236)	(175)
Interest expense	(249)	(244)	(206)	(119)	(147)	(965)	280	(1,090)	(1,775)
FFO	661	596	522	208	(321)	1,666			
Depreciation and amortization expense						(1,046)	356	(1,256)	(1,946)
Deferred taxes						(49)	6	52	9
Mark-to-market and other						(66)	(125)	76	(115)
Share of earnings from associates						—	472	—	472
Net income attributable to non-controlling interest						—	—	(667)	(667)
Net income attributable to partnership ⁽³⁾						\$ 505	\$ —	\$ —	\$ 505

FOR THE NINE-MONTH PERIOD ENDED SEPTEMBER 30, 2022 US\$ MILLIONS	Total attributable to Brookfield Infrastructure						Contribution from investments in associates	Attributable to non-controlling interest	As per IFRS financials ⁽¹⁾
	Utilities	Transport	Midstream	Data	Corporate	Total			
Revenues	\$ 1,404	\$ 1,485	\$ 1,217	\$ 448	\$ —	\$ 4,554	\$ (1,812)	\$ 7,977	\$ 10,719
Costs attributed to revenues ⁽²⁾	(580)	(682)	(539)	(194)	—	(1,995)	907	(5,104)	(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 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

- 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.
- Costs attributed to revenues exclude depreciation and amortization expense. Refer to Note 14, Direct Operating Costs, for further details.
- 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:

		Total Attributable to Brookfield Infrastructure								
AS OF SEPTEMBER 30, 2023 US\$ MILLIONS	Utilities	Transport	Midstream	Data	Corporate	Total	Contribution from investments in associates	Attributable to non-controlling interest	Working capital adjustment and other	As per IFRS financials ⁽¹⁾
Total assets	\$ 8,593	\$ 11,551	\$ 9,665	\$ 6,236	\$ (1,855)	\$34,190	\$ (5,697)	\$ 60,215	\$ 9,030	\$ 97,738

		Total Attributable to Brookfield Infrastructure								
AS OF DECEMBER 31, 2022 US\$ MILLIONS	Utilities	Transport	Midstream	Data	Corporate	Total	Contribution from investments in associates	Attributable to non-controlling interest	Working capital adjustment and other	As per IFRS financials ⁽¹⁾
Total assets	\$ 7,337	\$ 8,333	\$ 9,747	\$ 4,002	\$ (1,208)	\$28,211	\$ (5,434)	\$ 41,327	\$ 8,865	\$ 72,969

- 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. DISPOSITION OF BUSINESSES

Dispositions Completed in 2023

a) Partial disposition of our Indian telecom tower operation

During the third quarter of 2023, our partnership sold a portion of its interest in our Indian telecom tower operation. The sale resulted in net proceeds of approximately \$35 million to the partnership (Indian telecom tower operation consortium of approximately \$124 million). Our partnership recognized a gain on sale of approximately \$20 million directly in equity in the Consolidated Statement of Partnership Capital.

b) Disposition of our Indian toll roads operation

On June 15, 2023, Brookfield Infrastructure, alongside institutional partners (collectively, the “Indian toll roads consortium”) completed the sale of its interest in its Indian toll roads operation. The sale resulted in net proceeds of approximately \$180 million (Indian toll road consortium total of approximately \$600 million). Our partnership recognized a gain on sale of approximately \$100 million (Indian toll roads consortium total of approximately \$340 million) in other income (expense) on the Consolidated Statement of Operating Results.

Dispositions Completed in 2022

a) Disposition of our Brazilian electricity transmission operation

On November 30, 2022, Brookfield Infrastructure completed the sale of its approximate 31% interest in five Brazilian electricity transmission concessions. The sale resulted in net proceeds of approximately \$250 million. Our partnership recognized a gain of approximately \$40 million in other income (expense) on the Consolidated Statement of Operating Results. The partnership’s share of losses relating to previous foreign exchange movements of \$9 million were reclassified from accumulated other comprehensive income to other income (expense) on the Consolidated Statements of Operating Results.

5. ACQUISITION OF BUSINESSES

Acquisitions Completed in 2023

(a) Acquisition of a Global Intermodal Logistics Operation

On September 28, 2023, Brookfield Infrastructure, through its subsidiary Brookfield Infrastructure Corporation (“BIPC”) and alongside institutional partners (the “Triton consortium”) completed the acquisition of Triton International Limited (“Triton”), the world’s largest owner and lessor of intermodal shipping containers, for consideration of \$1.2 billion (Triton consortium - \$4.5 billion). The partnership has an effective 28% interest in Triton. Concurrently, BIPC entered into a voting agreement with an affiliate of Brookfield, providing BIPC the right to direct the relevant activities of the entity, thereby providing BIPC with control. Accordingly, Brookfield Infrastructure consolidated the entity effective September 28, 2023. Acquisition costs of approximately \$49 million were recorded as other income (expense) within the Consolidated Statement of Operating Results.

Consideration Transferred:

US\$ MILLIONS	
Cash	\$ 350
BIPC exchangeable shares	751
Pre-existing interest in the business	55
Total consideration	<u>\$ 1,156</u>

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

US\$ MILLIONS	
Cash and cash equivalents	\$ 491
Accounts receivable and other ⁽²⁾	1,862
Property, plant and equipment	8,754
Intangible assets	750
Goodwill	1,192
Accounts payable and other liabilities	(408)
Non-recourse borrowings	(7,041)
Deferred income tax liabilities	(447)
Net assets acquired before non-controlling interest	<u>5,153</u>
Non-controlling interest ⁽³⁾	<u>(3,997)</u>
Net assets acquired	<u>\$ 1,156</u>

- 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.*
- Accounts receivable and other primarily comprised of finance lease receivables, trade receivables, and other financial assets.*
- Non-controlling interest includes \$641 million of preferred equity instruments transferred as part of the acquisition, remaining balance represents the interest not acquired by Brookfield Infrastructure, measured at fair value at the acquisition dates.*

The goodwill recorded on acquisition is largely reflective of Triton’s potential to achieve fleet growth over time, supported by underlying global economic growth and expansion of the services we provide and markets we operate in. The goodwill recognized is not deductible for income tax purposes.

(b) Acquisition of a European Hyperscale Data Center Platform

On August 1, 2023, Brookfield Infrastructure, alongside institutional partners (the “Data4 consortium”) completed the acquisition of Data4 Group (“Data4”), a high-quality hyperscale data center platform across Europe, for consideration of \$0.6 billion (Data4 consortium - \$3 billion). The partnership has an effective 19% interest in Data4. 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 1, 2023. Acquisition costs of approximately \$24 million were recorded as other income (expense) within the Consolidated Statement of Operating Results.

Consideration Transferred:

US\$ MILLIONS

Cash	\$ 566
Total consideration	\$ 566

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

US\$ MILLIONS

Cash and cash equivalents	\$ 189
Accounts receivable and other	298
Property, plant and equipment	35
Investment properties	3,341
Intangible assets	6
Goodwill	720
Accounts payable and other liabilities	(260)
Non-recourse borrowings	(845)
Deferred income tax liabilities	(436)
Net assets acquired before non-controlling interest	3,048
Non-controlling interest ⁽²⁾	(2,482)
Net assets acquired	\$ 566

- 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 investment properties, 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.*

The goodwill recorded on acquisition is largely reflective of potential capacity and customer growth, arising from the business’ position as one of the leading data storage providers in Europe, and the increasing rate of global data consumption. The goodwill recognized is not deductible for income tax purposes.

(c) Partial acquisition of interest in our U.K. Residential Infrastructure operation

On September 6, 2023, Brookfield Infrastructure, alongside institutional partners, acquired an additional 25% interest (Brookfield Infrastructure's share - approximately 6%) in our U.K residential operation, increasing our ownership of the business to approximately 21%. Total consideration paid was approximately \$30 million.

(d) Acquisition of Brazilian electricity transmission operation

On May 2, 2023, Brookfield Infrastructure, alongside institutional partners (the "Sertaneja consortium"), exercised its option to acquire an additional 15% interest in Transmissora Sertaneja de Electricidade S.A. ("Sertaneja"), a Brazilian electricity transmission operation, for \$35 million (Sertaneja consortium - \$114 million), increasing Brookfield Infrastructure's effective ownership in Sertaneja to 31% (Sertaneja consortium total of 100%). Prior to May 2, 2023, our partnership's existing interest in Sertaneja was accounted for using the equity method.

Consideration Transferred:

US\$ MILLIONS	
Cash	\$ 35
Pre-existing interest in businesses	35
Total consideration	\$ 70

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

US\$ MILLIONS	
Cash and cash equivalents	\$ 36
Accounts receivable and other	9
Intangible assets	477
Goodwill	25
Accounts payable and other liabilities	(44)
Non-recourse borrowings	(192)
Deferred income tax liabilities	(83)
Net assets acquired before non-controlling interest	228
Non-controlling interest ⁽²⁾	(158)
Net assets acquired	\$ 70

- 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 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.*

(e) Acquisition of a North American and European residential decarbonization infrastructure business

On January 4, 2023, Brookfield Infrastructure, alongside institutional partners (the “HomeServe consortium”), completed the acquisition of HomeServe PLC (“HomeServe”), a residential decarbonization infrastructure business operating in North America and Europe. Total consideration paid was \$1.2 billion (HomeServe consortium - \$4.9 billion). The partnership has an effective 26% and 25% interest in HomeServe’s North American and European businesses, respectively. 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 January 4, 2023. Acquisition costs of approximately \$55 million were recorded as other income (expense) within the Consolidated Statement of Operating Results.

Consideration Transferred:

US\$ MILLIONS	
Cash	\$ 1,249
Total consideration	<u>\$ 1,249</u>

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

US\$ MILLIONS	
Cash and cash equivalents	\$ 205
Accounts receivable and other	827
Property, plant and equipment	118
Intangible assets	2,827
Goodwill	3,338
Accounts payable and other liabilities	(792)
Non-recourse borrowings	(1,006)
Deferred income tax liabilities	(613)
Net assets acquired before non-controlling interest	<u>4,904</u>
Non-controlling interest ⁽²⁾	<u>(3,655)</u>
Net assets acquired	<u>\$ 1,249</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 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.*

During the measurement period, the partnership recorded a measurement adjustment of approximately \$0.8 billion resulting in a decrease in the fair value of its intangible assets acquired which primarily comprised of customer relationship assets. The acquired customer relationship assets were valued with inputs of revenue growth rates, customer attrition rates, and a discount rate determined using a capital asset pricing model.

The goodwill recorded on acquisition is largely reflective of HomeServe’s potential to grow its customer base in under-penetrated markets and the ability to leverage operating synergies with our existing residential decarbonization infrastructure platform. The goodwill recognized is not deductible for income tax purposes.

Supplemental Information

Had the acquisition of Triton, Data4, Sertaneja and HomeServe been effective January 1, 2023, the revenue and net income of Brookfield Infrastructure would have increased by approximately \$1,412 million and \$387 million, respectively, for the nine-month period ended September 30, 2023.

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 2022

(a) Individually insignificant business combinations

In 2022, 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), a 30% interest in five North American residential infrastructure businesses for approximately \$90 million (acquisition consortium total of \$315 million for a 100% interest), and an approximately 24% interest in a U.K. telecom tower portfolio for approximately \$40 million (consolidated total of approximately \$160 million for a 100% interest).

Consideration Transferred:

US\$ MILLIONS	
Cash	\$ 123
Equity consideration ⁽¹⁾	21
Contingent consideration	17
Total consideration	\$ 161

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	24
Property, plant and equipment	161
Intangible assets	302
Goodwill	278
Accounts payable and other liabilities	(54)
Non-recourse borrowings	(51)
Deferred income tax liabilities	(18)
Net assets acquired before non-controlling interest	648
Non-controlling interest ⁽²⁾	(487)
Net assets acquired	\$ 161

- 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.

6. 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 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, 2023:

US\$ MILLIONS

Financial Instrument Classification

MEASUREMENT BASIS	Fair value through profit or loss	Fair value through OCI	Amortized Cost	Total
Financial assets				
Cash and cash equivalents	\$ —	\$ —	\$ 1,307	\$ 1,307
Accounts receivable and other	—	—	6,562	6,562
Financial assets (current and non-current) ⁽¹⁾	1,670	20	93	1,783
Total	\$ 1,670	\$ 20	\$ 7,962	\$ 9,652
Financial liabilities				
Corporate borrowings	\$ —	\$ —	\$ 5,272	\$ 5,272
Non-recourse borrowings (current and non-current)	—	—	38,846	38,846
Accounts payable and other	—	—	3,709	3,709
Financial liabilities (current and non-current) ⁽¹⁾	299	—	2,280	2,579
Lease liabilities	—	—	3,608	3,608
Preferred shares ⁽²⁾	—	—	20	20
Total	\$ 299	\$ —	\$ 53,735	\$ 54,034

- Derivative instruments which are elected for hedge accounting totaling \$783 million are included in financial assets and \$137 million of derivative instruments are included in financial liabilities.
- \$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, 2022:

US\$ MILLIONS

Financial Instrument Classification

MEASUREMENT BASIS	Fair value through profit or loss	Fair value through OCI	Amortized Cost	Total
Financial assets				
Cash and cash equivalents	\$ —	\$ —	\$ 1,279	\$ 1,279
Accounts receivable and other	—	—	3,475	3,475
Financial assets (current and non-current) ⁽¹⁾	2,012	46	55	2,113
Total	\$ 2,012	\$ 46	\$ 4,809	\$ 6,867
Financial liabilities				
Corporate borrowings	\$ —	\$ —	\$ 3,666	\$ 3,666
Non-recourse borrowings (current and non-current)	—	—	26,567	26,567
Accounts payable and other	—	—	3,634	3,634
Financial liabilities (current and non-current) ⁽¹⁾	362	—	1,705	2,067
Lease liabilities	—	—	3,421	3,421
Preferred shares ⁽²⁾	—	—	20	20
Total	\$ 362	\$ —	\$ 39,013	\$ 39,375

1. Derivative instruments which are elected for hedge accounting totaling \$789 million are included in financial assets and \$139 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, 2023 and December 31, 2022:

US\$ MILLIONS	September 30, 2023		December 31, 2022	
	Carrying Value	Fair Value	Carrying Value	Fair Value
Financial assets				
Cash and cash equivalents	\$ 1,307	\$ 1,307	\$ 1,279	\$ 1,279
Accounts receivable and other	6,562	6,562	3,475	3,475
Financial assets (current and non-current)	1,783	1,783	2,113	2,113
Total	\$ 9,652	\$ 9,652	\$ 6,867	\$ 6,867
Financial liabilities				
Corporate borrowings ⁽¹⁾	\$ 5,272	\$ 4,950	\$ 3,666	\$ 3,406
Non-recourse borrowings (current and non-current) ⁽²⁾	38,846	37,786	26,567	25,958
Accounts payable and other	3,709	3,709	3,634	3,634
Financial liabilities (current and non-current)	2,579	2,579	2,067	2,067
Preferred shares ⁽³⁾	20	20	20	20
Total	\$ 50,426	\$ 49,044	\$ 35,954	\$ 35,085

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 and global intermodal logistics 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, 2023, gains of \$55 million and losses of \$9 million, respectively (2022: gains of \$132 million and \$582 million) were recorded in other comprehensive income for the effective portion of the cash flow hedges. As of September 30, 2023, there was a net derivative asset balance of \$647 million relating to derivative contracts designated as cash flow hedges (December 31, 2022: \$645 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, 2023, gains of \$15 million and losses of \$4 million, respectively (2022: gains of \$158 million and \$280 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, 2023, Brookfield Infrastructure received \$2 million and \$2 million, respectively (2022: received \$89 million and \$113 million) relating to the settlement of foreign exchange contracts in the period. As of September 30, 2023, there was a net unrealized derivative liability balance of \$1 million relating to derivative contracts designated as net investment hedges (December 31, 2022: net unrealized derivative asset balance of \$5 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 classified as Level 3 include interest rate swap contracts, derivative contracts, and certain equity securities carried at fair value which are not traded in an active market.

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, 2023	December 31, 2022
Marketable securities	Level 1 ⁽¹⁾	\$ 34	\$ 108
Foreign currency forward contracts	Level 2 ⁽²⁾		
Financial asset		\$ 92	\$ 159
Financial liability		13	37
Interest rate swaps & other	Level 2 ⁽²⁾		
Financial asset		\$ 969	\$ 1,005
Financial liability		173	233
Other contracts	Level 3 ⁽³⁾		
Financial asset		\$ 595	\$ 786
Financial liability		113	92

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, 2023, no transfers were made between level 1 and 2 or level 2 and 3.

7. PROPERTY, PLANT AND EQUIPMENT

US\$ MILLIONS	Utilities	Transport	Midstream	Data	Total
Balance at December 31, 2021	\$ 7,565	\$ 8,998	\$ 14,862	\$ 8,324	\$ 39,749
Additions, net of disposals	500	561	797	575	2,433
Acquisitions through business combinations ⁽¹⁾	109	—	—	52	161
Non-cash (disposals) additions	(154)	126	(17)	(12)	(57)
Assets reclassified as held for sale	—	(8)	—	—	(8)
Net foreign currency exchange differences	(743)	(340)	(963)	(754)	(2,800)
Balance at December 31, 2022	\$ 7,277	\$ 9,337	\$ 14,679	\$ 8,185	\$ 39,478
Additions, net of disposals	440	408	334	162	1,344
Acquisitions through business combinations ⁽¹⁾	118	8,754	—	35	8,907
Assets held by subsidiaries disposed during the period	—	(19)	(45)	—	(64)
Non-cash additions	47	13	23	767	850
Net foreign currency exchange differences	77	(106)	(52)	(68)	(149)
Balance at September 30, 2023	\$ 7,959	\$ 18,387	\$ 14,939	\$ 9,081	\$ 50,366
Accumulated depreciation:					
Balance at December 31, 2021	\$ (1,272)	\$ (1,668)	\$ (622)	\$ (629)	\$ (4,191)
Depreciation expense	(327)	(468)	(418)	(384)	(1,597)
Disposals	22	5	—	—	27
Assets reclassified as held for sale	—	4	—	—	4
Non-cash additions	—	—	11	41	52
Net foreign currency exchange differences	123	87	47	52	309
Balance at December 31, 2022	\$ (1,454)	\$ (2,040)	\$ (982)	\$ (920)	\$ (5,396)
Depreciation expense	(294)	(353)	(429)	(303)	(1,379)
Disposals	14	11	—	—	25
Assets held by subsidiaries disposed during the period	—	12	—	—	12
Non-cash additions	5	25	20	49	99
Net foreign currency exchange differences	(10)	39	10	6	45
Balance at September 30, 2023	\$ (1,739)	\$ (2,306)	\$ (1,381)	\$ (1,168)	\$ (6,594)
Accumulated fair value adjustments:					
Balance at December 31, 2021	\$ 1,643	\$ 1,046	\$ 408	\$ —	\$ 3,097
Fair value adjustments	175	75	118	—	368
Net foreign currency exchange differences	(179)	(73)	(4)	—	(256)
Balance at December 31, 2022	\$ 1,639	\$ 1,048	\$ 522	\$ —	\$ 3,209
Net foreign currency exchange differences	45	(44)	(1)	—	—
Balance at September 30, 2023	\$ 1,684	\$ 1,004	\$ 521	\$ —	\$ 3,209
Net book value:					
December 31, 2022	\$ 7,462	\$ 8,345	\$ 14,219	\$ 7,265	\$ 37,291
September 30, 2023⁽²⁾	\$ 7,904	\$ 17,085	\$ 14,079	\$ 7,913	\$ 46,981

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

2. Includes right-of-use assets of \$207 million in our utilities segment, \$982 million in our transport segment, \$331 million in our midstream segment and \$2,014 million in our data segment. Current lease liabilities of \$421 million have been included in accounts payable and other and non-current lease liabilities of \$3,187 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, 2022. 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.

8. INTANGIBLE ASSETS

US\$ MILLIONS	As of	
	September 30, 2023	December 31, 2022
Cost	\$ 18,123	\$ 13,718
Accumulated amortization	(2,494)	(1,896)
Total	\$ 15,629	\$ 11,822

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

US\$ MILLIONS	As of	
	September 30, 2023	December 31, 2022
North American residential decarbonization infrastructure operation ⁽¹⁾	\$ 3,236	\$ 1,674
Brazilian regulated gas transmission operation	2,883	2,816
Canadian diversified midstream operation	2,045	2,186
North American rail operations	1,727	1,762
European residential decarbonization infrastructure business ⁽¹⁾	1,153	—
Peruvian toll roads	1,040	1,031
Global intermodal logistics operation ⁽¹⁾	750	—
Indian telecom tower operation	658	682
U.K. telecom towers operation	541	537
Brazilian electricity transmission operation ⁽¹⁾	485	—
U.K. port operation	260	258
Other ⁽²⁾	851	876
Total	\$ 15,629	\$ 11,822

1. Refer to Note 5, Acquisition of Businesses, 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, 2023	For the 12-month period ended December 31, 2022
Cost at beginning of the period	\$ 13,718	\$ 15,785
Additions through business combinations ⁽¹⁾	4,060	302
Additions, net of disposals	148	149
Assets held by subsidiaries disposed during the period ⁽²⁾	—	(1,454)
Assets reclassified as held for sale	—	(793)
Non-cash additions ⁽³⁾	8	47
Foreign currency translation	189	(318)
Ending Balance	\$ 18,123	\$ 13,718

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

2. Refer to Note 4, Disposition of Businesses, for further details.

3. Non-cash additions for the 12-month period ended December 31, 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, 2023	For the 12-month period ended December 31, 2022
Accumulated amortization at beginning of the period	\$ (1,897)	\$ (1,571)
Assets held by subsidiaries disposed during the period ⁽¹⁾	—	5
Non-cash additions, net of disposals	(1)	—
Held for sale	—	211
Amortization	(567)	(561)
Foreign currency translation	(29)	20
Ending Balance	\$ (2,494)	\$ (1,896)

1. Refer to Note 4, Disposition of Businesses, for further details.

9. INVESTMENTS IN ASSOCIATES AND JOINT VENTURES

Our partnership's investment in associates and joint ventures are reviewed and reported on a segmented basis, refer to Note 3, Segment Information, for further details. 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, 2023	For the 12-month period ended December 31, 2022
Balance at the beginning of the period	\$ 5,325	\$ 4,725
Share of earnings for the period	472	12
Foreign currency translation and other	(53)	(44)
Share of other comprehensive income	41	485
Distributions ^{(5),(8),(12)}	(663)	(575)
Disposition of interest ^{(1),(3),(9),(10),(11)}	(778)	(142)
Acquisitions ^{(1),(2),(4),(6),(7)}	702	864
Ending Balance^{(13), (14)}	\$ 5,046	\$ 5,325

- On February 16, 2022, Brookfield Infrastructure acquired a 7.9% interest in AusNet Services Ltd., an Australian regulated utility operation, for total equity consideration of approximately \$0.5 billion. On August 31, 2023, Brookfield Infrastructure sold its interest for net proceeds of approximately \$435 million. On disposition, Brookfield Infrastructure recognized a gain on sale of approximately \$30 million in the Consolidated Statement of Operating Results.
- On April 1, 2022, Brookfield Infrastructure acquired a 13% interest in an Australian smart meter business, for total equity consideration of approximately \$215 million.
- On June 13, 2022, Brookfield Infrastructure sold an effective 19% (Brookfield consortium - 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.
- On August 4, 2022, Brookfield Infrastructure acquired an approximate 12% interest in an Australian data transmission business, for total consideration of \$193 million.
- On November 1, 2022, 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.
- On November 22, 2022, Brookfield Infrastructure entered into a joint-venture agreement with Intel Corporation for the construction and operation of a semiconductor manufacturing facility in Chandler, Arizona. The partnership has an effective 12% economic interest in the operation.
- On February 1, 2023, Brookfield Infrastructure acquired an effective 6% interest in a European telecom tower operation in Germany and Austria, for total consideration of approximately \$702 million.
- On April 1, 2023, our North American gas storage operation sold a portion of its U.S. gas storage portfolio for net proceeds of approximately \$70 million. On disposition, Brookfield Infrastructure recognized a gain on sale of approximately \$12 million in the Consolidated Statements of Operating Results. Revaluation gains of approximately \$14 million (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.
- On April 26, 2023, a subsidiary of Brookfield Infrastructure completed the sale of its 50% interest in a freehold landlord port in Victoria, Australia, which generated net proceeds of approximately \$70 million to the partnership. Prior to completion of the sale, the subsidiary's interest in the port was classified as held for sale.
- On May 2, 2023, Brookfield Infrastructure exercised its option to acquire an additional 15% interest in Transmissora Sertaneja de Eletricidade S.A. ("Sertaneja"), a Brazilian electricity transmission operation, increasing Brookfield Infrastructure's ownership in Sertaneja to 31%. As a result of governance rights obtained, Brookfield Infrastructure will consolidate Sertaneja effective May 2, 2023. Refer to Note 5. Acquisition of Businesses, for further details.
- On June 15, 2023, a subsidiary of Brookfield Infrastructure sold a portion of its interest in its U.S. gas pipeline for net proceeds of approximately \$420 million, decreasing its ownership from approximately 38% to 25%. On disposition, Brookfield Infrastructure recognized a gain on sale of approximately \$80 million in the Consolidated Statements of Operating Results.
- On June 15, 2023, Brookfield Infrastructure sold an effective 12% (Brookfield consortium - 50%) interest in its New Zealand data distribution business for net proceeds of approximately \$275 million. On disposition, Brookfield Infrastructure recognized a gain on sale of approximately \$220 million in the Consolidated Statements of Operating Results. Revaluation gains of \$14 million (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.
- The closing balance includes a shareholder loan of \$250 million receivable from our U.S. gas pipeline (2022: \$375 million).
- Subsequent to quarter-end, Brookfield Infrastructure acquired an approximate 14% interest in a North American hyperscale data center platform, for total consideration of approximately \$0.4 billion.

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

US\$ MILLIONS	As of	
	September 30, 2023	December 31, 2022
Utilities	\$ 449	\$ 887
Transport	1,945	1,925
Midstream	657	1,058
Data	1,894	1,297
Corporate	101	158
Ending Balance	\$ 5,046	\$ 5,325

10. BORROWINGS

a) Corporate Borrowings

Brookfield Infrastructure has a \$2.2 billion senior unsecured revolving credit facility used for general working capital purposes including acquisitions. The \$2.2 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, 2028. 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 SOFR 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, 2023, draws on the credit facility were \$676 million (December 31, 2022: \$96 million) and \$11 million of letters of credit were issued (December 31, 2022: \$12 million).

	Maturity	Annual Rate	Currency	As of	
				September 30, 2023	December 31, 2022
Corporate revolving credit facility	June 29, 2028	SOFR plus 1.2%	US\$	\$ 676	\$ 96
Commercial paper ⁽¹⁾	October 24, 2023	6.1%	US\$	981	464
Current:					
Medium-term notes:					
Public - Canadian	February 22, 2024	3.3%	C\$	221	222
Public - Canadian	February 22, 2024	3.3%	C\$	295	295
Non-current:					
Medium-term notes:					
Public - Canadian	November 14, 2027	5.6%	C\$	331	332
Public - Canadian	September 11, 2028	4.2%	C\$	516	517
Public - Canadian	October 9, 2029	3.4%	C\$	516	517
Public - Canadian	July 27, 2030	5.7%	C\$	368	—
Public - Canadian	September 1, 2032	2.9%	C\$	368	369
Public - Canadian	February 14, 2033	6.0%	C\$	184	185
Public - Canadian	April 25, 2034	5.4%	C\$	295	295
Public - Canadian	April 25, 2052	5.8%	C\$	147	147
Public - Canadian	July 27, 2053	6.0%	C\$	147	—
Subordinated notes:					
Public - U.S.	May 24, 2081	5.0%	US\$	250	250
				5,295	3,689
Deferred financing costs and other				(23)	(23)
Total				\$ 5,272	\$ 3,666

1. Maturity and annual rate associated with our commercial paper program represents a weighted average of all outstanding obligations as of September 30, 2023.

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 February 8 each year by providing Brookfield Infrastructure with a written notice. Loans under this facility accrued interest on SOFR plus 1.9% and no commitment fees were incurred for any undrawn balance. As of September 30, 2023, there were no (2022: \$nil) borrowings outstanding.

On July 27, 2023, Brookfield Infrastructure Finance ULC issued C\$700 million of medium-term notes in two tranches: C\$500 million maturing on July 27, 2030 with a coupon of 5.710% per annum and C\$200 million maturing on July 27, 2053 with a coupon of 5.950% per annum.

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 \$1 billion. Proceeds from the commercial paper issuances are supplemented by our corporate credit facilities. As of September 30, 2023, there were \$981 million of borrowings outstanding (2022: \$464 million).

The increase in corporate borrowings during the nine-month period ended September 30, 2023 is primarily attributable to net draws on our corporate credit facility of \$580 million, commercial paper issuances of \$517 million, and the issuance of \$515 million of medium-term notes, partially offset by the impact of foreign exchange.

b) Non-Recourse Borrowings

US\$ MILLIONS	As of	
	September 30, 2023	December 31, 2022
Current	\$ 4,463	\$ 2,567
Non-current	34,383	24,000
Total	\$ 38,846	\$ 26,567

Non-recourse borrowings increased as compared to December 31, 2022 due to \$9.1 billion of borrowings related to recent acquisitions and net borrowings of \$3.3 billion, partially offset by the impact of foreign exchange.

11. 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, 2023	December 31, 2022
Partnership Capital	\$ 33,986	\$ 25,554
Remove impact of the following items since inception:		
Non-controlling interest - in operating subsidiaries	(23,520)	(15,320)
Deficit	3,947	3,422
Accumulated other comprehensive income	(790)	(817)
Ownership changes and other	(581)	(558)
Invested Capital	\$ 13,042	\$ 12,281

The following table presents the change in Invested Capital during the three and nine-month periods ended September 30, 2023 and 2022:

US\$ MILLIONS	For the three-month period ended September 30		For the nine-month period ended September 30	
	2023	2022	2023	2022
Opening balance	\$ 12,289	\$ 12,276	\$ 12,281	\$ 12,195
Net redemption of preferred units	—	—	—	(220)
Issuance of BIPC exchangeable shares ⁽¹⁾	751	—	751	—
Issuance of perpetual subordinated notes	—	—	—	293
Issuance of limited partnership units	2	3	10	11
Ending balance	\$ 13,042	\$ 12,279	\$ 13,042	\$ 12,279
Weighted Average Invested Capital⁽²⁾	\$ 12,305	\$ 12,276	\$ 12,291	\$ 12,266

1. Refer to Note 5. Acquisition of Businesses, and Note 15. Partnership Capital, for further details.

2. 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.

12. 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, but excluding Brookfield Infrastructure Finance ULC, 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 July 27, 2023, the Co-Issuers issued C\$700 million of medium-term notes under the Indenture in two tranches in the Canadian bond market: C\$500 million maturing July 27, 2030 with a coupon of 5.710% and C\$200 million maturing July 27, 2053 with a coupon of 5.950%. These medium-term notes are fully and unconditionally guaranteed by the BIP Guarantors (other than Brookfield Infrastructure US Holdings I Corporation), Brookfield Infrastructure LLC and BIPC Holdings.

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.

The partnership will and certain of the other BIP Guarantors may 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”) provides for the issuance of one or more series of senior preferred shares of BIPIC. The partnership will and certain of the other BIP Guarantors and BIPC Holdings may 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, 2023 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	\$ —	\$ —	\$ —	\$ —	\$ —	\$ 4,487	\$ 4,487
Net income (loss) attributable to partnership ⁽¹⁾	23	—	—	—	104	(23)	104
FOR THE THREE-MONTH PERIOD ENDED SEPTEMBER 30, 2022							
Revenues	\$ —	\$ —	\$ —	\$ —	\$ —	\$ 3,627	\$ 3,627
Net income (loss) attributable to partnership ⁽¹⁾	32	—	—	—	113	(32)	113
FOR THE NINE-MONTH PERIOD ENDED SEPTEMBER 30, 2023 US\$ MILLIONS							
Revenues	\$ —	\$ —	\$ —	\$ —	\$ —	\$ 12,961	\$ 12,961
Net income (loss) attributable to partnership ⁽¹⁾	184	—	—	—	505	(184)	505
FOR THE NINE-MONTH PERIOD ENDED SEPTEMBER 30, 2022							
Revenues	\$ —	\$ —	\$ —	\$ —	\$ —	\$ 10,719	\$ 10,719
Net income (loss) attributable to partnership ⁽¹⁾	108	—	—	—	359	(108)	359
AS OF SEPTEMBER 30, 2023							
Current assets	\$ —	\$ —	\$ —	\$ —	\$ —	\$ 7,809	\$ 7,809
Non-current assets	6,605	—	1,501	5,211	8,643	67,969	89,929
Current liabilities	—	—	209	—	—	10,881	11,090
Non-current liabilities	—	3,616	—	1,064	—	47,982	52,662
Non-controlling interests							
Redeemable Partnership Units held by Brookfield	—	—	—	—	—	2,216	2,216
BIPC exchangeable shares	—	—	—	—	—	1,544	1,544
Exchangeable units ⁽⁵⁾	—	—	—	—	—	73	73
Perpetual subordinated notes	—	—	—	—	—	293	293
In operating subsidiaries	—	—	—	—	—	23,520	23,520
Preferred unitholders	—	—	—	—	—	918	918
AS OF DECEMBER 31, 2022							
Current assets	\$ —	\$ —	\$ —	\$ —	\$ —	\$ 6,686	\$ 6,686
Non-current assets	6,583	—	1,005	3,105	9,603	45,987	66,283
Current liabilities	—	—	182	—	—	8,195	8,377
Non-current liabilities	—	3,106	—	191	—	35,741	39,038
Non-controlling interests							
Redeemable Partnership Units held by Brookfield	—	—	—	—	—	2,263	2,263
BIPC exchangeable shares	—	—	—	—	—	1,289	1,289
Exchangeable units ⁽⁵⁾	—	—	—	—	—	72	72
Perpetual subordinated notes	—	—	—	—	—	293	293
In operating subsidiaries	—	—	—	—	—	15,320	15,320
Preferred unitholders	—	—	—	—	—	918	918

1. Includes net income (loss) 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, BIP Bermuda Holdings I Limited, and Brookfield Infrastructure LLC ("BI LLC") under the equity method except for Brookfield Infrastructure US Holdings I Corporation's investment in BI LLC, which is presented on a combined basis as BI LLC is a guarantor of the medium term notes issued in July 2023. For the three and nine-month periods ended September 30, 2023 and 2022, the presentation of Brookfield Infrastructure US Holdings I Corporation's investment in BI LLC on a combined basis was equivalent to its presentation 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.

13. 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	
	2023	2022	2023	2022
Utilities	\$ 2,013	\$ 1,350	\$ 5,783	\$ 3,912
Midstream	1,091	942	3,193	2,851
Transport	864	891	2,631	2,659
Data	519	444	1,354	1,297
Total	\$ 4,487	\$ 3,627	\$ 12,961	\$ 10,719

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	
	2023	2022	2023	2022
Canada	\$ 1,206	\$ 1,113	\$ 3,497	\$ 3,338
U.S.	1,043	707	3,099	1,993
U.K.	532	382	1,615	1,181
India	508	490	1,410	1,438
Brazil	409	407	1,139	1,176
Colombia	263	232	729	682
Australia	172	164	508	503
France	95	—	227	—
Spain	73	—	223	—
Peru	37	27	107	83
New Zealand	32	28	94	84
Other	117	77	313	241
Total	\$ 4,487	\$ 3,627	\$ 12,961	\$ 10,719

Brookfield Infrastructure's customer base is comprised predominantly of investment grade companies. Our revenues are well diversified by region and counterparty. For the three and nine-month periods ended September 30, 2023, no customer made up greater than 10% of our partnership's consolidated revenues. For the three and nine-month periods ended September 30, 2022, one customer within the utilities and data segments generated greater than 10% of our partnership's consolidated revenues of \$394 million and \$1.2 billion, respectively. 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.

14. 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, 2023, and 2022.

US\$ MILLIONS	For the three-month period ended September 30		For the nine-month period ended September 30	
	2023	2022	2023	2022
Cost of inventory	\$ 841	\$ 715	\$ 2,448	\$ 2,122
Depreciation and amortization	669	520	1,946	1,616
Compensation	654	412	1,932	1,269
Fuel, transportation, and distribution costs	398	418	1,163	1,226
Operations and maintenance costs	271	210	813	632
Marketing and administrative costs	229	140	648	397
Utilities	179	128	462	365
Other direct operating costs	143	47	481	181
Total	\$ 3,384	\$ 2,590	\$ 9,893	\$ 7,808

15. PARTNERSHIP CAPITAL

As at September 30, 2023, 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 split of our 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. The Managing General Partner Units, Special General Partner Units and Redeemable Partnership Units ("RPU") of the Holding LP were concurrently split. Brookfield Infrastructure's preferred units were not affected by the split.

(a) Special General and Limited Partnership Capital

US\$ MILLIONS, EXCEPT UNIT INFORMATION	Special General Partner Units			
	As of and for the nine-month period ended September 30, 2023		As of and for the 12-month period ended December 31, 2022	
	Carrying Value	Units	Carrying Value	Units
Opening balance	\$ 19	2,400,631	\$ 19	2,400,631
Ending balance	\$ 19	2,400,631	\$ 19	2,400,631

US\$ MILLIONS, EXCEPT UNIT INFORMATION	Limited Partnership Units			
	As of and for the nine-month period ended September 30, 2023		As of and for the 12-month period ended December 31, 2022	
	Carrying Value	Units	Carrying Value	Units
Opening balance	\$ 6,092	458,380,315	\$ 6,074	457,901,280
Conversion from RPU to LP	100	3,287,267	—	—
Unit issuance	10	341,090	13	338,953
Conversions	3	122,759	5	140,082
Ending balance	\$ 6,205	462,131,431	\$ 6,092	458,380,315

Weighted average number of special general partner units outstanding for the three and nine-month periods ended September 30, 2023 were 2.4 million (2022: 2.4 million). The weighted average number of limited partnership units outstanding for the three and nine-month periods ended September 30, 2023 was 458.8 million and 458.6 million, respectively (2022: 458.2 million and 458.0 million, respectively).

Our partnership has 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, 2023, our partnership issued 0.3 million units for proceeds of \$10 million (2022: 0.3 million units for proceeds of \$11 million).

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

US\$ MILLIONS, EXCEPT UNIT INFORMATION	As of and for the nine-month period ended September 30, 2023		As of and for the 12-month period ended December 31, 2022	
	Carrying Value	Units	Carrying Value	Units
	Opening balance	\$ 2,728	193,587,223	\$ 2,728
Conversion of RPU to LP	(100)	(3,287,267)	—	—
Ending balance	\$ 2,628	190,299,956	\$ 2,728	193,587,223

On September 29, 2023, Brookfield converted approximately 3 million of its RPUs held with a carrying value of approximately \$100 million into an equivalent amount of LP units.

(c) Non-controlling interest – BIPC exchangeable shares

US\$ MILLIONS, EXCEPT UNIT INFORMATION	As of and for the nine-month period ended September 30, 2023		As of and for the 12-month period ended December 31, 2022	
	Carrying Value	Shares	Carrying Value	Shares
Opening balance	\$ 1,757	110,567,671	\$ 1,755	110,157,540
Issued in conjunction with the acquisition of Triton	751	21,094,441	—	—
Conversions	2	137,575	2	410,131
Ending balance	\$ 2,510	131,799,687	\$ 1,757	\$ 110,567,671

On September 28, 2023, BIPC issued approximately 21 million BIPC exchangeable shares with a fair value on date of issuance of approximately \$751 million in connection with the acquisition of global intermodal logistics operation. Refer to Note 5, Acquisition of Businesses, for further details.

As a result of the issuance, 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. Refer to Note 17. Accumulated Other Comprehensive Income, for further details.

During the nine-month period ended September 30, 2023, BIPC exchangeable shareholders exchanged less than 0.2 million BIPC exchangeable shares for \$2 million (2022: less than 0.3 million for \$1 million).

(d) Non-controlling interest – Exchangeable Units

US\$ MILLIONS, EXCEPT UNIT INFORMATION	As of and for the nine-month period ended September 30, 2023		As of and for the 12-month period ended December 31, 2022	
	Carrying Value	Units	Carrying Value	Units
Opening balance	\$ 401	6,464,819	\$ 408	7,015,032
Conversions	(5)	(260,334)	(7)	(550,213)
Ending balance⁽¹⁾	\$ 396	6,204,485	\$ 401	\$ 6,464,819

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

During the nine-month period ended September 30, 2023, Exchange LP unitholders exchanged approximately 0.1 million Exchange LP units for \$3 million of our units (2022: less than 0.1 million for \$3 million).

During the nine-month period ended September 30, 2023, BIPC exchangeable LP unitholders exchanged 0.2 million BIPC exchangeable LP units for \$2 million of BIPC exchangeable shares (2022: 0.3 million for \$3 million).

(e) Non-controlling interest - Perpetual Subordinated Notes

US\$ MILLIONS, EXCEPT UNIT INFORMATION	Perpetual Subordinated Notes	
	As of and for the nine-month period ended September 30, 2023	As of and for the 12-month period ended December 31, 2022
Opening balance	\$ 293	\$ —
Issued for cash	—	293
Ending balance	\$ 293	\$ 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

US\$ MILLIONS, EXCEPT UNIT INFORMATION	As of and for the nine-month period ended September 30, 2023		As of and for the 12-month period ended December 31, 2022	
	Carrying Value	Units	Carrying Value	Units
Opening balance	\$ 918	43,901,312	\$ 1,138	55,881,062
Repurchased and cancelled	—	—	(220)	(11,979,750)
Ending balance	\$ 918	43,901,312	\$ 918	43,901,312

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.

16. 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			
	2023		2022	
	Total	Per Unit	Total	Per Unit
Limited Partners	\$ 175	\$ 0.38	\$ 165	\$ 0.36
General Partner ⁽¹⁾	67		61	
Non-controlling interest attributable to:				
Redeemable Partnership Units held by Brookfield	75	0.38	69	0.36
BIPC exchangeable shares	42	0.38	40	0.36
Exchangeable units ⁽²⁾	2	0.38	3	0.36
Preferred unitholders	12	0.27	12	0.27
Perpetual subordinated notes	4	0.32	4	0.32
Total Distributions	\$ 377		\$ 354	

US\$ MILLIONS EXCEPT PER UNIT INFORMATION	For the nine-month period ended September 30			
	2023		2022	
	Total	Per Unit	Total	Per Unit
Limited Partners	\$ 525	\$ 1.15	\$ 495	\$ 1.08
General Partner ⁽¹⁾	201		183	
Non-controlling interest attributable to:				
Redeemable Partnership Units held by Brookfield	224	1.15	207	1.08
BIPC exchangeable shares	126	1.15	120	1.08
Exchangeable units ⁽²⁾	7	1.15	9	1.08
Preferred unitholders	35	0.80	39	0.80
Perpetual subordinated notes	12	0.96	12	0.96
Total Distributions	\$ 1,130		\$ 1,065	

1. Distributions to the General Partner include \$66 million and \$197 million of incentive distributions for the three and nine-month periods ended September 30, 2023, respectively (2022: \$60 million and \$180 million).
2. Includes non-controlling interest attributable to Exchange LP units and BIPC exchangeable LP units.

17. 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 (loss)
Balance at December 31, 2022	\$ 774	\$ (1,741)	\$ 115	\$ 87	\$ 125	\$ 3	\$ 1,118	\$ 481
Other comprehensive income (loss)	1	(10)	(1)	(12)	—	—	25	3
Issuance of BIPC exchangeable shares ⁽¹⁾	(15)	36	(2)	(3)	(3)	(1)	(17)	(5)
Other items ⁽²⁾	—	—	—	—	—	—	(19)	(19)
Balance at September 30, 2023	\$ 760	\$ (1,715)	\$ 112	\$ 72	\$ 122	\$ 2	\$ 1,107	\$ 460

US\$ MILLIONS	Revaluation surplus	Foreign currency translation	Net investment hedges	Cash flow hedges	Marketable securities	Unrealized actuarial (losses) gains	Equity accounted investments	Accumulated other comprehensive income (loss)
Balance at December 31, 2021	\$ 673	\$ (1,463)	\$ 27	\$ 56	\$ 125	\$ (10)	\$ 915	\$ 323
Other comprehensive income (loss)	11	(561)	101	39	—	1	322	(87)
Other items ⁽³⁾	—	—	—	—	—	—	(86)	(86)
Balance at September 30, 2022	\$ 684	\$ (2,024)	\$ 128	\$ 95	\$ 125	\$ (9)	\$ 1,151	\$ 150

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 December 31, 2022	\$ 4	\$ (9)	\$ —	\$ —	\$ 1	\$ —	\$ 6	\$ 2
Other comprehensive income	—	—	—	—	—	—	1	1
Issuance of BIPC exchangeable shares	—	(1)	1	—	—	—	—	—
Balance at September 30, 2023	\$ 4	\$ (10)	\$ 1	\$ —	\$ 1	\$ —	\$ 7	\$ 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 December 31, 2021	\$ 4	\$ (8)	\$ —	\$ —	\$ 1	\$ —	\$ 5	\$ 2
Other comprehensive (loss) income	—	(2)	—	—	—	—	2	—
Balance at September 30, 2022	\$ 4	\$ (10)	\$ —	\$ —	\$ 1	\$ —	\$ 7	\$ 2

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 (loss)
Balance at December 31, 2022	\$ 326	\$ (726)	\$ 49	\$ 36	\$ 53	\$ (1)	\$ 473	\$ 210
Other comprehensive income (loss)	1	(4)	(1)	(5)	—	—	10	1
Issuance of BIPC exchangeable shares ⁽¹⁾	(14)	23	(2)	(1)	(3)	2	(19)	(14)
Other items ⁽²⁾	—	—	—	—	—	—	(9)	(9)
Balance at September 30, 2023	\$ 313	\$ (707)	\$ 46	\$ 30	\$ 50	\$ 1	\$ 455	\$ 188

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 December 31, 2021	\$ 283	\$ (616)	\$ 12	\$ 24	\$ 53	\$ (6)	\$ 387	\$ 137
Other comprehensive income (loss)	5	(236)	42	16	—	—	137	(36)
Other items ⁽³⁾	—	—	—	—	—	—	(36)	(36)
Balance at September 30, 2022	\$ 288	\$ (852)	\$ 54	\$ 40	\$ 53	\$ (6)	\$ 488	\$ 65

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 (loss)
Balance at December 31, 2022	\$ 186	\$ (415)	\$ 28	\$ 20	\$ 30	\$ 1	\$ 268	\$ 118
Other comprehensive income (loss)	1	(2)	—	(3)	—	—	5	1
Issuance of BIPC exchangeable shares ⁽¹⁾	30	(64)	4	4	5	(1)	41	19
Other items ⁽²⁾	—	—	—	—	—	—	(5)	(5)
Balance at September 30, 2023	\$ 217	\$ (481)	\$ 32	\$ 21	\$ 35	\$ —	\$ 309	\$ 133

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 (loss)
Balance at December 31, 2021	\$ 161	\$ (351)	\$ 7	\$ 13	\$ 30	\$ (2)	\$ 219	\$ 77
Other comprehensive income (loss)	3	(132)	24	9	—	—	78	(18)
Other items ⁽³⁾	—	—	—	—	—	—	(20)	(20)
Balance at September 30, 2022	\$ 164	\$ (483)	\$ 31	\$ 22	\$ 30	\$ (2)	\$ 277	\$ 39

e) Attributable to Non-controlling interest – Exchangeable units⁽⁴⁾

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 December 31, 2022	\$ 11	\$ (28)	\$ 2	\$ 1	\$ 1	\$ —	\$ 19	\$ 6
Other comprehensive income (loss)	—	—	—	—	—	—	—	—
Issuance of BIPC exchangeable shares ⁽¹⁾	(1)	9	(1)	—	—	—	(7)	—
Other items ⁽²⁾	—	—	—	—	—	—	—	—
Balance at September 30, 2023	\$ 10	\$ (19)	\$ 1	\$ 1	\$ 1	\$ —	\$ 12	\$ 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 December 31, 2021	\$ 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

- In relation to the issuance of BIPC exchangeable shares, accumulated other comprehensive income was reallocated between all components of equity. Refer to Note 15, Partnership Capital, for further details.
- In relation to our prior quarter dispositions, a total of approximately \$30 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 Statement of Partnership Capital. Refer to Note 9, Investments in Associates and Joint Ventures, for further details.
- In relation to the disposition of a 49% interest in its North American container terminal operation on June 13, 2022, \$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 9, Investments in Associates and Joint Ventures, for further details.
- Includes non-controlling interest attributable to Exchange LP units and BIPC exchangeable LP units.

18. 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 \$1 million were incurred during the three and nine-month periods ended September 30, 2023 (2022: 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 Providers"), 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 Providers equal to 0.3125% per quarter (1.25% annually) of the market value of our partnership. The Base Management Fee was \$97 million and \$303 million respectively, for the three and nine-month periods ended September 30, 2023 (2022: \$106 million and \$329 million). As of September 30, 2023, \$95 million was outstanding as payable to the Service Providers (December 31, 2022: \$91 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, 2023, Brookfield Infrastructure had a loan payable of approximately \$25 million to a subsidiary of Brookfield (December 31, 2022: \$25 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, 2023, our net deposit from Brookfield was \$nil (December 31, 2022: \$nil) and Brookfield Infrastructure incurred no interest expense for the three and nine-month periods ended September 30, 2023 (2022: 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, 2023, there were no borrowings outstanding (December 31, 2022: \$nil).

As at September 30, 2023, Brookfield Infrastructure had approximately \$115 million of borrowings outstanding to subsidiaries and associates of Brookfield (December 31, 2022: \$160 million) and approximately \$60 million of net payables to subsidiaries of Brookfield (December 31, 2022: \$0.7 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, 2023, revenues of approximately \$5 million and \$14 million, respectively were generated (2022: 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, 2023, expenses of \$36 million and \$104 million, respectively were incurred (2022: \$43 million and \$70 million).

In addition, subsidiaries of Brookfield Infrastructure reported lease assets and liabilities of \$12 million at September 30, 2023 (December 31, 2022: \$12 million) with a subsidiary of Brookfield.

During the fourth quarter of 2022, our partnership sold a portfolio of investments, which included partial interests in consolidated subsidiaries and financial assets, with an approximate fair value of \$310 million to an affiliate of Brookfield in exchange for securities of equal value. The portfolio of investments represented seed assets in a new product offering that Brookfield will be marketing and selling to third party investors which at that time will allow our partnership, subject to certain conditions, monetize the securities to generate liquidity. The securities are recorded as financial assets on the Consolidated Statement of Financial Position. The reduction in partial interests in consolidated subsidiaries is reflected as an increase in non-controlling interest of others in operating subsidiaries on the Consolidated Statement of Financial Position. For the three and nine-month periods ended September 30, 2023, our partnership exercised its redemption option associated with the securities and redeemed a portion of its units with a fair value, net of contributions of \$31 million and \$213 million, respectively.

On March 28, 2023, subsidiaries of the partnership entered into concurrent loan agreements with an affiliate of Brookfield for total proceeds of \$500 million. These loans are non-recourse to the partnership and are presented as non-recourse borrowings on the Consolidated Statement of Financial Position. Each loan accrues interest at SOFR plus 200 basis points per annum and matures on March 27, 2024. Interest on each loan was \$8 million and \$17 million for the three and nine-month periods ended September 30, 2023, respectively.

On August 31, 2023, the partnership sold its 7.9% effective interest in its Australian regulated utility operation to an affiliate of Brookfield for net proceeds of approximately \$435 million. On disposition, Brookfield Infrastructure recognized a gain on sale of approximately \$30 million in other income (expense) on the Consolidated Statement of Operating Results and accumulated currency translation losses of \$28 million were reclassified from accumulated other comprehensive income to other income (expense) on the Consolidated Statements of Operating Results.