

4.D PROPERTY, PLANT AND EQUIPMENT

Our partnership's principal office and its registered office is at 73 Front Street, 5th Floor, Hamilton HM 12, Bermuda, and is subject to a lease expiring on December 31, 2026. We do not directly own any real property.

See also the information contained in this annual report on Form 20-F under Item 3.D "Risk Factors—Risks Relating to Our Operations and the Infrastructure Industry—All of our infrastructure operations may require substantial capital expenditures in the future," "—Investments in infrastructure projects prior to or during a construction or expansion phase are likely to be subject to increased risk," "—All of our operating entities are subject to changes in government policy and legislation," Item 5 "Operating and Financial Review and Prospects—Management's Discussion and Analysis of Financial Condition and Results of Operations" and Item 18 "Financial Statements" regarding information on Property, Plant and Equipment on a consolidated basis.

ITEM 4A. UNRESOLVED STAFF COMMENTS

Not applicable.

ITEM 5. OPERATING AND FINANCIAL REVIEW AND PROSPECTS

MANAGEMENT'S DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION AND RESULTS OF OPERATIONS ("MD&A")

Performance Targets and Key Measures

We target a total return of 12% to 15%+ per annum on the infrastructure assets that we own, measured over the long term. We intend to generate this return from the in-place cash flows from our operations plus growth through investments in upgrades and expansions of our asset base, as well as acquisitions. We determine our distributions to unitholders based primarily on an assessment of our operating performance. Funds From Operations ("FFO") is used to assess our operating performance and can be used on a per unit basis as a proxy for future distribution growth over the long term. In addition, we have performance measures that track the key value drivers for each of our operating segments. See the "Segmented Disclosures" section of this MD&A for more detail.

Performance Measures Used by Management

To measure performance, we focus on net income, an IFRS Accounting Standards measure, as well as certain non-IFRS measures, including FFO, Adjusted Funds from Operations ("AFFO"), adjusted EBITDA ("Adjusted EBITDA") and invested capital ("Invested Capital"), along with other measures.

FFO

We define FFO as net income excluding the impact of certain non-cash items including depreciation and amortization, deferred income taxes, mark-to-market gains (losses) and other income (expenses) that are not related to normal revenue earning activities or that are not normal, recurring cash operating expenses necessary for business operations. FFO is not adjusted for the income (loss) earned by data center developers which is generated through the development, commercialization, and sale of completed sites. The inclusion of this income reflects the operating performance of such investments and includes income (or losses) recognized in the current and prior periods.

FFO also 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.

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

AFFO

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

Adjusted EBITDA

In addition to FFO and AFFO, we focus on Adjusted EBITDA, which we define as net income excluding the impact of interest expense, depreciation and amortization, income taxes, mark-to-market gains (losses) and other income (expenses) corresponding to amounts that are not related to the revenue earning activities and are not normal, recurring cash operating items necessary for business operations. Adjusted EBITDA is not adjusted for the income (loss) earned by data center developers which is generated through the development, commercialization, and sale of completed sites. The inclusion of this income reflects the operating performance of such investments and includes income (or losses) recognized in the current and prior periods.

Adjusted EBITDA 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 ownership interests held by non-controlling interests in consolidated subsidiaries.

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

Invested Capital

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 define Invested Capital as partnership capital removing the following items: non-controlling interest - in operating subsidiaries, retained earnings or deficit, accumulated other comprehensive income and ownership changes. We measure return on Invested Capital as AFFO, less estimated returns of capital on operations that are not perpetual in nature, divided by the weighted average Invested Capital for the period. Our partnership completes our estimate of returns of capital by reviewing the cash flow profile over the economic useful life of limited life businesses as underwritten, and estimating the percentage of cash flows generated in a given year. This percentage is then applied to our invested capital to determine how much capital we believe was returned in the current year.

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

Benefits and Uses of Non-IFRS Measures

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

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

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

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

For a reconciliation of net income to FFO, AFFO, Adjusted EBITDA and Partnership Capital to Invested Capital, see the "*Reconciliation of Non-IFRS Financial Measures*" section of this MD&A.

Distribution Policy

Our distributions are underpinned by stable, highly regulated and contracted cash flows generated from operations. Our partnership's objective is to pay a distribution that is sustainable on a long-term basis. Our partnership has set its target payout ratio at 60-70% of FFO. In sizing what we believe to be a conservative payout ratio, we typically retain approximately 15-20% of AFFO that we utilize to fund some or all of our internally funded growth capital expenditures.

The following table presents our partnership's payout ratios over the past three years:

US\$ MILLIONS	For the year ended December 31,		
	2025	2024	2023
Net income attributable to our partnership ⁽¹⁾	\$ 1,091	\$ 391	\$ 432
Funds from Operations (FFO)	2,627	2,468	2,288
Adjusted Funds from Operations (AFFO)	1,964	1,862	1,838
Distributions ⁽²⁾	1,743	1,644	1,516
FFO payout ratio ⁽³⁾	66 %	67 %	66 %
AFFO payout ratio ⁽⁴⁾	89 %	88 %	82 %

(1) Includes net income attributable to limited partners, the general partner, non-controlling interests - Redeemable Partnership Units held by Brookfield, non-controlling interests - Exchangeable units and non-controlling interests - BIPC exchangeable shares and class A.2 exchangeable shares.

(2) Includes partnership distributions and partnership preferred distributions.

(3) FFO payout ratio is defined as distributions (inclusive of GP incentive and preferred unit distributions) divided by FFO.

(4) AFFO payout ratio is defined as distributions (inclusive of GP incentive and preferred unit distributions) divided by AFFO.

Current year FFO and AFFO payout ratios have been impacted by the following factors:

- Organic growth was 8% capturing annual rate increases, volume growth across the majority of our critical infrastructure networks, and earnings associated with capital commissioned over the last 12 months
- A net positive contribution from our asset rotation program, which was partially offset by the timing of asset sales

Our 2025 FFO and AFFO payout ratios finished within our targeted range at 66% and 89%, respectively. Our 2024 payout ratios were in line with 2025 and our targets.

Our partnership's annual distribution is reviewed with the board of directors of our General Partner in the first quarter of each year giving consideration to the following:

- The results from the prior year as well as the budget for the upcoming year and the 5-year business plan based on our partnership's share of FFO generated by our assets
- Our partnership's group-wide liquidity and its ability to fund committed capital investments

In light of the current prospects for our business, the board of directors of our General Partner approved a 6% increase in our quarterly distribution to \$0.455 per unit (or \$1.82 per unit annualized), starting with the distribution to be paid in March 2026, with an identical increase made by the board of directors of BIPC to holders of BIPC exchangeable shares. This increase reflects the forecasted contribution from our recently commissioned capital projects, continued levels of elevated inflation as well as the expected cash yield on acquisitions that we closed in the past year. Distributions have grown at a compound annual growth rate of 9% over the last 15 years. We target 5% to 9% annual distribution increase in light of the per unit growth we foresee in our operations.

Basis of Presentation

Our consolidated financial statements are prepared in accordance with IFRS, as issued by the IASB. Our consolidated financial statements include the accounts of Brookfield Infrastructure and the entities over which it has control. Brookfield Infrastructure accounts for investments over which it exercises significant influence or joint control, but does not control, using the equity method.

Our partnership's equity interests include units held by public unitholders, Redeemable Partnership Units held by Brookfield, BIPC exchangeable shares held by public shareholders and class A.2 exchangeable shares held by Brookfield, as well as Exchange LP Units and BIPC Exchangeable LP Units held by public shareholders. Our units and the Redeemable Partnership Units have the same economic attributes in all respects, except that the Redeemable Partnership Units provide Brookfield the right to request that its units be redeemed for cash consideration. In the event that Brookfield exercises this right, our partnership has the right, at its sole discretion, to satisfy the redemption request with our units, rather than cash, on a one-for-one basis. As a result, Brookfield, as holder of Redeemable Partnership Units, participates in earnings and distributions on a per unit basis equivalent to the per unit participation of the limited partnership units of our partnership. However, given the redeemable feature referenced above, we present the Redeemable Partnership Units as a component of non-controlling interests.

In addition, Exchange LP, a subsidiary of our partnership, issued Exchange LP Units in connection with the privatization of Enercare in October 2018. Exchange LP Units provide holders with economic terms that are substantially equivalent to those of our units and are exchangeable, on a one-for-one basis, for our units. Given the exchangeable feature, we present the Exchange LP Units as a separate component of non-controlling interests.

On March 31, 2020, our partnership completed the creation of BIPC with the special distribution. Each unitholder of record on March 20, 2020 received one BIPC exchangeable share for every nine units held. Holders of BIPC exchangeable shares have the right to exchange all or a portion of their shares for one unit per BIPC exchangeable share held or its cash equivalent on a fixed-for-fixed basis. BIPC or the partnership, as applicable, each have the ability to satisfy exchange requests by holders of BIPC exchangeable shares in units instead of cash. Additionally, the partnership has the ability to exchange all BIPC exchangeable shares for units at our election, on a fixed-for-fixed basis. As a result of the share characteristics, we present the BIPC exchangeable shares as a component of non-controlling interests.

In the third and fourth quarters of 2021, BIPC Exchange LP, a subsidiary of our partnership, issued BIPC Exchangeable LP Units in connection with the acquisition of our Canadian diversified midstream operation. BIPC Exchangeable LP Units provide holders with economic terms that are substantially equivalent to those of a BIPC exchangeable share and are exchangeable, on a one-for-one basis, for BIPC exchangeable shares. Given the exchangeable feature, we present the BIPC Exchangeable LP Units as a component of non-controlling interests.

When we discuss the results of our operating segments, we present Brookfield Infrastructure's share of results for operations accounted for using consolidation and the equity method, in order to demonstrate the impact of key value drivers of each of these operating segments on our partnership's overall performance. As a result, segment revenues, costs attributable to revenues, other income, interest expense, depreciation and amortization, deferred taxes, fair value adjustments and other items will differ from results presented in accordance with IFRS as they (1) include Brookfield Infrastructure's share of earnings (losses) from investments in associates and joint ventures attributable to each of the above noted items, and (2) exclude the share of earnings of consolidated investments not held by Brookfield Infrastructure apportioned to each of the above noted items. However, net income for each segment is consistent with results presented in accordance with IFRS.

Our presentation currency and functional currency is the U.S. dollar.

5.A OPERATING RESULTS

Consolidated Results

In this section we review our consolidated performance and financial position as of December 31, 2025 and 2024 and for the years ended December 31, 2025, 2024 and 2023. Further details on the key drivers of our operations and financial position are contained within the “Segmented Disclosures” section of this MD&A.

The following table summarizes the financial results of Brookfield Infrastructure for the years ended December 31, 2025, 2024 and 2023:

<u>US\$ MILLIONS, EXCEPT PER UNIT INFORMATION</u>	<u>For the year ended December 31,</u>		
	<u>2025</u>	<u>2024</u>	<u>2023</u>
<u>Summary Statements of Operating Results</u>			
Revenues	\$23,100	\$21,039	\$17,931
Direct operating costs	(16,876)	(15,676)	(13,470)
General and administrative expenses	(426)	(405)	(413)
Interest expense	(3,868)	(3,387)	(2,501)
Share of earnings from investments in associates and joint ventures	627	439	459
Mark-to-market losses	(548)	(26)	(118)
Other income (expense)	1,112	(31)	141
Income tax expense	(589)	(270)	(581)
Net income	2,532	1,683	1,448
Net income attributable to our partnership ⁽¹⁾	1,091	391	432
Net income per limited partnership unit	\$ 0.90	\$ 0.04	\$ 0.14

(1) Includes net income attributable to limited partners, the general partner, non-controlling interests - Redeemable Partnership Units held by Brookfield, non-controlling interests - Exchangeable units and non-controlling interests - BIPC exchangeable shares and class A.2 exchangeable shares.

2025 vs. 2024

For the year ended December 31, 2025, we reported net income of \$2,532 million, of which \$1,091 million (\$0.90 per unit) was attributable to our partnership. This compares to net income of \$1,683 million for the year ended December 31, 2024, of which \$391 million (\$0.04 per unit) was attributable to our partnership. Current year results benefited from contributions associated with recent acquisitions, organic growth across our base business, and gains recognized on the dispositions of our Australian export terminal operation and Australian container terminal operation, disposition of our U.S. gas pipeline and the partial dispositions of our U.K. port operation, stabilized assets at our global intermodal logistics operation, and our European hyperscale data center platform. Prior year results benefited from contributions associated with recent acquisitions, organic growth across our base business and the bargain purchase gain on the acquisition of our North American retail colocation data center business.

Revenues for the year ended December 31, 2025 were \$23,100 million, which represents an increase of \$2,061 million compared to the year ended December 31, 2024. Revenues from our utilities segment increased by \$760 million primarily driven by inflation indexation and capital commissioned into rate base across the segment. Revenues from our transport segment decreased by \$390 million primarily as a result of the partial disposition of our U.K. port operation that resulted in the deconsolidation of the business, the partial disposition of stabilized assets at our global intermodal logistics operation, our prior year disposition of a subsidiary at our Australian port operation and the deconsolidation of our Peruvian toll road operation. Revenues from our midstream segment contributed additional revenues of \$779 million primarily driven by the acquisition of our U.S. refined products pipeline system operation, partially offset by lower net pass-through revenues, despite improved margins and stronger performance from the commissioning of new projects at our Canadian diversified midstream operation. Revenues from our data segment increased by \$1,036 million, predominately due to our acquisition of an Indian telecom tower operation in September 2024, our current year acquisition of a U.S. bulk fiber network, and organic growth across our data center platform. Overall, these increases were partially offset by foreign exchange impacts of \$124 million across our segments, as the average rates across most of the currencies depreciated against the U.S. dollar relative to 2024.

Direct operating costs for the year ended December 31, 2025 were \$16,876 million, which represents an increase of \$1,200 million compared to the year ended December 31, 2024. The current period includes \$1,225 million of incremental costs (including depreciation) attributable to recent acquisitions and incremental costs associated with organic growth initiatives. The impact of recent dispositions and foreign exchange decreased our U.S. dollar costs by \$25 million.

General and administrative expenses totaled \$426 million for the year ended December 31, 2025, an increase of \$21 million compared to the same period in 2024. This line item primarily consists of the annual base management fee that is paid to Brookfield, which is equal to 1.25% of our partnership's market value plus preferred units outstanding and net recourse debt. The increase from the prior year is due to an increase in the average market value of our securities during the year.

Interest expense for the year ended December 31, 2025 was \$3,868 million, an increase of \$481 million compared to the same period in 2024. Interest expense increased by \$333 million due to recent acquisitions and \$192 million related to incremental financings added to existing investments and organic growth projects. The impact of foreign exchange and dispositions reduced interest expense by \$44 million.

Our partnership's share of earnings from investments in associates and joint ventures was \$627 million for the year ended December 31, 2025, representing an increase of \$188 million relative to the same period in 2024. The increase was principally driven by \$428 million of gains recognized on the sale of our Mexican regulated natural gas transmission pipelines and our Australian container terminal operation, partially offset by mark-to-market losses on our foreign currency derivatives across our investments in the current period.

Mark-to-market losses for the year ended December 31, 2025 were \$548 million compared to losses of \$26 million for the year ended December 31, 2024. Amounts in both the current and comparative periods consist primarily of mark-to-market movements relating to foreign exchange hedging activities at the corporate level, in commodity prices, however current period losses also reflect the revaluation of non-controlling interests in our Indian telecom tower operation.

Other income was \$1,112 million for the year ended December 31, 2025, compared to expenses of \$31 million during the year ended December 31, 2024. Other income in the current period benefited from gains recognized on the partial sales of our U.K. port operation and stabilized assets at our global intermodal logistics operation and our European hyperscale data center platform, in addition to the sale of our Mexican regulated natural gas transmission pipelines, U.S. gas pipeline and our Australian export terminal operation. Prior period results included a bargain purchase gain recognized on the acquisition of a U.S. colocation data center business, which was more than offset by transaction costs and accretion expenses related to other long-term liabilities.

Income tax expense for the year ended December 31, 2025 was \$589 million compared to \$270 million from the prior year, principally due to an increase in taxable income as a result of realized gains recorded on the dispositions during the year, as well as a reduction in deferred tax recoveries when compared to the prior year.

2024 vs. 2023

For the year ended December 31, 2024, we reported net income of \$1,683 million, of which \$391 million (\$0.04 per unit) was attributable to our partnership. This compares to net income of \$1,448 million for the year ended December 31, 2023, of which \$432 million (\$0.14 per unit) was attributable to our partnership. Results benefited from a full year of contributions associated with acquisitions, organic growth across our base business and the bargain purchase gain on the acquisition of a North American retail colocation data center business in 2024.

Revenues for the year ended December 31, 2024 were \$21,039 million, which represents an increase of \$3,108 million compared to the year ended December 31, 2023. Revenues from our data segment increased by \$1,488 million, primarily due to the acquisition of a North American retail colocation data center business, a tuck-in acquisition at our Indian telecom tower portfolio and a full year contribution from the acquisition of a European hyperscale data center platform in the prior year. Revenues from our transport segment increased by \$1,058 million due to a full year contribution from the acquisition of a global intermodal logistics operation in the prior year and higher average tariffs during the year. Revenues from our utilities segment increased by \$400 million primarily due to inflation indexation and capital commissioned into rate base across the segment. Revenues from our midstream segment contributed additional revenues of \$206 million predominantly as a result of strong performance at our Canadian diversified midstream and North American gas storage operations. Overall, these increases were partially offset by foreign exchange impacts of \$44 million across our segments, as the average rates across most of the currencies depreciated against the U.S. dollar relative to 2023.

Direct operating costs for the year ended December 31, 2024 were \$15,676 million, which represents an increase of \$2,206 million compared to the year ended December 31, 2023. The year ended December 31, 2024 included \$1,208 million of incremental costs (including depreciation) attributable to recent acquisitions and \$974 million of incremental costs associated with organic growth initiatives. The impact of recent dispositions and foreign exchange increased our U.S. dollar costs by \$24 million.

General and administrative expenses totaled \$405 million for the year ended December 31, 2024, a decrease of \$8 million compared to the same period in 2023. This line item primarily consists of the annual base management fee that is paid to Brookfield, which is equal to 1.25% of our partnership's market value plus preferred units outstanding and net recourse debt. The decrease from the prior year is due to a decrease in the average market value of our securities during the year.

Interest expense for the year ended December 31, 2024 was \$3,387 million, an increase of \$886 million compared to the same period in 2023. Interest expense increased by \$441 million related to recent acquisitions and \$490 million related to incremental financings added to existing investments and organic growth projects. The impact of foreign exchange and dispositions reduced interest expense by \$45 million.

Our partnership's share of earnings from investments in associates and joint ventures was \$439 million for the year ended December 31, 2024, representing a decrease of \$20 million relative to the same period in 2023. The decrease was principally driven by gains recognized in the prior year from the sale of a New Zealand data distribution business and our U.S. gas storage portfolio, partially offset by revaluation of investment properties, mark-to-market on hedging derivatives as well as organic growth across our investments in 2024.

Other expense was \$31 million for the year ended December 31, 2024, compared to income of \$141 million during the year ended December 31, 2023. Other income in the year ended December 31, 2024 was primarily due to bargain purchase gain recognized on the acquisition of a North American retail colocation data center business and revaluations of investment properties at our European hyperscale data center platform, which were more than offset by accretion expenses related to other long-term liabilities and transaction costs. Prior period results included gains on the dispositions of our Indian toll roads business and a freehold landlord port in Victoria, Australia, as well as a partial disposition of our interest in a U.S. gas pipeline, partially offset by accretion expenses related to other long-term liabilities.

Mark-to-market losses for the year ended December 31, 2024 were \$26 million compared to gains of \$118 million for the year ended December 31, 2023. Amounts in both the year ended December 31, 2024 and December 31, 2023 consisted primarily of mark-to-market movements relating to foreign exchange hedging activities at the corporate level. The loss in the current year mainly resulted from the depreciation of several of the currencies we hedge relative to the U.S. dollar throughout the year.

Income tax expense for the year ended December 31, 2024 was \$270 million compared to \$581 million from the prior year. The decrease in income tax expense was principally a result of increased deferred tax recoveries reported by our business in 2024.

The following table summarizes the statement of financial position of Brookfield Infrastructure for the years ended December 31, 2025 and December 31, 2024:

US\$ MILLIONS	As of	
	December 31, 2025	December 31, 2024
Summary Statements of Financial Position Key Metrics		
Cash and cash equivalents	\$ 3,201	\$ 2,071
Property, plant and equipment	66,797	50,847
Intangible assets	15,765	14,521
Total assets	128,150	104,590
Corporate borrowings	4,947	4,542
Non-recourse borrowings	59,551	46,552
Total liabilities ⁽¹⁾	92,610	74,737
Limited partners' capital	4,889	4,704
General partner's capital	25	27
Non-controlling interest—Redeemable Partnership Units	2,017	1,926
Non-controlling interest—BIPC exchangeable shares and class A.2 exchangeable shares	1,440	1,355
Non-controlling interest—Exchangeable units ⁽²⁾	61	62
Non-controlling interest—perpetual subordinated notes	293	293
Non-controlling interest—in operating subsidiaries	26,086	20,568
Preferred unitholders	729	918
Partnership's capital attributable to the partnership ⁽³⁾	8,432	8,074
Total partnership's capital	35,540	29,853

(1) As at December 31, 2025 and 2024, \$1.8 billion and \$1.7 billion, respectively, of capital contributed by non-controlling shareholders in our Indian telecom tower operation has been excluded from partnership capital, interest of others in operating subsidiaries, and classified as a liability.

(2) Includes non-controlling interest attributable to Exchange LP Units and BIPC Exchangeable LP Units.

(3) Includes partnership capital attributable to limited partners, the general partner, non-controlling interests - Redeemable Partnership Units held by Brookfield, non-controlling interests - Exchangeable units and non-controlling interests - BIPC exchangeable shares and class A.2 exchangeable shares.

Total assets were \$128.2 billion at December 31, 2025, compared to \$104.6 billion at December 31, 2024. Total assets increased by \$31.7 billion due to recent acquisitions, increased investment in capital assets, organic growth and benefits of foreign exchange, as the period end exchange rate of most of the currencies in which we operate increased relative to the prior year. These increases were partially offset by \$8.1 billion of impacts attributable to the partial disposition and deconsolidation of our U.K. port operation, and subsidiaries of our global intermodal logistics operation and European hyperscale data center platform, net of retained equity-accounted interests, depreciation and amortization of our long-lived assets and other recent dispositions.

During the year ended December 31, 2025, property, plant and equipment increased from \$50.8 billion to \$66.8 billion due to additions primarily associated with our acquisitions of a U.S. refined products pipeline system operation and a U.S. bulk fiber network, as well as continued investments in capital assets and the impacts of foreign exchange, partially offset by the partial sale and deconsolidation of our U.K. port operation, the reclassification of assets as held for sale at our U.K. rail operations and depreciation expense. Intangible assets increased from \$14.5 billion to \$15.8 billion primarily driven by the acquisition of a U.S. bulk fiber network as well as impacts of foreign exchange. These increases were partially offset by the reclassification of assets as held for sale in our U.K. rail operations as well as the impact of amortization.

Corporate borrowings increased to \$4.9 billion at December 31, 2025, compared to \$4.5 billion at December 31, 2024. The increase in corporate borrowings of \$0.4 billion during the year ended December 31, 2025 is primarily attributable to the issuance of \$0.5 billion of medium term notes, issuance of \$0.2 billion of subordinated notes and the impact of foreign exchange, partially offset by net repayments on our corporate credit facility and commercial paper of \$0.3 billion and \$0.1 billion, respectively.

Non-recourse borrowings increased by \$13.0 billion from December 31, 2024 due to acquisition related borrowings, net draws at our subsidiaries, and the impact of foreign exchange. This was partially offset by the dispositions of our U.S. gas pipeline, a subsidiary of our European hyperscale data center operation and our U.K. port operation, and the classification of our Brazilian electricity transmission operation and a subsidiary of our U.K. rail operation as held for sale.

Our partnership capital increased to \$8.4 billion from \$8.1 billion as at December 31, 2024, as income generated from operations and positive impacts of foreign currency translation exceeded the impact of distributions.

Foreign Currency Translation

Due to the nature of our global operations, current period financial results are impacted by foreign currency movements. The most significant currency exchange rates that impact our business are shown in the following table:

	Period End Rate					Average Rate				
	As of December 31,					For the year ended December 31,				
	2025	2024	2023	2025 vs 2024	2024 vs 2023	2025	2024	2023	2025 vs 2024	2024 vs 2023
Canadian dollar	0.7286	0.6953	0.7547	5 %	(8)%	0.7159	0.7301	0.7411	(2)%	(1)%
Brazilian real	0.1817	0.1615	0.2066	13 %	(22)%	0.1790	0.1855	0.2002	(4)%	(7)%
British pound	1.3475	1.2516	1.2731	8 %	(2)%	1.3191	1.2781	1.2439	3 %	3 %
Australian dollar	0.6673	0.6188	0.6812	8 %	(9)%	0.6451	0.6597	0.6644	(2)%	(1)%
Indian rupee	0.0111	0.0117	0.0120	(5)%	(3)%	0.0115	0.0120	0.0121	(4)%	(1)%
Euro	1.1746	1.0353	1.1039	13 %	(6)%	1.1304	1.0820	1.0816	4 %	— %

As at December 31, 2025, our consolidated partnership capital of \$35.5 billion was invested in the following currencies: United States dollars - 46%, Canadian dollars - 20%, British pounds - 16%, Euro - 9%, Australian dollars - 5%, Brazilian reais - 3%, and other currencies - 1%. As a result of our currency hedging program, 82% of our partnership capital is effectively denominated in U.S. dollars. Period end rates relative to the U.S. dollar at the end of 2025 were higher than December 31, 2024 for our most significant non-U.S. dollar investments, which increased the carrying values of the assets and liabilities of our operations in these regions.

The following table disaggregates the impact of foreign currency translation on our partnership capital by the most significant non-U.S. currencies:

US\$ MILLIONS	For the year ended December 31,		
	2025	2024	2023
Canadian dollar	\$ 301	\$ (451)	\$ 150
British pound	502	(121)	279
Indian rupee	(20)	(25)	(32)
Australian dollar	225	(212)	15
Brazilian real	144	(181)	121
Euro	532	(250)	(14)
Other	71	(176)	276
	1,755	(1,416)	795
Currency hedges ⁽¹⁾	(570)	389	(495)
	\$ 1,185	\$ (1,027)	\$ 300
Attributable to:			
Unitholders	\$ 438	\$ (392)	\$ 119
Non-controlling interests	747	(635)	181
	\$ 1,185	\$ (1,027)	\$ 300

(1) Includes net investment and cash flow hedges for foreign currencies of subsidiaries and associates and excludes cash flow hedges for interest rates.

The impact of foreign currency translation on partnership capital, including those attributable to non-controlling interests for the year ended December 31, 2025 was an increase to partnership capital of \$1,185 million.

We use financial contracts and locally denominated debt to hedge most foreign currency exposures. We are largely hedged against the European, British, Australian, Canadian and Indian currencies. As a result, the impact of currency movements was partially offset by gains and losses recognized on our currency hedges.

Average currency exchange rates impact revenues and net income in U.S. dollars from non-U.S. operations on a comparative basis. During the year ended December 31, 2025, the average foreign exchange rate of the major currencies we operate in weakened relative to the U.S. dollar, decreasing revenue and net income in U.S. dollars.

SEGMENTED DISCLOSURES

In this section, we review the results of our principal operating segments: utilities, transport, midstream, data and corporate. Key metrics and measures are presented in accordance with our partnership's share of the underlying results, taking into account Brookfield Infrastructure's ownership in operations accounted for using the consolidation and equity methods, whereby our partnership either controls or exercises significant influence or joint control over its investments. See the "Reconciliation of Non-IFRS Financial Measures" section of this MD&A for a discussion of the importance of our partnership's presentation, the limitations associated with such information and a reconciliation of segment results to our partnership's statement of operating results in accordance with IFRS.



Utilities

Results of Operations

The following table presents our partnership's share of the key metrics and measures of our utilities segment:

US\$ MILLIONS	For the year ended December 31,		
	2025	2024	2023
Funds from Operations (FFO)	\$ 786	\$ 760	\$ 879
Maintenance capital expenditures	(86)	(84)	(88)
Adjusted Funds from Operations (AFFO)	\$ 700	\$ 676	\$ 791
Adjusted EBITDA ⁽¹⁾	\$ 1,328	\$ 1,252	\$ 1,327
Rate Base ⁽²⁾	7,036	6,699	7,117
Return on rate base ^{(3),(4)}	12%	12%	12%

(1) Non-IFRS measure. Refer to the "Reconciliation of Segment Adjusted EBITDA" section of this MD&A for a reconciliation from net income.

(2) Rate base excludes our North American and European residential warranty businesses.

(3) Return on rate base is Adjusted EBITDA divided by time weighted average rate base.

(4) Return on rate base excludes impact of EBITDA earned from home services policies, connections revenue, return of capital and IFRS 16 adjustments.

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

The following table presents our partnership's share of Adjusted EBITDA and FFO for the businesses in this operating segment:

US\$ MILLIONS	Adjusted EBITDA ⁽¹⁾			FFO		
	2025	2024	2023	2025	2024	2023
Commercial & Residential Distribution	\$ 776	\$ 705	\$ 696	\$ 542	\$ 498	\$ 511
Regulated Transmission	552	547	631	244	262	368
Total	<u>\$1,328</u>	<u>\$1,252</u>	<u>\$1,327</u>	<u>\$ 786</u>	<u>\$ 760</u>	<u>\$ 879</u>

(1) Non-IFRS measure. Refer to the "Reconciliation of Segment Adjusted EBITDA" section of this MD&A for a reconciliation from net income.

The following table presents the roll-forward of our rate base:

US\$ MILLIONS	For the year ended December 31,		
	2025	2024	2023
Rate base, start of period ⁽¹⁾	\$ 6,699	\$ 7,117	\$ 6,804
Capital expenditures commissioned	492	468	487
Inflation and other indexation	252	57	362
(Asset sales) acquisitions	(503)	78	(614)
Regulatory depreciation	(110)	(173)	(167)
Foreign exchange and other	206	(848)	245
Rate base, end of period	<u>\$ 7,036</u>	<u>\$ 6,699</u>	<u>\$ 7,117</u>

(1) Rate base excludes our North American and European residential warranty businesses.

The following table presents the roll-forward of our partnership's share of capital backlog, which represents growth projects over the next two to three years, as well as capital to be commissioned:

US\$ MILLIONS	For the year ended December 31,		
	2025	2024	2023
Capital backlog, start of period	\$ 542	\$ 562	\$ 646
Additional capital project mandates	663	485	569
Less: capital expenditures	(577)	(487)	(542)
Impact of (asset sales) acquisitions	—	—	(127)
Foreign exchange and other	36	(18)	16
Capital backlog, end of period	664	542	562
Construction work in progress	589	477	469
Total capital to be commissioned	<u>\$ 1,253</u>	<u>\$ 1,019</u>	<u>\$ 1,031</u>

2025 vs. 2024

Results for our utilities segment benefited from strong organic growth due to inflation indexation and the commissioning of over \$500 million of capital into the rate base over the last 12 months. FFO was impacted by higher borrowing costs associated with funding growth projects and higher interest rates in Brazil. Prior year results included earnings from two Mexican regulated natural gas transmission pipelines, divested in Q1 2025.

For the year ended December 31, 2025, our commercial and residential distribution operations generated Adjusted EBITDA of \$776 million and FFO of \$542 million, compared to \$705 million and \$498 million, respectively, in the prior year. Results benefited from inflation indexation, growth in the customer base, higher connections revenue at our U.K. regulated distribution business, and capital commissioned into rate base over the last 12 months. FFO was impacted by higher borrowing costs to fund ongoing capital projects and higher interest rates in Brazil.

For the year ended December 31, 2025, our regulated transmission operations generated Adjusted EBITDA of \$552 million and FFO of \$244 million, compared to \$547 million and \$262 million, respectively, in 2024. Adjusted EBITDA and FFO benefited from utilization above take-or-pay levels and inflationary tariff increases across our operations along with contribution from our acquisition of a South Korean industrial gas business.

As of December 31, 2025, our rate base was \$7.0 billion. Rate base increased compared to December 31, 2024 due to new connections at our U.K. regulated distribution business and our residential infrastructure platform, along with the impacts of inflation indexation. Rate base also benefited from the acquisition of an additional 50% interest in a portfolio of operational electricity transmission lines in Brazil, offset by the sale of our interest in two Mexican regulated natural gas transmission pipelines and a partial interest in our Indian gas pipeline.

As of December 31, 2025, total capital to be commissioned into rate base was \$1.3 billion which was higher compared to \$1.0 billion as of December 31, 2024. Capital to be commissioned relates to projects that have been awarded or filed with regulators with anticipated commissioning into rate base in the next two to three years. New connection mandates awarded were partially offset by capital projects commissioned into rate base. The largest contributor to capital expected to be commissioned into rate base is our U.K. regulated distribution business (approximately \$800 million).

2024 vs. 2023

Results for our utilities segment benefited from strong organic growth due to the continued benefit of inflation indexation and the contribution associated with over \$450 million of capital commissioned into the rate base over the last 12 months. Results were impacted by the depreciation of the Brazilian real and from lower rates on foreign exchange hedge contracts. FFO was further impacted by higher borrowing costs associated with funding growth projects and upfinancings completed at two regulated transmission businesses. Prior year results included earnings from an Australian regulated utility divested in Q3 2023.

For the year ended December 31, 2024, our commercial and residential distribution operations generated Adjusted EBITDA of \$705 million and FFO of \$498 million, compared to \$696 million and \$511 million, respectively, in the prior year. Results benefited from inflation indexation, growth in the customer base at our U.K. regulated distribution business, and capital commissioned into rate base over the last 12 months. Results were impacted by lower rates on our foreign exchange hedge contracts. FFO was further impacted by higher borrowing costs to fund ongoing capital projects.

For the year ended December 31, 2024, our regulated transmission operations generated Adjusted EBITDA of \$547 million and FFO of \$262 million, compared to \$631 million and \$368 million, respectively, in 2023. Adjusted EBITDA and FFO decreased from the prior year due to the sale of an Australian regulated utility in Q3 2023. The base business benefited from higher tariffs and the commissioning of our largest concession at our Brazilian electricity transmission operation. Results were impacted by the depreciation of the Brazilian real. FFO was further impacted by higher borrowing costs from upfinancings completed at our regulated pipelines in Brazil and Mexico.

As of December 31, 2024, our rate base was \$6.7 billion. Rate base decreased compared to December 31, 2023 as new connections at our U.K. regulated distribution business and our residential infrastructure platform were offset by the impact of foreign exchange, most notably the Brazilian real. Rate base partially benefited from the acquisition of our construction partner's 50% ownership of 842 km operational electricity transmission lines at our Brazilian electricity transmission operation.

As of December 31, 2024, total capital to be commissioned into rate base was \$1.0 billion which was consistent compared to \$1.0 billion as of December 31, 2023. Capital to be commissioned relates to projects that have been awarded or filed with regulators with anticipated commissioning into rate base in the next two to three years. New connection mandates awarded were offset by capital projects commissioned into rate base. The largest contributor to capital expected to be commissioned into rate base is our U.K. regulated distribution business (approximately \$700 million).



Transport

Results of Operations

The following table presents our partnership's share of the key metrics and measures of our transport segment:

US\$ MILLIONS	For the year ended December 31,		
	2025	2024	2023
Funds from Operations (FFO)	\$ 1,144	\$ 1,224	\$ 888
Maintenance capital expenditures	(367)	(328)	(179)
Adjusted Funds from Operations (AFFO)	\$ 777	\$ 896	\$ 709
Adjusted EBITDA ⁽¹⁾	\$ 1,563	\$ 1,646	\$ 1,235
Adjusted EBITDA margin ⁽²⁾	66%	66%	60%
Growth capital expenditures	\$ 363	\$ 337	\$ 276

(1) Non-IFRS measure. Refer to the "Reconciliation of Segment Adjusted EBITDA" section of this MD&A for a reconciliation from net income.

(2) Adjusted EBITDA margin is Adjusted EBITDA divided by revenues. Adjusted EBITDA margin is a non-IFRS measure. Refer to the "Reconciliation of Segment Adjusted EBITDA" section of this MD&A for a reconciliation from net income.

The following table presents our partnership's share of Adjusted EBITDA and FFO for each business in this operating segment:

US\$ MILLIONS	Adjusted EBITDA ⁽¹⁾			FFO		
	2025	2024	2023	2025	2024	2023
Diversified Terminals	\$ 811	\$ 885	\$ 555	\$ 603	\$ 653	\$ 382
Rail	478	500	411	366	388	317
Toll Roads	274	261	269	175	183	189
Total	\$1,563	\$1,646	\$1,235	\$1,144	\$1,224	\$ 888

(1) Non-IFRS measure. Refer to the "Reconciliation of Segment Adjusted EBITDA" section of this MD&A for a reconciliation from net income.

The following table presents the roll-forward of our partnership's share of capital backlog and capital to be commissioned:

<u>US\$ MILLIONS</u>	<u>For the year ended December 31,</u>		
	<u>2025</u>	<u>2024</u>	<u>2023</u>
Capital backlog, start of period	\$ 461	\$ 714	\$ 603
Additional capital project mandates	362	151	353
Impact of (asset sales) acquisitions	(158)	9	—
Less: capital expenditures	(363)	(337)	(276)
Foreign exchange and other	55	(76)	34
Capital backlog, end of period	357	461	714
Construction work in progress	189	193	445
Total capital to be commissioned	<u>\$ 546</u>	<u>\$ 654</u>	<u>\$ 1,159</u>

2025 vs. 2024

Results benefited from higher rates and volumes across our transportation networks, particularly at our rail and toll road segments, where volumes and rates grew by an average of 2% and 3% respectively. Prior year results reflect contribution from various businesses that were sold during the year, including our Australian export terminal, our Australian container terminal operations, a portfolio of fully contracted containers at our global intermodal logistics operation and a partial interest in our U.K. ports operation.

For the year ended December 31, 2025, our diversified terminals reported Adjusted EBITDA of \$811 million and FFO of \$603 million, compared to \$885 million and \$653 million, respectively, during the same period in 2024. Adjusted EBITDA and FFO decreased from the prior year from the sale of our Australian export terminal, our Australian container terminal operations, a portfolio of fully contracted containers at our global intermodal logistics operation and a partial interest in our U.K. ports operation.

For the year ended December 31, 2025, our rail business generated Adjusted EBITDA of \$478 million and FFO of \$366 million, compared to \$500 million and \$388 million, respectively, during the same period in 2024. Adjusted EBITDA and FFO benefited from inflationary tariff increases across the portfolio, offset by lower volumes and the impact of foreign exchange.

For the year ended December 31, 2025, our toll roads contributed Adjusted EBITDA of \$274 million and FFO of \$175 million, compared to \$261 million and \$183 million, respectively, during the same period in 2024. Adjusted EBITDA and FFO benefited from higher rates and traffic volumes across our portfolio.

As of December 31, 2025, total capital to be commissioned was \$0.5 billion compared to \$0.7 billion as of December 31, 2024. Total capital to be commissioned decreased as additional project mandates were offset by projects commissioned during the period and the impact of dispositions during the year. Capital to be commissioned consists of projects which will increase capacity of our terminals by deepening the berths and expanding, enhancing and modernizing our existing infrastructure; upgrade and expand our network to capture volume growth from incremental activity in the sectors we serve; and expand the capacity of our roads by increasing and widening lanes on certain routes to support traffic growth.

2024 vs. 2023

Results benefited from higher volumes across the segment and average rate increases of 7% across our rail networks and 6% across our toll road portfolio. Current year results reflect full year contribution from the acquisition of Triton, a global intermodal logistics operation, in Q3 2023, and the contribution from an additional 10% interest in our Brazilian rail network.

For the year ended December 31, 2024, our diversified terminals reported Adjusted EBITDA of \$885 million and FFO of \$653 million, compared to \$555 million and \$382 million, respectively, during the same period in 2023. Adjusted EBITDA and FFO benefited from inflationary increases and higher volumes over the prior year. Current year results reflect full year contribution from the acquisition of our global intermodal logistics operation in Q3 2023.

For the year ended December 31, 2024, our rail business generated Adjusted EBITDA of \$500 million and FFO of \$388 million, compared to \$411 million and \$317 million, respectively, during the same period in 2023. Adjusted EBITDA and FFO benefited from inflationary tariff increases of 7%. Current year results also reflect contribution from an additional 10% interest in our Brazilian rail network.

For the year ended December 31, 2024, our toll roads contributed Adjusted EBITDA of \$261 million and FFO of \$183 million, compared to \$269 million and \$189 million, respectively, during the same period in 2023. Adjusted EBITDA and FFO benefited from inflationary tariff increases of 6% and an 8% increase in traffic volumes across our portfolio. Results were impacted by the depreciation of the Brazilian real. Prior year results included contribution from our Indian toll road operation, which was divested in Q2 2023.

As of December 31, 2024, total capital to be commissioned was \$0.7 billion compared to \$1.2 billion as of December 31, 2023. Total capital to be commissioned decreased as additional project mandates were offset by projects commissioned during the period, including one of the largest road infrastructure projects at our Brazilian toll road business, and the impact of foreign exchange. Capital to be commissioned consists of projects which will increase capacity of our terminals, upgrade and expand our network, and expand the capacity of our roads.



Results of Operations

The following table presents our partnership's share of the key metrics of our midstream segment:

US\$ MILLIONS	For the year ended December 31,		
	2025	2024	2023
Funds from Operations (FFO)	\$ 668	\$ 625	\$ 684
Maintenance capital expenditures	(161)	(162)	(152)
Adjusted Funds from Operations (AFFO)	\$ 507	\$ 463	\$ 532
Adjusted EBITDA ⁽¹⁾	\$ 1,016	\$ 974	\$ 995
Adjusted EBITDA margin ⁽²⁾	60%	58%	57%

(1) Non-IFRS measure. Refer to the "Reconciliation of Segment Adjusted EBITDA" section of this MD&A for a reconciliation from net income.

(2) Adjusted EBITDA margin is Adjusted EBITDA divided by revenues. Adjusted EBITDA margin is a non-IFRS measure. Refer to the "Reconciliation of Segment Adjusted EBITDA" section of this MD&A for reconciliation from net income to Adjusted EBITDA.

The following table presents the roll-forward of our partnership's share of capital backlog and capital to be commissioned:

US\$ MILLIONS	For the year ended December 31,		
	2025	2024	2023
Capital backlog, start of period	\$ 230	\$ 270	\$ 217
Additional capital project mandates	114	126	174
Less: capital expenditures	(148)	(155)	(104)
Impact of (asset sales) acquisitions	(50)	—	(23)
Foreign exchange and other	7	(11)	6
Capital backlog, end of period	153	230	270
Construction work in progress	79	142	74
Total capital to be commissioned	\$ 232	\$ 372	\$ 344

2025 vs. 2024

For the year ended December 31, 2025, our midstream operations generated Adjusted EBITDA of \$1,016 million and FFO of \$668 million, compared to \$974 million and \$625 million, respectively, during the same period in 2024. Adjusted EBITDA and FFO benefited from our acquisition of a U.S. refined products pipeline system, partially offset by the sale of our U.S. gas pipeline in Q2 2025 and a partial sale of our North American gas storage business.

As of December 31, 2025, total capital to be commissioned was \$232 million compared to \$372 million as of December 31, 2024. Total capital to be commissioned relates to additional growth projects that are expected to expand capacity across our midstream operations.

2024 vs. 2023

For the year ended December 31, 2024, our midstream operations generated Adjusted EBITDA of \$974 million and FFO of \$625 million, compared to \$995 million and \$684 million, respectively, during the same period in 2023. Adjusted EBITDA and FFO benefited from higher contracted and market sensitive revenues across our midstream operations, offset by the impact of lower rates on our foreign exchange hedge contracts. FFO was further impacted by higher borrowing costs from upfinancings completed at our U.S. gas pipeline and our North American gas storage operation. Prior year results included contribution from our U.S. gas pipeline which was partially divested in Q2 2023.

As of December 31, 2024, total capital to be commissioned was \$372 million compared to \$344 million as of December 31, 2023. Total capital to be commissioned relates to additional growth projects that are expected to expand capacity across our midstream operations.



Data

Results of Operations

The following table presents our partnership's share of the key metrics of our data segment:

US\$ MILLIONS	For the year ended December 31,		
	2025	2024	2023
Funds from Operations (FFO)	\$ 502	\$ 333	\$ 275
Maintenance capital expenditures	(49)	(32)	(31)
Adjusted Funds from Operations (AFFO)	\$ 453	\$ 301	\$ 244
Adjusted EBITDA ⁽¹⁾	\$ 786	\$ 597	\$ 447
Adjusted EBITDA margin ⁽²⁾	70%	66%	67%
Growth capital expenditures	\$ 2,220	\$ 1,187	\$ 824

(1) Non-IFRS measure. Refer to the "Reconciliation of Segment Adjusted EBITDA" section of this MD&A for a reconciliation from net income.

(2) Adjusted EBITDA margin is Adjusted EBITDA divided by revenues. Adjusted EBITDA margin is a non-IFRS measure. Refer to the "Reconciliation of Segment Adjusted EBITDA" section of this MD&A for reconciliation from net income to Adjusted EBITDA.

The following table presents our partnership's share of Adjusted EBITDA and FFO for each business in this operating segment:

US\$ MILLIONS	Adjusted EBITDA ⁽¹⁾			FFO		
	2025	2024	2023	2025	2024	2023
Data Transmission and Distribution	\$ 462	\$ 382	\$ 387	\$ 318	\$ 237	\$ 242
Data Storage	324	215	60	184	96	33
Total	\$ 786	\$ 597	\$ 447	\$ 502	\$ 333	\$ 275

(1) Non-IFRS measure. Refer to the "Reconciliation of Segment Adjusted EBITDA" section of this MD&A for a reconciliation from net income.

The following table presents the roll-forward of our partnership's share of capital backlog and capital to be commissioned:

US\$ MILLIONS	For the year ended December 31,		
	2025	2024	2023
Capital backlog, start of period	\$ 3,888	\$ 4,104	\$ 3,756
Impact of acquisitions (asset sales)	132	(4)	444
Additional capital project mandates	1,699	1,031	438
Less: capital expenditures	(2,220)	(1,187)	(824)
Foreign exchange and other ⁽¹⁾	31	(56)	290
Capital backlog, end of period	3,530	3,888	4,104
Construction work in progress	3,593	1,829	1,000
Total capital to be commissioned	\$ 7,123	\$ 5,717	\$ 5,104

(1) 2023 includes approximately \$275 million from an increase in our partnership with Intel.

2025 vs. 2024

Results for our data segment benefited from strong organic growth across the segment, including income generated by our data center developers and the commissioning of additional capacity. Current year results include contribution from the acquisition of our U.S. bulk fiber network in Q3 2025.

For the year ended December 31, 2025, our data transmission and distribution business generated Adjusted EBITDA of \$462 million and FFO of \$318 million, compared to \$382 million and \$237 million, respectively, during the same period in 2024. Results benefited from additional points-of-presence across our portfolio. Current year results include contribution from the acquisition of our U.S. bulk fiber network in Q3 2025.

For the year ended December 31, 2025, our data storage business contributed Adjusted EBITDA of \$324 million and FFO of \$184 million compared to \$215 million and \$96 million, respectively, during the same period in 2024. Results benefited from strong organic growth across our data storage business, which included the commissioning of 220 MW of capacity at our hyperscale data centers, 200 MW of new billings at our U.S. retail colocation data center operation and income generated by our global data center developers.

As of December 31, 2025, total capital to be commissioned was \$7.1 billion compared to \$5.7 billion as of December 31, 2024. Total capital to be commissioned includes approximately \$4.7 billion at our data transmission and distribution businesses and approximately \$2.4 billion at our data storage operations. Total capital to be commissioned includes \$3.9 billion from our partnership with Intel to build two semiconductor foundries in Arizona. The remaining capital to be commissioned relates to the build-out of additional sites and tenancies at our telecom tower operations, additional connections across our global fiber operations, and increasing the capacity of our data storage network. Total capital to be commissioned increased compared to December 31, 2024 from the construction of new facilities across our global data center portfolio.

2024 vs. 2023

Results for our data segment benefited from additional points-of-presence at our tower and fiber operations and the commissioning of additional megawatts across our global data storage platform. Current year results reflect contributions from our acquisitions of: a portfolio of 76,000 telecom tower sites in India in Q3 2024, a North American retail colocation data center business in Q1 2024 and hyperscale data center platforms in Europe and the United States in Q3 2023 and Q4 2023, respectively. Prior year results reflect contribution from a New Zealand integrated data distribution business, which we sold in Q2 2023.

For the year ended December 31, 2024, our data transmission and distribution business generated Adjusted EBITDA of \$382 million and FFO of \$237 million, compared to \$387 million and \$242 million, respectively, during the same period in 2023. Results benefited from additional points-of-presence across our portfolio, offset by lower rates on foreign exchange hedge contracts. Current year results reflect earnings from the tuck-in acquisition of 76,000 telecom tower sites in India, partially offset by the lost contribution from our New Zealand data distribution business divested in Q2 2023.

For the year ended December 31, 2024, our data storage business contributed Adjusted EBITDA of \$215 million and FFO of \$96 million compared to \$60 million and \$33 million, respectively, during the same period in 2023. Results benefited from the acquisition of a North American retail colocation data center business in Q1 2024, and the acquisitions of hyperscale data center platforms in Europe and the United States in Q3 and Q4 2023, respectively.

As of December 31, 2024, total capital to be commissioned was \$5.7 billion compared to \$5.1 billion as of December 31, 2023. Total capital to be commissioned includes approximately \$4.2 billion at our data transmission and distribution businesses and approximately \$1.5 billion at our data storage operations. Total capital to be commissioned includes \$3.9 billion from our partnership with Intel to build two semiconductor foundries in Arizona. The remaining capital to be commissioned relates to the build-out of additional sites and tenancies at our telecom tower operations, additional connections across our global fiber operations, and increasing the capacity of our data storage network. Capital to be commissioned increased compared to December 31, 2023 from the construction of new facilities across our global data center portfolio.



Corporate

The following table presents the components of our corporate segment, at our partnership's share:

US\$ MILLIONS	For the year ended December 31,		
	2025	2024	2023
Adjusted EBITDA ⁽¹⁾	(426)	(405)	(413)
Funds from Operations (FFO)	(473)	(474)	(438)

(1) Non-IFRS measure. Refer to the "Reconciliation of Segment Adjusted EBITDA" section of this MD&A for a reconciliation from net income.

2025 vs. 2024

For the year ended December 31, 2025, Adjusted EBITDA and FFO for our Corporate segment were losses of \$426 million and \$473 million, respectively, versus \$405 million and \$474 million, respectively, in 2024.

Pursuant to our Master Services Agreement, we pay Brookfield an annual base management fee equal to 1.25% of the combined market value of our partnership and BIPC plus preferred units outstanding and net recourse debt.

2024 vs. 2023

For the year ended December 31, 2024, Adjusted EBITDA and FFO for our Corporate segment were losses of \$405 million and \$474 million, respectively, versus \$413 million and \$438 million, respectively, in 2023.

Pursuant to our Master Services Agreement, we pay Brookfield an annual base management fee equal to 1.25% of the combined market value of our partnership and BIPC plus preferred units outstanding and net recourse debt.

SELECTED STATEMENTS OF OPERATING RESULTS AND FINANCIAL POSITION INFORMATION

To measure performance, we focus on net income, an IFRS measure, as well as certain non-IFRS measures, including but not limited to FFO, AFFO, Adjusted EBITDA and Invested Capital. We define FFO as net income excluding the impact of certain non-cash items including depreciation and amortization, deferred income taxes, mark-to-market gains (losses) and other income (expenses) that are not related to normal revenue earning activities or that are not normal, recurring cash operating expenses necessary for business operations. FFO is not adjusted for the income (loss) earned by data center developers which is generated through the development, commercialization, and sale of completed sites. The inclusion of this income reflects the operating performance of such investments and includes income (or losses) recognized in the current and prior periods. FFO also 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. We define AFFO as FFO less capital expenditures required to maintain the current performance of our operations (maintenance capital expenditures).

In addition to FFO and AFFO, we focus on Adjusted EBITDA, which we define as net income excluding the impact of interest expense, depreciation and amortization, income taxes, mark-to-market gains (losses) and other income (expenses) corresponding to amounts that are not related to the revenue earning activities and are not normal, recurring cash operating items necessary for business operations. Adjusted EBITDA is not adjusted for the income (loss) earned by data center developers which is generated through the development, commercialization, and sale of completed sites. The inclusion of this income reflects the operating performance of such investments and includes income (or losses) recognized in the current and prior periods. Adjusted EBITDA 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 ownership interests held by non-controlling interests in consolidated subsidiaries. We define Invested Capital as partnership capital removing the following items: non-controlling interest - in operating subsidiaries, retained earnings or deficit, accumulated other comprehensive income and ownership changes.

Along with net income and other IFRS measures, FFO and Adjusted EBITDA are key measures of our financial performance that we use to assess the results and performance of our operations on a segmented basis. AFFO is also a measure of operating performance and represents the ability of our businesses to generate sustainable earnings. 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.

Since they are not calculated in accordance with, and do not have any standardized meanings prescribed by IFRS, FFO, AFFO, Adjusted EBITDA and Invested Capital are unlikely to be comparable to similar measures presented by other issuers and have limitations as analytical tools. Specifically, our definition of FFO may differ from the definition used by other organizations, as well as the definition of Funds from Operations used by REALPAC and NAREIT, in part because the NAREIT definition is based on U.S. GAAP, as opposed to IFRS.

For further details regarding our use of FFO, AFFO, Adjusted EBITDA and Invested Capital, as well as a reconciliation of the most directly comparable IFRS measures to these measures, see the “Reconciliation of Non-IFRS Financial Measures” section of this MD&A.

US\$ MILLIONS, EXCEPT PER UNIT INFORMATION	For the year ended December 31,		
	2025	2024	2023
Key Measures			
Net income attributable to the partnership ⁽¹⁾	\$1,091	\$ 391	\$ 432
Net income per unit ⁽²⁾	0.90	0.04	0.14
Funds from Operations (FFO) ⁽³⁾	2,627	2,468	2,288
Per unit FFO ⁽⁴⁾	3.32	3.12	2.95
Adjusted Funds from Operations (AFFO) ⁽³⁾	1,964	1,862	1,838
Return on invested capital ⁽⁵⁾	14 %	13 %	14 %
Adjusted EBITDA ⁽³⁾	4,267	4,064	3,591
Distributions per unit ⁽⁶⁾	1.72	1.62	1.53
FFO payout ratio ⁽⁷⁾	66 %	67 %	66 %
AFFO payout ratio ⁽⁸⁾	89 %	88 %	82 %

- (1) Includes net income attributable to limited partners, the general partner, non-controlling interests - Redeemable Partnership Units held by Brookfield, non-controlling interests - Exchange LP Units, non-controlling interests - BIPC Exchangeable LP Units, and non-controlling interests - BIPC exchangeable shares and class A.2 exchangeable shares.
- (2) Average number of limited partnership units outstanding on a time weighted average basis for the year ended December 31, 2025 were 460.1 million (2024: 461.6 million, 2023: 459.4 million).
- (3) Refer to the “Performance Measures Used by Management” section of this MD&A for a definition of FFO, AFFO and Adjusted EBITDA, and the “Reconciliation of Non-IFRS Financial Measures” section of this MD&A for reconciliation from net income to FFO, AFFO and Adjusted EBITDA.
- (4) Average units outstanding during the year ended December 31, 2025, were 790.5 million units outstanding (2024: 792.1 million, 2023: 776.9 million).
- (5) Return on invested capital is calculated as AFFO, adjusted for an estimate of the portion of earnings that represent a return of capital on concession-based businesses, divided by average Invested Capital. The return of capital estimate for the year ended December 31, 2025 was \$128 million (2024: \$121 million, 2023: \$118 million). Refer to the “Reconciliation of Non-IFRS Financial Measures” section of this MD&A for reconciliation from partnership capital to Invested Capital.
- (6) Distribution per unit is defined as the sum of partnership distributions less incentive distributions, divided by the total limited partner units, general partner units, Redeemable Partnership Units, Exchange LP Units, BIPC Exchangeable LP Units, BIPC exchangeable shares and class A.2 exchangeable shares outstanding as of the record date. During the year ended December 31, 2025, the partnership paid quarterly distributions of \$0.43 per unit.
- (7) FFO payout ratio is defined as distributions paid (inclusive of GP incentive and preferred unit distributions) divided by FFO.
- (8) AFFO payout ratio is defined as distributions paid (inclusive of GP incentive and preferred unit distributions) divided by AFFO.

For the year ended December 31, 2025, FFO totaled \$2.6 billion (\$3.32 per unit) compared to \$2.5 billion (\$3.12 per unit) in 2024 and \$2.3 billion (\$2.95 per unit) in 2023. FFO of \$2.6 billion for the year ended December 31, 2025 represents an increase of 6% on a per unit basis. Organic growth was 8%, capturing annual rate increases, volume growth across the majority of our critical infrastructure networks, and earnings associated with capital commissioned over the last twelve months. Results were also supported by the contribution from our new investments, which were more than offset by the impact of capital recycling initiatives. Distributions paid in 2025 of \$1.72 per unit represent an increase of 6% compared to the prior year. This distribution, when combined with the incentive and preferred unit distributions, resulted in a payout ratio of 66%, within our long-term target range of 60-70%.

RECONCILIATION OF NON-IFRS FINANCIAL MEASURES

We focus on FFO to measure operating performance, along with IFRS measures such as net income. In addition, we also assess AFFO, Adjusted EBITDA and Invested Capital.

Adjusted EBITDA, FFO, AFFO and Invested Capital are presented based on our partnership's share of results in operations accounted for using the consolidation and the equity method whereby we either control or exercise significant influence or joint control over the investment, respectively. Adjusted EBITDA, FFO, AFFO and Invested Capital are not, and are not intended to be, presented in accordance with IFRS. Under IFRS, we are not considered to control those entities that have not been consolidated and as such, have been presented as investments in associates or joint ventures in Note 13 of our partnership's financial statements included herein. The presentation of the assets and liabilities and revenues and expenses do not represent our legal claim to such items, and the removal of financial statement amounts that are attributable to non-controlling interests does not extinguish our partnership's legal claims or exposures to such items.

As a result, segment revenues, costs attributable to revenues, general and administrative costs, interest expense, depreciation and amortization, deferred income taxes and other income (expenses) corresponding to amounts that are not related to the revenue earning activities and are not normal, recurring cash operating items necessary for business operations are reconciling items that will differ from results presented in accordance with IFRS as these reconciling items include our partnership's share of earnings from investments in associates attributable to each of the above-noted items, and exclude the share of earnings of consolidated investments not held by our partnership apportioned to each of the above-noted items.

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

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

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

See the "Reconciliation of Non-IFRS Financial Measures" section of this MD&A for a reconciliation of segment results to our statement of operating results in accordance with IFRS along with a breakdown of each of the reconciling items by type and by operating segment.

Net income is the most directly comparable IFRS measure to FFO, AFFO and Adjusted EBITDA. Partnership capital is the most directly comparable IFRS measure to Invested Capital. We urge investors to review the IFRS financial measures within the MD&A and to not rely on any single financial measure to evaluate our partnership.

FFO has limitations as an analytical tool:

- FFO does not include depreciation and amortization expense; because we own capital assets with finite lives, depreciation and amortization expense recognizes the fact that we must maintain or replace our asset base in order to preserve our revenue generating capability;
- FFO does not include deferred income taxes, which may become payable if we own our assets for a long period of time;
- FFO does not include the impact of mark-to-market gains or losses;
- FFO does not include other income (expenses) corresponding to amounts that are not related to the revenue earning activities and are not normal, recurring cash operating items necessary for business operations;
- FFO is not adjusted for the income (loss) earned by data center developers which is generated through the development, commercialization, and sale of completed sites;
- Our definition of FFO may differ from the definition used by other organizations, and is different than the definition of Funds from Operations used by REALPAC and NAREIT, in part because the NAREIT definition is based on U.S. GAAP, as opposed to IFRS.

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

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

We add back depreciation and amortization to remove the implication that our assets decline in value over time since we believe that the value of most of our assets will be sustained over time, provided we make all necessary maintenance expenditures. We add back deferred income taxes because we do not believe this item reflects the present value of the actual cash tax obligations we will be required to pay, particularly if our operations are held for a long period of time. We add back the impact of mark-to-market gains (losses) which indicate a point-in-time approximation of value on items we consider long-term. Finally, we add back other income (expenses) that are not related to the revenue earning activities and are not normal, recurring cash operating items necessary for business operations. FFO is not adjusted for the income (loss) earned by data center developers which is generated through the development, commercialization, and sale of completed sites. The inclusion of this income reflects the operating performance of such investments and includes income (or losses) recognized in the current and prior periods.

In addition, we focus on AFFO, which is defined as FFO less capital expenditures required to maintain the current performance of our operations (maintenance capital expenditures). While FFO provides a basis for assessing current operating performance, it does not take into consideration the cost to sustain the operating performance of our partnership's asset base. In order to assess the long-term, sustainable operating performance of our businesses, we observe that in addition to FFO, investors use AFFO by taking into account the impact of maintenance capital expenditures.

We also focus on Adjusted EBITDA. Adjusted EBITDA provides a supplemental understanding of the performance of our business and enhanced comparability across periods and relative to our peers. In addition to the adjustments to FFO, Adjusted EBITDA excludes the impact of interest expense and current income taxes to remove the effect of our current capital structure and tax profile in assessing the operating performance of our businesses.

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 define Invested Capital as partnership capital removing the following items: non-controlling interest - in operating subsidiaries, retained earnings or deficit, accumulated other comprehensive income and ownership changes. We measure return on Invested Capital as AFFO, less estimated returns of capital on operations that are not perpetual in nature, divided by the weighted average Invested Capital for the period. Our partnership completes our estimate of returns of capital by reviewing the cash flow profile over the economic useful life of limited life businesses as underwritten, and estimating the percentage of cash flows generated in a given year. This percentage is then applied to our invested capital to determine how much capital we believe was returned in the current year.

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

<u>US\$ MILLIONS</u>	<u>For the year ended December 31,</u>		
	<u>2025</u>	<u>2024</u>	<u>2023</u>
Net income	\$ 2,532	\$ 1,683	\$ 1,448
Add back or deduct the following:			
Depreciation and amortization	4,024	3,644	2,739
Share of earnings from investments in associates and joint ventures ⁽¹⁾	(627)	(439)	(459)
FFO contribution from investments in associates and joint ventures ⁽¹⁾	970	941	923
Deferred tax (recovery) expense	(156)	(324)	5
Mark-to-market losses	548	26	118
Other (income) expense ⁽²⁾	(711)	387	183
FFO attributable to non-controlling interests ⁽³⁾	(3,953)	(3,450)	(2,669)
FFO	2,627	2,468	2,288
Maintenance capital expenditures	(663)	(606)	(450)
AFFO	1,964	1,862	1,838

(1) FFO contribution from investments in associates and joint ventures correspond to the FFO attributable to the partnership that are generated by its investments in associates and joint ventures accounted for using the equity method. With consideration of share of (earnings) losses from investments in associates and joint ventures, these adjustments have the combined effect of excluding the impact of balances included in our definition of FFO recorded within our investments in associates and joint ventures.

(2) Other (income) expense corresponds to amounts that are not related to the revenue earning activities and are not normal, recurring cash operating expenses necessary for business operations. Other income/expenses excluded from FFO primarily includes gains on acquisitions and dispositions of subsidiaries, associates and joint ventures, gains or losses relating to foreign currency translation reclassified from accumulated comprehensive income to other expense, acquisition costs, gains/losses on remeasurement of borrowings, amortization of deferred financing costs, fair value remeasurement gains/losses, accretion expenses on deferred consideration or asset retirement obligations, impairment losses, and gains or losses on debt extinguishment.

(3) Amounts attributable to non-controlling interests are calculated based on the economic ownership interests held by non-controlling interests in consolidated subsidiaries. By adjusting FFO attributable to non-controlling interests, our partnership is able to remove the portion of FFO earned at non-wholly owned subsidiaries that is not attributable to the partnership.

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

For the year ended December 31, 2025, the difference between net income and FFO is predominantly due to depreciation and amortization, FFO attributable to non-controlling interests, FFO contribution from investments in associates and joint ventures. Depreciation and amortization increased from the year ended December 31, 2024 due to recently completed acquisitions, higher asset values following our annual revaluation process, and capital expenditures made during the year. FFO attributable to non-controlling interests increased from the prior year as contributions from acquisitions and organic growth more than offset the impact of dispositions. FFO contributions from investments in associates and joint ventures increased from the prior year primarily as a result of our recently completed acquisitions, partially offset by the impact of dispositions.

The difference between net income and AFFO is due to the aforementioned items in addition to maintenance capital expenditures of \$663 million (2024: \$606 million, 2023: \$450 million).

The following table reconciles net income, the most directly comparable IFRS measure, to Adjusted EBITDA, a non-IFRS measure.

US\$ MILLIONS	For the year ended December 31,		
	2025	2024	2023
Net income	\$ 2,532	\$ 1,683	\$ 1,448
Add back or deduct the following:			
Depreciation and amortization	4,024	3,644	2,739
Interest expense	3,868	3,387	2,501
Share of earnings from investments in associates and joint ventures ⁽¹⁾	(627)	(439)	(459)
Adjusted EBITDA contributions from investments in associates and joint ventures ⁽¹⁾	1,332	1,393	1,342
Income tax expense	589	270	581
Mark-to-market losses	548	26	118
Other (income) expense	(1,112)	31	(141)
Adjusted EBITDA attributable to non-controlling interests ⁽²⁾	(6,887)	(5,931)	(4,538)
Adjusted EBITDA	\$ 4,267	\$ 4,064	\$ 3,591

(1) Adjusted EBITDA contributions from investments in associates and joint ventures correspond to the adjusted EBITDA attributable to the partnership that are generated by its investments in associates and joint ventures accounted for using the equity method. Along with the removal or add back of share of (earnings) losses from investments in associates and joint ventures, these adjustments have the combined effect of excluding the impact of balances included in our definition of Adjusted EBITDA recorded within our investments in associates and joint ventures.

(2) Amounts attributable to non-controlling interests are calculated based on the economic ownership interests held by non-controlling interests in consolidated subsidiaries.

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

For the year ended December 31, 2025, the difference between net income and Adjusted EBITDA is predominantly due to depreciation and amortization, interest expense, Adjusted EBITDA contributions from investments in associates and joint ventures and Adjusted EBITDA attributable to non-controlling interests. Depreciation and amortization increased from the year ended December 31, 2024 due to incremental charges from recently completed acquisitions, higher asset values following our annual revaluation process, and capital expenditures made during 2025. Interest expense increased due to recent acquisitions, incremental financings added to existing investments and organic growth projects. Adjusted EBITDA contributions from investments in associates and joint ventures decreased from the prior year principally as a result of dispositions during the year which were partially offset by organic growth contributions. Adjusted EBITDA attributable to non-controlling interests increased from the prior year predominantly due to acquisitions and organic growth which were partially offset by the impact of dispositions.

Net income per limited partnership unit is the most directly comparable IFRS measure for per unit FFO. The following table reconciles net income per limited partnership unit, the most directly comparable IFRS measure, to FFO per unit, a non-IFRS financial metric:

	For the year ended December 31,		
	2025	2024	2023
Net income per limited partnership unit ⁽¹⁾	\$ 0.90	\$ 0.04	\$ 0.14
Add back or deduct the following:			
Depreciation and amortization	2.19	2.12	1.84
Deferred taxes and other items ⁽²⁾	0.23	0.96	0.97
Per unit FFO ⁽³⁾	\$ 3.32	\$ 3.12	\$ 2.95

(1) During the year ended December 31, 2025, on average there were 460.1 million limited partnership units outstanding (2024: 461.6 million, 2023: 459.4 million).

(2) Refer to the reconciliation of net income attributable to the partnership to FFO above for a description of balances included within other.

(3) Average units outstanding during the year ended December 31, 2025, were 790.5 million (2024: 792.1 million, 2023: 776.9 million).

The following reconciles partnership capital, the most directly comparable IFRS measure, to Invested Capital, a non-IFRS financial metric:

<u>US\$ MILLIONS</u>	<u>For the year ended December 31,</u>		
	<u>2025</u>	<u>2024</u>	<u>2023</u>
Partnership Capital	\$ 35,540	\$ 29,853	\$ 34,016
Remove impact of the following items since inception:			
Non-controlling interest - in operating subsidiaries	(26,086)	(20,568)	(23,661)
Deficit	6,094	5,674	4,419
Accumulated other comprehensive income	(2,083)	(1,335)	(1,161)
Ownership changes	(659)	(653)	(581)
Invested Capital	\$ 12,806	\$ 12,971	\$ 13,032

Invested capital has decreased as a result of capital market activity throughout 2025, including the redemption of the BIP Investment Corporation preferred shares. Refer to “*Partnership Capital*” below in this MD&A for further details.

The following table presents the change in Invested Capital:

<u>US\$ MILLIONS</u>	<u>For the year ended December 31,</u>		
	<u>2025</u>	<u>2024</u>	<u>2023</u>
Opening balance	\$ 12,971	\$ 13,032	\$ 12,281
Net redemption of preferred units	(189)	(72)	—
Issuance of limited partnership units, net of redemptions	24	11	—
Issuance of BIPC exchangeable shares	—	—	751
Ending balance	\$ 12,806	\$ 12,971	\$ 13,032
Weighted Average Invested Capital	\$ 12,918	\$ 13,032	\$ 12,478

Our partnership has met its investment return objectives with return on Invested Capital of 14% for the year ended December 31, 2025 (2024: 13%, 2023: 14%).

OTHER RELEVANT MEASURES

Enterprise Value

We define enterprise value as the market capitalization of our partnership plus preferred units and the partnership's share of debt, net of cash. In addition to limited partnership units, our partnership's capital structure includes BIPC exchangeable shares and class A.2 exchangeable shares, BIPC Exchangeable LP Units, general partner and Redeemable Partnership Units, as well as Exchange LP Units. We include enterprise value as a measure to assist users in understanding and evaluating the partnership's capital structure.

The following table presents enterprise value as of 2025, 2024 and 2023:

US\$ MILLIONS	As of December 31,				
	2025			2024	2023
	BIPC ⁽¹⁾	Brookfield Infrastructure ⁽²⁾	Total Enterprise Value	Total Enterprise Value	Total Enterprise Value
Shares/units outstanding	137.5	654.1	791.6	792.3	792.0
Price ⁽³⁾	\$ 45.40	\$ 34.74	\$ —	\$ —	\$ —
Market capitalization	\$ 6,243	\$ 22,723	\$ 28,966	26,311	25,458
Preferred units and preferred shares ⁽⁴⁾	—	1,022	1,022	1,211	1,283
Net debt ⁽⁵⁾	5,672	28,101	33,773	28,842	26,680
Enterprise value	\$ 11,915	\$ 51,846	\$ 63,761	\$ 56,364	\$ 53,421

(1) Includes BIPC exchangeable shares, class A.2 exchangeable shares and BIPC Exchangeable LP Units.

(2) Includes limited partner, general partner and Redeemable Partnership Units, as well as Exchange LP Units.

(3) Market value of our partnership is calculated based on the closing price of BIPC exchangeable shares and our units on the New York Stock Exchange.

(4) Includes \$729 million of preferred units and \$293 million of Perpetual Subordinated Notes. Decrease from the prior year was due to the redemption of \$189 million of preferred shares in the current period.

(5) Please see "Liquidity and Capital Resources" below for a detailed reconciliation of Brookfield Infrastructure's net debt to our partnership's consolidated debt on the Consolidated Statements of Financial Position.

Reconciliation of Segment Adjusted EBITDA

Adjusted EBITDA for each of our operating segments is presented based on our partnership's share of results in operations accounted for using consolidation and the equity method whereby we either control or exercise significant influence over the investment respectively, in order to demonstrate the impact of key value drivers of each of these operating segments on our overall performance. As a result, interest, depreciation and amortization, income taxes, the impact of mark-to-mark on hedging items and other income (expenses) corresponding to amounts that are not related to the revenue earning activities and are not normal, recurring cash operating items necessary for business operations are reconciling items that will differ from results presented in accordance with IFRS as these reconciling items include our partnership's share of earnings from investments in associates and joint ventures attributable to each of the above-noted items, and exclude the share of earnings (loss) of consolidated investments not held by the partnership apportioned to each of the above-noted items.

The following tables reconcile each segment's Adjusted EBITDA to consolidated segment net income in accordance with IFRS.

FOR THE YEAR ENDED DECEMBER 31, 2025						
US\$ MILLIONS	Utilities	Transport	Midstream	Data	Corporate	Total
Consolidated segment net income	\$ 732	\$ 2,325	\$ 651	\$ (346)	\$ (830)	\$ 2,532
Add back or deduct the following:						
Depreciation and amortization	917	970	963	1,174	—	4,024
Interest expense	1,221	581	758	1,047	261	3,868
Share of earnings from investments in associates and joint ventures ⁽¹⁾	(96)	(507)	(43)	(41)	60	(627)
Adjusted EBITDA contributions from investments in associates and joint ventures ⁽¹⁾	58	842	64	368	—	1,332
Income tax expense (recovery)	431	(10)	60	31	77	589
Mark-to-market losses (gains)	107	(28)	5	374	90	548
Other expenses (income)	130	(1,007)	(64)	(87)	(84)	(1,112)
Adjusted EBITDA attributable to non-controlling interests ⁽²⁾	(2,172)	(1,603)	(1,378)	(1,734)	—	(6,887)
Adjusted EBITDA	<u>\$ 1,328</u>	<u>\$ 1,563</u>	<u>\$ 1,016</u>	<u>\$ 786</u>	<u>\$ (426)</u>	<u>\$ 4,267</u>

FOR THE YEAR ENDED DECEMBER 31, 2024						
US\$ MILLIONS	Utilities	Transport	Midstream	Data	Corporate	Total
Consolidated segment net income	\$ 634	\$ 905	\$ 193	\$ 539	\$ (588)	\$ 1,683
Add back or deduct the following:						
Depreciation and amortization	860	1,087	816	881	—	3,644
Interest expense	1,000	600	634	879	274	3,387
Share of earnings from investments in associates and joint ventures ⁽¹⁾	(19)	(226)	(61)	(114)	(19)	(439)
Adjusted EBITDA contributions from investments in associates and joint ventures ⁽¹⁾	128	813	160	292	—	1,393
Income tax expense (recovery)	394	(30)	(33)	(93)	32	270
Mark-to-market losses (gains)	8	(19)	26	85	(74)	26
Other expenses (income)	140	309	100	(488)	(30)	31
Adjusted EBITDA attributable to non-controlling interests ⁽²⁾	(1,893)	(1,793)	(861)	(1,384)	—	(5,931)
Adjusted EBITDA	<u>\$ 1,252</u>	<u>\$ 1,646</u>	<u>\$ 974</u>	<u>\$ 597</u>	<u>\$ (405)</u>	<u>\$ 4,064</u>

FOR THE YEAR ENDED DECEMBER 31, 2023
US\$ MILLIONS

	Utilities	Transport	Midstream	Data	Corporate	Total
Consolidated segment net income (loss)	\$ 970	\$ 846	\$ 284	\$ 63	\$ (715)	\$ 1,448
Add back or deduct the following:						
Depreciation and amortization	824	686	748	481	—	2,739
Interest expense	830	392	547	515	217	2,501
Share of (earnings) losses from investments in associates and joint ventures ⁽¹⁾	(6)	(186)	(105)	(220)	58	(459)
Adjusted EBITDA contributions from investments in associates and joint ventures ⁽¹⁾	167	698	209	268	—	1,342
Income tax expense (recovery)	433	87	(38)	44	55	581
Mark-to-market losses (gains)	51	(5)	(50)	73	49	118
Other expenses (income)	130	(260)	60	6	(77)	(141)
Adjusted EBITDA attributable to non-controlling interests ⁽²⁾	(2,072)	(1,023)	(660)	(783)	—	(4,538)
Adjusted EBITDA	<u>\$ 1,327</u>	<u>\$ 1,235</u>	<u>\$ 995</u>	<u>\$ 447</u>	<u>\$ (413)</u>	<u>\$ 3,591</u>

- (1) Adjusted EBITDA contributions from investments in associates and joint ventures correspond to the adjusted EBITDA attributable to the partnership that are generated by its investments in associates and joint ventures accounted for using the equity method. Along with the removal or add back of share of (earnings) losses from investments in associates and joint ventures, these adjustments have the combined effect of excluding the impact of balances included in our definition of Adjusted EBITDA recorded within our investments in associates and joint ventures.
- (2) Amounts attributable to non-controlling interests are calculated based on the economic ownership interests held by non-controlling interests in consolidated subsidiaries.

5.B LIQUIDITY AND CAPITAL RESOURCES

The nature of our asset base and the quality of our associated cash flows enable us to maintain a stable and low cost capital structure. We attempt to maintain sufficient financial liquidity at all times so that we are able to participate in attractive opportunities as they arise, better withstand sudden adverse changes in economic circumstances and maintain a relatively high payout of our FFO in the form of distributions to unitholders. Our principal sources of liquidity are cash flows from our operations, undrawn credit facilities, capital recycling and access to public and private capital markets. We structure the ownership of our assets to enhance our ability to monetize them to provide additional liquidity, as we have done in the past. In certain instances, subsidiaries may be subject to limitations on their ability to declare and pay dividends to our partnership. However, no significant limitations existed at December 31, 2025 and 2024.

Our group-wide liquidity at December 31, 2025 consisted of the following:

US\$ MILLIONS	As of	
	December 31, 2025	December 31, 2024
Corporate cash and financial assets	\$ 283	\$ 276
Committed corporate credit facility ⁽¹⁾	2,225	2,225
Subordinate corporate credit facility	1,000	1,000
Draws under corporate credit facility ⁽¹⁾	—	(300)
Commitments under corporate credit facility	(11)	(10)
Commercial paper ⁽¹⁾	(735)	(850)
Partnership's share of cash retained in businesses	1,557	1,525
Partnership's share of availability under subsidiary credit facilities	1,711	1,617
Group-wide liquidity	\$ 6,030	\$ 5,483

(1) Includes a \$2.2 billion committed corporate credit facility (2024: \$2.2 billion). As of December 31, 2025, draws on our corporate credit facility were \$nil (2024: \$300 million) and we had commercial paper outstanding of \$735 million (2024: \$850 million).

At December 31, 2025, our partnership's group-wide liquidity is sufficient to meet its present requirements. We finished the year with group-wide liquidity of approximately \$6.0 billion, an increase from \$5.5 billion at December 31, 2024. At the corporate level, we ended 2025 with \$2.8 billion of liquidity, an increase of \$0.4 billion compared to the prior year.

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

On a consolidated basis as of December 31, 2025, scheduled principal repayments over the next five years are as follows:

US\$ MILLIONS	Average Term (years)	2026	2027	2028	2029	2030	Beyond	Total
Corporate borrowings ⁽¹⁾	14	—	\$ 328	\$ 510	\$ 510	\$ 364	\$ 2,530	\$ 4,242
Non-recourse borrowings	7	6,175	2,961	7,306	7,436	10,098	26,679	60,655

(1) Corporate borrowings and the average term to maturity are presented on an adjusted basis to exclude draws on our corporate credit facility, commercial paper issuances and deferred financing costs. Refer to Note 20, Borrowings, for further details.

Debt attributable to the partnership (see definition of debt attributable to the partnership below), a non-IFRS measure we use to assess our liquidity, can be reconciled to consolidated debt as follows:

US\$ MILLIONS	As of	
	December 31, 2025	December 31, 2024
Consolidated debt	\$ 64,498	\$ 51,094
Add: partnership's share of debt of investments in associates:		
Utilities	112	608
Transport	4,104	3,494
Midstream	—	488
Data	7,044	4,190
Add: partnership's share of debt directly associated with assets held for sale	179	—
Less: borrowings attributable to non-controlling interest ⁽¹⁾	(40,499)	(29,927)
Premium on debt and cross currency swaps	175	696
Debt attributable to the partnership	<u>\$ 35,613</u>	<u>\$ 30,643</u>

(1) Includes draws made under Brookfield's private funds credit facility used to bridge acquisitions over year-end. Borrowings made under the facility are secured by limited partner commitments and are non-recourse to our partnership.

Net debt, a non-IFRS liquidity measure used to assess debt attributable to partnership net of the partnerships share of cash and cash equivalents, is as follows:

US\$ MILLIONS	As of	
	December 31, 2025	December 31, 2024
Debt attributable to the partnership		
Utilities	\$ 6,555	\$ 5,966
Transport	7,344	7,513
Midstream	6,053	6,076
Data	10,714	6,546
Corporate	4,947	4,542
Total debt attributable to the partnership	\$ 35,613	\$ 30,643
Partnership's share of cash retained in businesses⁽¹⁾		
Utilities	\$ 160	\$ 273
Transport	332	390
Midstream	38	122
Data	1,027	740
Corporate ⁽²⁾	283	276
Total partnership's share of cash retained	\$ 1,840	\$ 1,801
Net debt		
Utilities	\$ 6,395	\$ 5,693
Transport	7,012	7,123
Midstream	6,015	5,954
Data	9,687	5,806
Corporate	4,664	4,266
Total net debt	\$ 33,773	\$ 28,842

(1) The partnership's share of cash retained in the businesses includes \$1,117 million (2024: \$1,008 million) of cash and cash equivalents attributable to the partnership held by its investments in associates and joint ventures accounted for using the equity method and excludes \$2,478 million (2024: \$793 million) of amounts attributable to non-controlling interests based on the economic ownership interests held by non-controlling interests in consolidated subsidiaries.

(2) The partnership's share of cash retained in corporate includes corporate financial assets.

As of December 31, 2025, our partnership's share of scheduled principal repayments over the next five years are as follows:

US\$ MILLIONS	Average Term (years)	2026	2027	2028	2029	2030	Beyond	Total
Recourse borrowings								
Corporate borrowings ⁽¹⁾	14	—	\$ 328	\$ 510	\$ 510	\$ 364	\$2,530	\$ 4,242
Total recourse borrowings	14	—	328	510	510	364	2,530	4,242
Non-recourse borrowings⁽²⁾								
Utilities								
Commercial & Residential Distribution	9	190	181	850	415	759	2,375	4,770
Regulated Transmission	7	76	90	150	338	398	733	1,785
	9	266	271	1,000	753	1,157	3,108	6,555
Transport								
Diversified Terminals	6	321	265	263	288	1,031	1,394	3,562
Rail	5	190	61	305	249	556	1,169	2,530
Toll Roads	8	137	172	152	133	173	485	1,252
	6	648	498	720	670	1,760	3,048	7,344
Midstream ⁽³⁾	6	213	263	334	1,731	656	2,856	6,053
Data								
Data Transmission & Distribution	7	411	192	669	714	911	4,744	7,641
Data Storage	4	50	305	879	437	713	689	3,073
	6	461	497	1,548	1,151	1,624	5,433	10,714
Total non-recourse borrowings⁽²⁾	7	1,588	1,529	3,602	4,305	5,197	14,445	30,666
Total borrowings⁽⁴⁾	8	\$1,588	\$ 1,857	\$ 4,112	\$ 4,815	\$ 5,561	\$16,975	\$ 34,908
Net debt		5 %	5 %	12 %	14 %	16 %	48 %	100 %

(1) Corporate borrowings and the average term exclude draws on our corporate credit facility, commercial paper issuances and deferred financing costs and other. Refer to Note 20, Borrowings, for further details. The calculation of net debt in the table above excludes these adjustments.

(2) Represents non-recourse debt to Brookfield Infrastructure as the holders have recourse only to the underlying operations.

(3) Commercial paper obligations at our Canadian diversified midstream operations are fully backstopped by its credit facility, and have been presented in the table above in accordance with its related maturity.

(4) As of December 31, 2025, approximately 34% of our debt is floating rate. Brookfield Infrastructure and its subsidiaries have entered into interest rate swaps whereby the floating rate debt has been converted to fixed rate debt, effectively decreasing floating rate debt maturities to approximately 16% of our total borrowings. Excluding working capital and capital expenditure facilities, floating rate debt maturities are approximately 12% of our total borrowings, inclusive of the impact of interest rate swaps.

Debt attributable to the partnership has an average term of eight years. Our net debt to capitalization ratio, as defined by net debt divided by the sum of net debt and invested capital, as of December 31, 2025 was 73% (December 31, 2024: 69%). The weighted average proportionate interest rate for the business was 5.9% for the overall business (December 31, 2024: 5.9%). Weighted average interest rate for our utilities, transport, midstream, data and corporate segments were 7.0%, 5.8%, 5.4%, 5.9%, and 4.8%, respectively (December 31, 2024: 6.7%, 5.8%, 5.7%, 6.2% and 5.1%, respectively).

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

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

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

Debt attributable to the partnership and net debt are presented to assist investors in understanding the capital structure of our underlying investments that are consolidated in our financial statements but are not wholly-owned. When used in conjunction with Adjusted EBITDA, both metrics are expected to provide useful information as to how the partnership has financed its businesses at the asset-level and provides a view into our return on capital that we invest at a given degree of leverage. Further, the partnership participates in arrangements such as joint ventures or consortiums which provide it with access to partners with local strategic expertise and substantial amounts of capital. When investing in such arrangements, which are not consolidated for financial statement purposes, the partnership nevertheless maintains joint control or significant influence over the business, and is therefore, not a passive investor. We structure governance arrangements to require each of our businesses to distribute all available cash (which is generally defined as cash on hand less any amounts reserved for committed growth projects as approved by the investment’s Board of Directors), ensuring that any decision to not distribute all available cash flow requires our express consent. Consequently, the partnership has access to operating cash flows generated by all of our businesses, including joint ventures and any other non-consolidated investments.

SUPPLEMENTAL FINANCIAL INFORMATION

The information below is being provided pursuant to Rule 13-01 of Regulation S-X in respect of debt securities issued by Brookfield Infrastructure Finance ULC (“Alberta Finco”) and BIP Bermuda Holdings I Limited (“Bermuda Holdco”), which are fully and unconditionally guaranteed, on a subordinated basis, by our partnership. In addition, Holding LP, Bermuda Holdco (in the case of debt securities issued by Alberta Finco), Alberta Finco (in the case of debt securities issued by Bermuda Holdco), Brookfield Infrastructure Holdings (Canada) Inc. (“Can Holdco”), Brookfield Infrastructure US Holdings I Corporation (“US Holdco”) and BIPC Holdings Inc. (“BIPC Holdings”) (collectively, together with our partnership, “Guarantor Group A” or the “Group A Guarantors”) have also guaranteed the payment of principal, premium (if any), interest and certain other amounts under certain series of senior or subordinated debt securities issued by Alberta Finco (including the 2021 Alberta Finco Notes (as described below)) or and Bermuda Holdco (including the Perpetual Subordinated Notes (as defined below)), as applicable. Separately, Holding LP, Bermuda Holdco (in the case of debt securities issued by Alberta Finco), Alberta Finco (in the case of debt securities issued by Bermuda Holdco), Can Holdco, Brookfield Infrastructure LLC (“BI LLC”) and BIPC Holdings Inc. (collectively, together with our partnership, “Guarantor Group B” or the “Group B Guarantors”) have guaranteed, and may in the future guarantee, the payment of principal, premium (if any), interest and certain other amounts under certain other senior or subordinated debt securities issued from time to time by Alberta Finco (including the 2024 Alberta Finco Notes (as defined below)) or and Bermuda Holdco, as applicable.

Fincos and Guarantor Group A

The following tables present summarized financial information for the following:

- Alberta Finco and Bermuda Holdco (together, the “Fincos”); and
- the Guarantor Group A (including our partnership).

For purposes of the tables immediately below, “Fincos and Guarantors” refers to each of the entities identified immediately above, without duplication.

For the year ended December 31, 2025 US\$ MILLIONS	Statement of Operating Results		
	Fincos and Guarantors total	Transactions with non- Guarantor subsidiaries	Transactions with other related parties
Revenues ⁽¹⁾	\$ —	\$ —	\$ —
Gross profit	—	—	—
Other income ⁽²⁾	859	859	—
Net income	543	840	(297)
<hr/>			
For the year ended December 31, 2024			
Revenues ⁽¹⁾	\$ —	\$ —	\$ —
Gross profit	—	—	—
Other income ⁽²⁾	1,146	1,146	—
Net income (loss)	849	1,135	(286)

(1) Total revenues of our Partnership and its controlled subsidiaries were \$23,100 million and \$21,039 million for the year ended December 31, 2025 and December 31, 2024, respectively.

(2) Other income includes dividend and interest income.

As of December 31, 2025 US\$ MILLIONS	Statement of Financial Position		
	Fincos and Guarantors total	Amounts due from/payable to non-Guarantor subsidiaries	Amounts due from/payable to other related parties
Current assets	\$ 2,316	\$ 2,316	\$ —
Total assets ⁽¹⁾	4,317	4,317	—
Current liabilities	9,028	8,938	90
Total liabilities	9,369	9,259	110
As of December 31, 2024			
Current assets	\$ 1,982	\$ 1,982	\$ —
Total assets ⁽¹⁾	3,867	3,867	—
Current liabilities	8,024	7,942	82
Total liabilities	8,562	8,460	102

(1) Total assets of our partnership and its controlled subsidiaries were \$128,150 million and \$104,590 million as of December 31, 2025 and December 31, 2024, respectively.

Fincos and Guarantor Group B

The following tables present summarized financial information for the following:

- the Fincos; and
- the Guarantor Group B (including our partnership).

For purposes of the tables immediately below, “Fincos and Guarantors” refers to each of the entities identified immediately above, without duplication.

For the year ended December 31, 2025 US\$ MILLIONS	Statement of Operating Results		
	Finco and Guarantors	Transactions with non- Guarantor subsidiaries	Transactions with other related parties
Revenues ⁽¹⁾	\$ —	\$ —	\$ —
Gross profit	—	—	—
Other income ⁽²⁾	1,190	1,190	—
Net income	922	1,166	(244)
For the year ended December 31, 2024			
Revenues ⁽¹⁾	\$ —	\$ —	\$ —
Gross profit	—	—	—
Other income ⁽²⁾	947	947	—
Net income (loss)	685	929	(244)

(1) Total revenues of our Partnership and its controlled subsidiaries were \$23,100 million and \$21,039 million for the twelve-month period ended December 31, 2025 and year ended December 31, 2024, respectively.

(2) Other income includes dividend and interest income.

Statement of Financial Position

As of December 31, 2025 US\$ MILLIONS	Finco and Guarantors		Amounts due from/payable to non-Guarantor subsidiaries		Amounts due from/payable to other related parties	
Current assets	\$	2,564	\$	2,564	\$	—
Total assets ⁽¹⁾		4,564		4,564		—
Current liabilities		8,849		8,779		70
Total liabilities		9,285		9,200		85
As of December 31, 2024						
Current assets	\$	2,231	\$	2,231	\$	—
Total assets ⁽¹⁾		4,288		4,288		—
Current liabilities		7,866		7,794		72
Total liabilities		8,533		8,446		87

(1) Total assets of our partnership and its controlled subsidiaries were \$128,150 million and \$104,590 million as of December 31, 2025 and December 31, 2024, respectively.

Alberta Finco

Alberta Finco is an indirect wholly-owned subsidiary of our partnership incorporated under the Business Corporations Act (Alberta) on May 22, 2012. In May 2021, Alberta Finco issued \$250 million of Subordinated Notes due 2081 at a fixed rate of 5.000% per annum (the “2021 Alberta Finco Notes”), which will mature on May 24, 2081. The 2021 Alberta Finco Notes were issued pursuant to the first supplemental indenture, dated as of May 24, 2021, to the indenture, as of May 24, 2021 by and among Alberta Finco, our partnership, the other Group A Guarantors (other than Alberta Finco) and Computershare Trust Company, N.A. and Computershare Trust Company of Canada, as trustees (as supplemented by the first supplemental indenture, the “Alberta Finco Indenture”). The 2021 Alberta Finco Notes permit the deferral of interest at the discretion of Alberta Finco; however, if Alberta Finco has deferred interest then under the terms of the Alberta Finco Indenture, our partnership is restricted on paying distributions on or redeeming, purchasing or otherwise retiring any of our units or preferred units, and from paying interest on certain indebtedness. The 2021 Alberta Finco Notes are redeemable at Alberta Finco’s option on or after May 24, 2026. The 2021 Alberta Finco Notes are also redeemable in connection with certain ratings and tax events. A portion of the proceeds of the 2021 Alberta Finco Notes was used to redeem our Series 5 Preferred Units on September 30, 2021, and the remainder for general corporate purposes. The 2021 Alberta Finco Notes are fully and unconditionally guaranteed, on a subordinated basis, by our partnership and are also guaranteed by the other Group A Guarantors (other than Alberta Finco). The 2021 Alberta Finco Notes, including any accrued and unpaid interest thereon, will be exchanged automatically, without the consent or action of the holders thereof, into Class A Preferred Units, Series 15, upon the occurrence of certain bankruptcy-related events.

In May 2024, Alberta Finco issued \$150 million of Subordinated Notes due 2084 at a fixed rate of 7.250% per annum (the “May 2024 Alberta Finco Notes”), which will mature on May 31, 2084. In June 2024, Alberta Finco issued an additional \$8 million of the May 2024 Alberta Finco Notes. The May 2024 Alberta Finco Notes were issued pursuant to the second supplemental indenture, dated as of May 31, 2024, to the Alberta Finco Indenture. The May 2024 Alberta Finco Notes permit the deferral of interest at the discretion of Alberta Finco; however, if Alberta Finco has deferred interest then under the terms of the Alberta Finco Indenture, our partnership is restricted on paying distributions on or redeeming, purchasing or otherwise retiring any of our units or preferred units, and from paying interest on certain indebtedness. The May 2024 Alberta Finco Notes are redeemable at Alberta Finco’s option on or after May 31, 2029. The May 2024 Alberta Finco Notes are also redeemable in connection with certain ratings and tax events. The May 2024 Alberta Finco Notes are fully and unconditionally guaranteed, on a subordinated basis, by our partnership and are also guaranteed by the other Group B Guarantors (other than Alberta Finco). The May 2024 Alberta Finco Notes, including any accrued and unpaid interest thereon, will be exchanged automatically, without the consent or action of the holders thereof, into Class A Preferred Units, Series 16, upon the occurrence of certain bankruptcy-related events.

In November 2024, Alberta Finco issued \$300 million of 6.750% Fixed-to-Fixed Reset Rate Subordinated Notes due 2055 (the “November 2024 Alberta Finco Notes” and together with the May 2024 Alberta Finco Notes, the “2024 Alberta Finco Notes”), which will mature on March 15, 2055. The November 2024 Alberta Finco Notes were issued pursuant to the third supplemental indenture, dated as of November 29, 2024, to the Alberta Finco Indenture. The November 2024 Alberta Finco Notes permit the deferral of interest at the discretion of Alberta Finco; however, if Alberta Finco has deferred interest then under the terms of the Alberta Finco Indenture, our partnership is restricted on paying distributions on or redeeming, purchasing or otherwise retiring any of our units or preferred units, and from paying interest on certain indebtedness. The November 2024 Alberta Finco Notes are redeemable at Alberta Finco’s option (i) between December 15, 2029 and March 15, 2030, and (ii) after March 15, 2030 on any September 15 or March 15 occurring before maturity on March 15, 2055. The November 2024 Alberta Finco Notes are also redeemable in connection with certain ratings and tax events. The November 2024 Alberta Finco Notes are fully and unconditionally guaranteed, on a subordinated basis, by our partnership and are also guaranteed by the other Group B Guarantors (other than Alberta Finco). The November 2024 Alberta Finco Notes, including any accrued and unpaid interest thereon, will be exchanged automatically, without the consent or action of the holders thereof, into Class A Preferred Units, Series 17, upon the occurrence of certain bankruptcy-related events.

Bermuda Holdco

Bermuda Holdco is an indirect wholly-owned subsidiary of our partnership incorporated under the Companies Act 1981 of Bermuda on November 9, 2007. In January 2022, Bermuda Holdco issued \$300 million of perpetual subordinated notes at a fixed rate of 5.125% per annum (the “Perpetual Subordinated Notes”). The Perpetual Subordinated Notes were issued pursuant to the first supplemental indenture, dated as of January 21, 2022, to the indenture, as of January 21, 2022, by and among Bermuda Holdco, our partnership, the other Group A Guarantors (other than Bermuda Holdco) and Computershare Trust Company, N.A. and Computershare Trust Company of Canada, as trustees (as supplemented by the first supplemental indenture, the “Bermuda Holdco Indenture”). The Perpetual Subordinated Notes permit the deferral of interest at the discretion of Bermuda Holdco; however, if Bermuda Holdco has deferred interest then under the terms of the Bermuda Holdco Indenture, then (i) any such deferred interest shall become due and payable on the date Bermuda Holdco declares any distributions on any of Bermuda Holdco’s common shares or preferred shares and (ii) our partnership is restricted on paying distributions on or redeeming, purchasing or otherwise retiring any of our units or preferred units, and from paying interest on certain indebtedness. The Perpetual Subordinated Notes are redeemable at Bermuda Holdco’s option on or after January 21, 2027. The Perpetual Subordinated Notes are also redeemable in connection with certain ratings and tax events. A portion of the proceeds of the Perpetual Subordinated Notes was used to redeem our Class A Preferred Limited Partnership Units, Series 7 on March 31, 2022, and the remainder for working capital purposes. The Perpetual Subordinated Notes are fully and unconditionally guaranteed, on a subordinated basis, by our partnership and are also guaranteed by the other Group A Guarantors (other than Bermuda Holdco).

FINANCIAL INSTRUMENTS

Foreign Currency Hedging Strategy

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

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

The table below presents our hedged position in foreign currencies as of December 31, 2025. The adjusted equity investment balances reflect the book value of our assets as of December 31, 2025 which contains certain limitations when evaluating our hedge exposure. Most importantly, all intangible assets and growth opportunities are not eligible for revaluation. As such, our book values are lower than fair value which is evident in the below table.

US\$ MILLIONS	Foreign Currency Hedges							
	USD ⁽¹⁾	GBP	EUR	AUD	BRL	CAD ⁽²⁾	INR	Other
Gross Equity Investments - US\$	\$ 5,594	\$ 2,802	\$ 1,632	\$ 1,012	\$ 1,256	\$ 244	\$ 5	\$ 427
Corporate Items - US\$ ⁽³⁾	(3,519)	—	—	—	—	—	—	—
Equity Investment - US\$	2,075	2,802	1,632	1,012	1,256	244	5	427
FX contracts - US\$	5,695	(2,533)	(1,632)	(780)	(461)	(244)	(5)	(40)
Net unhedged - US\$	\$ 7,770	\$ 269	\$ —	\$ 232	\$ 795	\$ —	\$ —	\$ 387
% of equity investment hedged	N/A	90 %	100 %	77 %	37 %	100 %	100 %	9 %

(1) USD net equity investment excludes \$389 million of preferred units and \$293 million of Perpetual Subordinated Notes.

(2) CAD net equity investment excludes \$340 million of preferred units and preferred shares.

(3) Includes medium-term notes, draws on our revolving credit facility, commercial paper issuances and working capital at the corporate level.

At December 31, 2025, 82% of our net equity investment is U.S. dollar functional. During the year ended December 31, 2025, we recorded losses in comprehensive income of \$15 million related to these contracts (2024: gains of \$434 million, 2023: losses of \$155 million).

For additional information, see Note 8, “Fair Value of Financial Instruments”, Note 35, “Derivative Financial Instruments” and Note 36, “Financial Risk Management” in our financial statements included in this annual report on Form 20-F.

OTHER MARKET RISKS

Inflation Risk

Certain of our subsidiaries and associates are subject to inflation risk. However, we believe the majority of risk is offset by the nature of revenues earned at subsidiaries and associates subject to the underlying risk. For example, our U.K. regulated distribution operations charge retailers’ rates based on the tariff of the distribution utility with which we are interconnected. These tariffs are set on the basis of regulated asset base and escalates with inflation. Our Brazilian regulated gas transmission operation charges tariffs calculated on an inflation adjusted regulatory weighted average cost of capital.

Commodity Risk

Some of our operations are critically linked to fluctuation in commodity prices and the transport of commodities. For example, in the long-term, our Australian rail operation relies on demand for iron ore exports and our Canadian diversified midstream operation is exposed to price risk arising from purchase and sales of crude oil, natural gas and polypropylene. While we endeavor to protect against short to medium term commodity demand risk wherever possible by structuring our contracts in a way that minimizes volume risk (e.g. minimum guaranteed volumes and ‘take-or-pay’ arrangements) and by entering into physical and financial contracts, these contract terms are not always able to be achieved, and in any event, the contract terms are finite and may include suspension or termination rights in favor of the customer. Accordingly, a long-term and sustained downturn in the demand for or price of a key commodity linked to one of our operations may have a material adverse impact on the financial performance or growth prospects of that particular operation, notwithstanding the use of take-or-pay contracts wherever possible. See Item 4.B “Business Overview” for more information.

CAPITAL REINVESTMENT

We fund growth capital expenditures with cash flow generated from operations, supplemented by non-recourse debt sized to investment grade coverage and covenant thresholds. This is designed to ensure that our investments have stable capital structures supported by a substantial level of equity and that cash flows at the asset level can be remitted freely to the partnership. This strategy also underpins our investment grade profile.

To fund large scale development projects and acquisitions, we will evaluate a variety of capital sources including proceeds from selling mature businesses, in addition to raising money in the capital markets through equity, debt and preferred share issuances. Furthermore, the partnership has \$2.2 billion of committed revolving credit facilities available for investments and acquisitions, as well as funding the equity component of organic growth initiatives. The facilities are intended, and have historically been used, as a bridge to a long-term financing strategy rather than a permanent source of capital.

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

The following table summarizes the sources of capital used to fund our partnership's acquisitions and the equity component of growth capital expenditures during the years ended 2025, 2024 and 2023:

US\$ MILLIONS	For the year ended December 31,		
	2025	2024	2023
Capital deployed in new investments ⁽¹⁾	\$ 1,257	\$ 1,026	\$ 3,452
Growth capital expenditures (net of non-recourse debt financing)	675	651	423
	1,932	1,677	3,875
Total capital market activity			
Equity issuances	(50)	11	738
Corporate debt issuance, net of repayments	463	(160)	526
	413	(149)	1,264
Proceeds from asset sales	2,771	1,230	1,865
	3,184	1,081	3,129
Net funding from retained cash flows and credit facility draws	<u>\$(1,252)</u>	<u>\$ 596</u>	<u>\$ 746</u>

(1) Capital deployed in new investments excludes investments in financial assets.

We fund growth initiatives with proceeds from capital recycling, capital market issuances and retained operating cash flows:

- we target retaining 15% of our FFO for the equity component of recurring growth capital expenditures; and
- we look to fund new investment opportunities and large-scale growth capital expenditure projects with proceeds from capital recycling and capital market issuances

Over the last 10 years, we have deployed over \$22 billion in acquisitions and organic growth initiatives, which has been funded through our capital recycling program, capital market issuances and retained cash flows.

DISTRIBUTION POLICY

Our distributions are underpinned by stable, highly regulated and contracted cash flows generated from operations. Our partnership's objective is to pay a distribution that is sustainable on a long-term basis. Our partnership has set its target payout ratio at 60-70% of FFO. In sizing what we believe to be a conservative payout ratio, we typically retain approximately 15-20% of AFFO that we utilize to fund some or all of our internally funded growth capital expenditures.

The following table presents our partnership's payout ratios over the past three years:

US\$ MILLIONS	For the year ended December 31,		
	2025	2024	2023
Net income attributable to the partnership ⁽¹⁾	\$1,091	\$ 391	\$ 432
Funds from Operations (FFO)	2,627	2,468	2,288
Adjusted Funds from Operations (AFFO)	1,964	1,862	1,838
Distributions ⁽²⁾	1,743	1,644	1,516
FFO payout ratio ⁽³⁾	66 %	67 %	66 %
AFFO payout ratio ⁽⁴⁾	89 %	88 %	82 %

(1) Includes net income attributable to limited partners, the general partner, non-controlling interests - Redeemable Partnership Units held by Brookfield, non-controlling interests - Exchange LP Units, non-controlling interests - BIPC Exchangeable LP Units, and non-controlling interests - BIPC exchangeable shares and class A.2 exchangeable shares.

(2) Includes partnership distributions and partnership preferred distributions.

(3) FFO payout ratio is defined as distributions (inclusive of GP incentive and preferred unit distributions) divided by FFO.

(4) AFFO payout ratio is defined as distributions (inclusive of GP incentive and preferred unit distributions) divided by AFFO.

Our partnership's annual distribution is reviewed with the board of directors of our General Partner in the first quarter of each year giving consideration to the following:

- the results from the prior year as well as the budget for the upcoming year and the 5-year business plan based on our partnership's share of FFO generated by our assets; and
- our partnership's group-wide liquidity and its ability to fund committed capital investments

CAPITAL EXPENDITURES

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

- growth capital expenditures: capital outlays underpinned by incremental revenues that will enhance our partnership's returns. These projects are eligible for inclusion in the rate base of our utilities segment, or they are meant to add capacity to further expand our existing infrastructure networks in our transport, midstream and data operations; or
- maintenance capital expenditures: required capital outlays to maintain the current operating state and reliability of the system while ensuring regulatory and safety requirements are upheld.

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

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

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

The following table presents the components of growth capital expenditures by operating segment:

US\$ MILLIONS	For the year ended December 31,		
	2025	2024	2023
Growth capital expenditures by segment			
Utilities	\$ 577	\$ 487	\$ 542
Transport	363	337	276
Midstream	148	155	104
Data	2,220	1,187	824
	<u>\$ 3,308</u>	<u>\$ 2,166</u>	<u>\$ 1,746</u>

Growth capital expenditures for the year ended December 31, 2025 were \$3,308 million, an increase of \$1,142 million or 53% versus 2024. Growth capital expenditures in our data segment in 2025 increased over 2024 from our construction progress at our semiconductor manufacturing foundries in the United States.

The following table presents maintenance capital expenditures by operating segment:

US\$ MILLIONS	Annual Ongoing Estimated Maintenance Capex		For the year ended December 31,		
	Low	High	2025	2024	2023
Maintenance capital expenditures by segment					
Utilities	\$ 90	\$ 105	\$ 86	\$ 84	\$ 88
Transport	320	340	367	328	179
Midstream	155	165	161	162	152
Data	50	60	49	32	31
	<u>\$ 615</u>	<u>\$ 670</u>	<u>\$ 663</u>	<u>\$ 606</u>	<u>\$ 450</u>

Maintenance capital expenditures for the year ended December 31, 2025 were \$663 million, an increase of \$57 million relative to the year ended December 31, 2024. 2025 maintenance capital expenditures increased at our transport segment from the timing of fleet replacement at our global intermodal logistics operation and at our data segment from a bolt-on acquisition completed at our Indian telecom tower operation.

We estimate annual maintenance capital expenditures for the upcoming year to be \$90-105 million, \$320-340 million, \$155-165 million, and \$50-60 million for our utilities, transport, midstream, and data segments, respectively, for a total range between \$615-\$670 million prospectively. Our partnership leverages industry data and benchmarks provided by a global engineering services firm to determine the appropriate maintenance capital ranges as disclosed above.

DEPRECIATION, AMORTIZATION AND RETURN OF CAPITAL ESTIMATES

When determining the fair value, useful life and residual value of essential, long-life infrastructure investments, certain judgments and estimates are used. As a result, our partnership's depreciation and amortization is not directly comparable to the level of capital required to maintain the structural integrity and safety of our physical assets and their operating cash flow profile. There are three distinct limitations with using our partnership's accounting depreciation as a proxy for annual maintenance capital requirements which are as follows:

- i) The partnership has elected to revalue property, plant and equipment ("PP&E") annually under IFRS. Each year we assess the fair value of our PP&E under both the income and depreciated replacement cost methods, with due consideration to significant inputs such as the discount rate, terminal value multiple, overall investment horizon, useful life and replacement cost. The revaluation gains we have recorded reflects our ability to increase the cash flows generated from these businesses, the reinvestment of cash flows into both maintenance capital and accretive organic growth projects, and the increasing institutional demand for de-risked mature investments. While revaluation gains correspond to increasing values for our shareholders, they also lead to higher depreciation expense as we amortize a higher asset valuation over the same useful life estimate. However, this increase in reported depreciation often does not correspond to an increase in the cost to maintain the physical asset base. We estimate that revaluation gains have historically resulted in an increase in our reported depreciation by almost 25%.

- ii) Due to the nature of our investments, historically, a significant portion of purchase price allocations was ascribed to PP&E. This allocation has a similar effect to the revaluation approach in that it increases depreciation expense during our ownership period. An example of this would be our acquisition of the leading independent telecom tower operator in France. The business generates stable, inflation-linked cash flows underpinned by long-term contracts with its customers. For the purposes of the purchase price allocation, we used an internal discounted cash flow model to allocate the consideration paid to PP&E (the physical towers) and intangible assets (the long-term customer relationships with our tenants). This business had limited goodwill ascribed to it and therefore resulted in a carrying value of PP&E far in excess of the seller's previously depreciated cost base. As a result, the annual depreciation expense that we recognize is significantly higher than would have been recognized by the seller. Similar to the first point, the cash flow expected to be generated from the investment results in a premium to the physical replacement cost which further expands the disconnect between accounting depreciation and the true cost to maintain these assets. Today, we estimate that almost 30% of our partnership's share of depreciation and amortization expense is the result of the method of allocating the initial purchase price allocation primarily to depreciable asset classes.
- iii) Depreciation over accounting useful life is not always reflective of annual maintenance expenditures as many of our infrastructure assets have very minimal maintenance requirements. An illustrative example of this is our U.K. regulated distribution business, the largest independent 'last mile' gas and electricity connection provider in the country with over two million multi-utility connections in place today. Under our adopted accounting standards, IFRS, we are required to depreciate the network over a period of up to 60 years. However, our network assets, which consist primarily of nearly indestructible pipes installed several feet underground, require minimal on-going maintenance.

Some of our utility and transport investments are owned and operated under concessions which can further cause depreciation and amortization to exceed maintenance requirements. Essential infrastructure assets are often owned through arrangements which grant the concessionaire the right to operate the investment for a specified period of time. This is common in certain asset classes, such as toll roads, where the assets revert to the regulator at the end of the specified time period. Currently, one of our partnership's largest concession-based investment is in our Brazilian toll road business. This concession is for a subset of the asset's useful life, and therefore annual maintenance capital during a concession term may be less than required over its full useful life (for example, toll roads in Brazil could last up to 100 years, however concession periods can range between 20-40 years).

Different from the many perpetual franchises we own, cash flow streams over an investment period of concession arrangements will include the return of capital invested. As such, we believe investors should understand the portion of our cash flows that we estimate are a return of capital. We complete this estimate by reviewing the cash flow profile over the concession period as underwritten, and estimate the percentage of cash flows generated in a given year. This percentage is then applied to our invested capital to determine how much capital we believe was returned in the current year. The following table summarizes the return of capital estimates over the last three years:

US\$ MILLIONS	For the year ended December 31,		
	2025	2024	2023
Return of capital ⁽¹⁾	\$ 128	\$ 121	\$ 118

(1) Refer to the "Reconciliation of Non-IFRS Financial Measures" for additional information. Return of capital is used in the calculation of return on Invested Capital, a non-IFRS financial measure.

Although helpful in the context of understanding the operating performance of our business, we believe reducing our operating cash flows by return of capital to develop an alternative estimate of the long-term cash flow generating abilities of our partnership is not appropriate. Such an estimate would not take into account changes in the value of the business as a result of our strategic initiatives. When acquiring these concession rights, we focus on surrounding these assets with an experienced management team and a platform for growth. As concession agreements are transferable, we plan on monetizing these investments as part of our broader capital recycling initiatives, as we did at our Chilean toll road operation. We acquired this concession-based business for \$340 million during 2011 and 2012. Through the reinvestment of cash flows, a stable capital structure and building a strong management team, we were able to sell this business for total net-to-BIP after-tax proceeds of approximately \$700 million across three individual transactions, while having nine fewer years remaining on the concession. The asset sales resulted in an IRR of 16%. Although we attribute a portion of cash flows as return of capital, the value of our assets under finite life concession arrangements does not necessarily decrease over time in part because with strong teams running the business, and overall GDP growth requiring more infrastructure, the potential to secure further assets or expand existing assets is valuable. In the case of our Chilean toll road business, we realized proceeds well in excess of the capital we invested.

To enhance the comparability of our financial statements and non-IFRS metrics, we encourage investors to consider the maintenance capital expenditure ranges and return of capital estimates included in our disclosures. These disclosures, when combined with our IFRS and non-IFRS measures, will provide users with a fulsome view of our operating performance over time.

OFF-BALANCE SHEET ARRANGEMENTS

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

We, on behalf of our subsidiaries, provide letters of credit, which include, but are not limited to, guarantees for debt service reserves, capital reserves, construction completion and performance. As at December 31, 2025, letters of credit issued on behalf of our subsidiaries amounted to \$11 million (December 31, 2024: \$10 million). Refer to Note 20, *Borrowings* and Note 31, *Contingent Assets and Liabilities* within our financial statements included in this annual report on Form 20-F for further details.

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

TABULAR DISCLOSURE OF CONTRACTUAL OBLIGATIONS

The table below outlines Brookfield Infrastructure's contractual obligations as at December 31, 2025:

US\$ MILLIONS	Less than 1 year	1-2 years	2-3 years	3-5 years	5+ years	Total contractual cash flows
Accounts payable and other liabilities	\$ 4,596	\$ 118	62	\$ 16	\$ 370	\$ 5,162
Corporate borrowings	735	328	510	874	2,530	4,977
Non-recourse borrowings	6,175	2,961	7,306	17,534	26,679	60,655
Financial liabilities	330	290	295	531	1,978	3,424
Lease liabilities	640	600	545	938	2,428	5,151
Interest Expense:						
Corporate borrowings ⁽¹⁾	220	218	195	322	2,336	3,291
Non-recourse borrowings	3,412	3,232	3,020	4,569	5,051	19,284

(1) Interest expense on Corporate borrowings include undiscounted interest obligations on \$300 million, \$183 million, \$250 million and \$158 million of subordinated notes maturing March 15, 2055, September 1, 2055, May 24, 2081, and May 31, 2084, with coupon rates of 6.8%, 5.6%, 5.0% and 7.3%, respectively.

In addition, pursuant to the Master Services Agreement, on a quarterly basis we, together with BIPC, pay a base management fee to Brookfield equal to 0.3125% (1.25% annually) of the market value of our group. This fee is estimated to be approximately \$444 million per year based on the December 31, 2025 market capitalization of our partnership plus preferred units and recourse corporate net debt.

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

REVIEW OF CONSOLIDATED STATEMENTS OF CASH FLOWS

The following table summarizes the consolidated statements of cash flows for the years ended December 31, 2025, 2024, and 2023:

US\$ MILLIONS	For the year ended December 31,		
	2025	2024	2023
Summary Statements of Operating Results			
Cash from operating activities	\$ 5,971	\$ 4,653	\$ 4,078
Cash used by investing activities	(12,661)	(6,901)	(12,990)
Cash from financing activities	7,818	2,612	9,419

This statement reflects activities within our consolidated operations and therefore excludes activities within non-consolidated entities.

2025 vs. 2024

Cash from operating activities

Cash from operating activities totaled \$6.0 billion during the year ended December 31, 2025, an increase of \$1.3 billion from the same period in 2024. Operating cash flows benefited from contributions from acquisitions in the current year, increased distributions from our investment in associates due to our recent dispositions, organic growth across our segments and a full year of contributions from acquisitions completed in the prior year.

Cash used by investing activities

Cash used by investing activities was \$12.7 billion during the year ended December 31, 2025, an increase of \$5.8 billion from the same period in 2024. Investing activities during the current year reflected \$6.8 billion of capital deployed for the acquisition of subsidiaries and associates, net of proceeds from the sale of subsidiaries and investments in associates, \$5.7 billion of net additions to long-lived assets, and net settlement of derivatives and other investing activities of \$0.2 billion. In the prior year, cash used by investing activities included \$2.8 billion of capital deployed for the acquisition of subsidiaries and associates, net of proceeds from the sale of subsidiaries, investment in long-lived assets of \$4.0 billion and other investing activities of \$0.1 billion.

Cash from financing activities

Cash from financing activities totaled \$7.8 billion for the year ended December 31, 2025, as compared to \$2.6 billion during the same period in 2024. Financing activities in the current year include \$8.2 billion of net proceeds from borrowings, \$5.3 billion of capital provided by non-controlling interests, partially offset by \$1.7 billion of distributions paid to unitholders, \$2.5 billion of subsidiary distributions to non-controlling interests, \$0.7 billion of other financing activities, \$0.5 billion of lease liability repayments and \$0.2 billion of preferred unit redemptions. In the prior year, cash from financing activities was driven by net proceeds from borrowings of \$8.6 billion, partially offset by \$1.7 billion of net capital provided to non-controlling interests, \$1.6 billion of distributions paid to unitholders, \$1.5 billion of subsidiary distributions to non-controlling interests, \$0.4 billion of lease liability repayments and other financing activities of \$0.8 billion.

2024 vs. 2023

Cash from operating activities

Cash from operating activities totaled \$4.7 billion during the year ended December 31, 2024, an increase of \$0.6 billion from the same period in 2023. Operating cash flows benefited from contributions from acquisitions, organic growth from our existing operations and a full year of contributions from acquisitions completed in the prior year.

Cash used by investing activities

Cash used by investing activities was \$6.9 billion during the year ended December 31, 2024, a decrease of \$6.1 billion from the same period in 2023. Investing activities during the current year reflected \$2.8 billion of capital deployed for the acquisition of subsidiaries and associates, net of proceeds from the sale of subsidiaries and investments in associates, \$4.0 billion of net additions to long-lived and financial assets, and other investing activities of \$0.1 billion. In the prior year, cash used by investing activities included \$10.1 billion of capital deployed for the acquisition of subsidiaries and associates, net of proceeds from the sale of subsidiaries, investment in long-lived assets of \$2.1 billion and other investing activities of \$0.7 billion.

Cash from financing activities

Cash from financing activities totaled \$2.6 billion for the year ended December 31, 2024, as compared to \$9.4 billion during the same period in 2023. Financing activities in the current year include \$8.6 billion of net proceeds from borrowings, partially offset by \$3.2 billion of net capital provided to non-controlling interests, \$1.6 billion of distributions paid to unitholders and \$1.2 billion payments relating to other financing activities. In the prior year, cash from financing activities was driven by net proceeds from borrowings of \$5.7 billion and \$6.1 billion of net capital provided by non-controlling interests, partially offset by \$1.5 billion of distributions paid to unitholders and other financing activities of \$0.9 billion.

PARTNERSHIP CAPITAL

Our partnership's capital structure is comprised of three classes of partnership units: our units, preferred units and general partnership units. Our 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 the right to govern our financial and operating policies. Our partnership controls the Holding LP, which in turn is the indirect shareholder of our operating entities, through a 70.50% managing general partner interest. As of December 31, 2025, Brookfield holds a 29.13% interest in the Holding LP through Redeemable Partnership Units and an additional 0.37% interest in the Holding LP through Special General Partner Units. In addition, Brookfield holds a 0.22% interest in our partnership through the ownership of units and BWS holds a 0.50% interest in our partnership through the ownership of units. The Redeemable Partnership Units, at the request of the holder, require the Holding LP to redeem all or a portion of the holder's units for cash in an amount equal to the market value of our units multiplied by the number of units to be redeemed. This right is subject to our partnership's right of first refusal which entitles it, at its sole discretion, to elect to acquire any Redeemable Partnership Unit so presented to the Holding LP in exchange for one of our partnership's units (subject to certain customary adjustments). Both the units issued by our partnership and the Redeemable Partnership Units issued by the Holding LP have the same economic attributes in all respects, except for the redemption right described above. The Redeemable Partnership Units participate in earnings and distributions on a per unit basis equivalent to the per unit participation of the units of our partnership. Our partnership reflects the Redeemable Partnership Units issued to Brookfield by the Holding LP as a separate component of non-controlling interest, within consolidated equity, as Brookfield Infrastructure can, at its sole discretion, elect to satisfy a redemption request by Brookfield of the Redeemable Partnership Units by issuing an equal number of units.

In addition, Exchange LP, a subsidiary of our partnership, issued Exchange LP Units in connection with the privatization of Enercare in October 2018. Exchange LP Units provide holders with economic terms that are substantially equivalent to those of our units and are exchangeable, on a one-for-one basis, for our units. Given the exchangeable feature, we present the Exchange LP Units as a separate component of non-controlling interests.

On March 31, 2020, our partnership completed the creation of BIPC with the special distribution. Each unitholder of record on March 20, 2020 received one BIPC exchangeable share for every nine units held. Holders of BIPC exchangeable shares have the right to exchange all or a portion of their shares for one unit per BIPC exchangeable share held or its cash equivalent on a fixed-for-fixed basis. BIPC or the partnership, as applicable, each have the ability to satisfy exchange requests by holders of BIPC exchangeable shares in units instead of cash. Additionally, the partnership has the ability to exchange all BIPC exchangeable shares for units at our election, on a fixed-for-fixed basis. As a result of the share characteristics, we present the BIPC exchangeable shares as a component of non-controlling interests.

In the third and fourth quarters of 2021, BIPC Exchange LP, a subsidiary of our partnership, issued BIPC Exchangeable LP Units in connection with the acquisition of our Canadian diversified midstream operation. BIPC Exchangeable LP Units provide holders with economic terms that are substantially equivalent to those of a BIPC exchangeable share and are exchangeable, on a one-for-one basis, for BIPC exchangeable shares. Given the exchangeable feature, we present the BIPC Exchangeable LP Units as a component of non-controlling interests.

In September 2023, Brookfield Investments Corporation, a subsidiary of BN, exercised its redemption right in respect of 3,287,267 Redeemable Partnership Units. Our partnership exercised its right of first refusal in respect of all such Redeemable Partnership Units and issued 3,287,267 units to Brookfield Investments Corporation in full satisfaction of such redemption request. Such exchanged units were subsequently transferred to BWS. BN and BWS have agreed that all decisions to be made by BWS with respect to the voting of the units held by BWS will be made jointly by mutual agreement of the applicable BWS subsidiary and BN. BWS may acquire additional units or other securities exchangeable for our units. It is expected that any units or other securities exchangeable for units held by BWS will be subject to the foregoing voting arrangements.

The Brookfield Holders' collective economic interest in our partnership is approximately 26.5% on a fully-exchanged basis.

Brookfield's 0.37% interest in the Holding LP through Special General Partner Units entitles it to incentive distribution rights which are based on the amount by which quarterly distributions on the Holding LP's units (other than Holding LP Class A Preferred Units) exceed specified target levels. To the extent distributions on the Holding LP's units (other than Holding LP Class A Preferred Units) exceed \$0.1218 per quarter, the incentive distribution rights entitle Infrastructure Special LP to 15% of incremental distributions above this threshold. To the extent that distributions on the Holding LP's units (other than Holding LP Class A Preferred Units) exceed \$0.1320 per quarter, the incentive distribution rights entitle Infrastructure Special LP to 25% of incremental distributions above this threshold. During the year ended December 31, 2025, the Holding LP paid incentive distributions of \$320 million (2024: \$295 million, 2023: \$266 million). Infrastructure Special LP may elect to reinvest any of the incentive distributions from its Special General Partner Units in additional Redeemable Partnership Units.

In November 2025, we announced that we renewed our normal course issuer bid for outstanding units and our Class A Preferred Units. Under the normal course issuer bid, the board of directors of our General Partner authorized us to repurchase up to 5% of the issued and outstanding units, or 23,062,017 units, and up to 10% of the public float of each series of the Class A Preferred Units that were issued and outstanding. Repurchases were authorized to commence on December 2, 2025 and will terminate on December 1, 2026, or earlier should we complete our repurchases prior to such date. All purchases will be effected through the facilities of the TSX, NYSE and/or alternative trading systems, and all units and Class A Preferred Units acquired under the normal course issuer bid will be cancelled. Please refer to Item 16.E "Purchases of equity securities by the issuer and affiliated purchaser" for details of repurchases completed during the year. During the year ended December 31, 2025, Brookfield Infrastructure repurchased less than 2 million units for \$58 million (2024: nil, 2023: repurchased less than 1 million units for \$25 million). Subsequent to year-end, Brookfield Infrastructure repurchased an additional 2,402,546 units for \$92 million as of March 12, 2026. The unit repurchases were funded using the proceeds from the issuance of BIPC exchangeable shares under the BIPC ATM.

In November 2025, BIPC launched an “at the market” program, whereby it may offer and sell up to \$400 million BIPC exchangeable shares directly from treasury (the “BIPC ATM”), of which approximately \$243 million remains available for issuance as of March 12, 2026 until the BIPC ATM expires on February 28, 2027 (or is earlier terminated). Under the BIPC ATM, BIPC exchangeable shares may be sold to the public from time to time at prevailing market prices through the TSX, NYSE or any other marketplace in Canada or the United States where the BIPC exchangeable shares may be traded. Brookfield Infrastructure intends to use the net proceeds from the BIPC ATM, if any, to facilitate repurchases by the partnership of its units under its normal course issuer bid (subject to compliance with applicable securities laws) and for general corporate purposes, such that the program is intended to be non-dilutive to Brookfield Infrastructure. During the year-ended December 31, 2025, BIPC issued 833,272 BIPC exchangeable shares under the BIPC ATM, and an equivalent number of units were repurchased by our partnership. The issuances were completed on the TSX and NYSE at average prices of C\$63.78 and US\$45.86, respectively, per BIPC exchangeable share, for aggregate gross proceeds of \$38 million. Net proceeds from the issuance also rounded to \$38 million, after deducting agent commission costs of \$0.4 million.

Our partnership has established a distribution reinvestment plan (“Plan”), that allows eligible holders of our units 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 NYSE for the five trading days immediately preceding the relevant distribution date. During the year, our partnership issued approximately 0.3 million units (2024: 0.3 million units) for proceeds of \$11 million (2024: \$11 million).

On January 29, 2026, the partnership declared a quarterly distribution in the amount of \$0.455 per unit, payable on March 31, 2026 to unitholders of record as at the close of business on February 27, 2026. This distribution represents a 6% increase compared to the prior year. The regular quarterly dividends on the partnership preferred units have also been declared.

The total number of partnership units in the Holding LP outstanding was comprised of the following:

	As of	
	December 31, 2025	December 31, 2024
Redeemable Partnership Units, held by Brookfield	190,299,956	190,299,956
Special General Partner Units	2,400,631	2,400,631
Managing General Partner Units	460,488,788	461,855,350
Total	653,189,375	654,555,937

During 2025 and 2024, our outstanding issued Redeemable Partnership Units (“RPU”) changed as follows:

MILLIONS, EXCEPT UNIT INFORMATION	2025		2024	
	Book Value	Units	Book Value	Units
Outstanding at beginning of year	\$ 2,628	190,299,956	\$ 2,628	190,299,956
Outstanding at end of year	\$ 2,628	190,299,956	\$ 2,628	190,299,956

During 2025 and 2024, our outstanding issued Special General Partner Units changed as follows:

<u>MILLIONS, EXCEPT UNIT INFORMATION</u>	2025		2024	
	Book Value	Units	Book Value	Units
Outstanding at beginning of year	\$ 19	2,400,631	\$ 19	2,400,631
Outstanding at end of year	\$ 19	2,400,631	\$ 19	2,400,631

During 2025 and 2024, our outstanding issued Managing General Partner Units changed as follows:

<u>MILLIONS, EXCEPT UNIT INFORMATION</u>	2025		2024	
	Book Value	Units	Book Value	Units
Outstanding at beginning of year	\$ 6,210	461,855,350	\$ 6,196	461,343,972
Unit issuance	11	330,047	11	343,347
Units repurchased and cancelled ⁽¹⁾	(25)	(1,877,183)	—	—
Conversions	3	180,574	3	168,031
Outstanding at end of year	\$ 6,199	460,488,788	\$ 6,210	461,855,350

(1) Includes 833,272 units repurchased that were financed with the proceeds of the sales of BIPC exchangeable shares sold under the BIPC ATM.

During 2025 and 2024, our outstanding issued BIPC exchangeable shares and class A.2 exchangeable shares changed as follows:

<u>MILLIONS, EXCEPT SHARE INFORMATION</u>	2025		2024	
	Book Value	Shares ⁽¹⁾	Book Value	Shares
Outstanding at beginning of year	\$ 2,514	132,051,909	\$ 2,512	131,872,066
Share issuance ⁽²⁾	38	833,272	—	—
Conversions	2	109,775	2	179,843
Outstanding at end of year	\$ 2,554	132,994,956	\$ 2,514	132,051,909

(1) Includes 119,982,167 (December 31, 2024: 119,039,120) BIPC exchangeable shares and 13,012,789 (December 31, 2024: 13,012,789) class A.2 exchangeable shares.

(2) During the year-ended December 31, 2025, the company issued 833,272 BIPC exchangeable shares under the BIPC ATM.

During 2025 and 2024, our outstanding issued Exchangeable units changed as follows:

<u>MILLIONS, EXCEPT UNIT INFORMATION</u>	2025		2024	
	Book Value	Units	Book Value	Units
Outstanding at beginning of year	\$ 388	5,738,152	\$ 393	6,086,026
Conversions	(4)	(290,349)	(5)	(347,874)
Outstanding at end of year	\$ 384	5,447,803	\$ 388	5,738,152

During 2025 and 2024, our outstanding issued Perpetual Subordinated Notes changed as follows:

<u>US\$ MILLIONS</u>	2025	2024
Outstanding at beginning of year	\$ 293	\$ 293
Outstanding at end of year	\$ 293	\$ 293

The total number of preferred partnership units in the Holding LP outstanding was comprised of the following:

	As of	
	December 31, 2025	December 31, 2024
Holding LP Series 1 Preferred Units	—	4,989,265
Holding LP Series 3 Preferred Units	—	4,989,262
Holding LP Series 9 Preferred Units	7,986,595	7,986,595
Holding LP Series 11 Preferred Units	9,936,190	9,936,190
Holding LP Series 13 Preferred Units	8,000,000	8,000,000
Holding LP Series 14 Preferred Units	8,000,000	8,000,000
Total	33,922,785	43,901,312

During 2025 and 2024, our outstanding issued Preferred Units changed as follows:

MILLIONS, EXCEPT UNIT INFORMATION	2025		2024	
	Book Value	Units	Book Value	Units
Outstanding at beginning of year	\$ 918	43,901,312	\$ 918	43,901,312
Units repurchased and cancelled	(189)	(9,978,527)	—	—
Outstanding at end of year	\$ 729	33,922,785	\$ 918	43,901,312

On June 30, 2025, our partnership redeemed all of its outstanding cumulative class A preferred limited partnership units, Series 1, for \$90 million and recognized a gain on redemption of \$6 million directly in equity.

On December 31, 2025, our partnership redeemed all of its outstanding cumulative class A preferred limited partnership units, Series 3, for \$90 million and recognized a loss on redemption of \$2 million directly in equity.

5.C RESEARCH AND DEVELOPMENT, PATENTS AND LICENSES, ETC.

Not applicable.

5.D TREND INFORMATION

We seek to increase the cash flows from our operations through acquisitions and organic growth opportunities as described below. In particular, we focus on acquisitions, consortiums and partnerships where Brookfield has sufficient influence or control to deploy our operations-oriented approach. Brookfield has a long-term track record sourcing and executing such transactions, which have contributed to cash flow expansion over time. In addition, we have a substantial and growing backlog of capital projects within our portfolio to be commissioned in the next two to three years that contributes to our organic growth. We believe our sectors and geographic focus areas have favorable outlooks, which is expected to drive higher cash flows organically and through acquisition. This belief is based on assumptions about our business and markets that management believes are reasonable in the circumstances. There can be no assurance as to growth in our cash flows, or capital deployed for acquisitions or organic growth. See page 7, “Forward-Looking Statements”.

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

Three prominent macroeconomic themes have resulted in Brookfield Infrastructure effectively securing our annual investment target for 2024 and 2025. We believe these “mega trends” will drive significant capital deployment opportunities for Brookfield Infrastructure in the years to come.

- **Digitalization** - refers to investment opportunities derived from exponential increases in data consumption, as well as the proliferation and adoption of artificial intelligence (AI). Large-scale capital is required across the entire digital infrastructure ecosystem to enable the storage and processing of data, as well as the ubiquitous and reliable transmission of this data over wireline and wireless networks.
- **Decarbonization** - investment opportunities relating to the structural increase in energy demand that is being driven by multiple factors including electrification, industrial expansion, and the emergence of energy-intensive technologies such as AI. For Brookfield Infrastructure, this translates directly into investments in utilities, midstream assets, and residential energy infrastructure businesses that benefit from growing power demand or improve energy efficiency.
- **Deglobalization** - supports the reshoring of essential and strategic manufacturing processes. We further anticipate that global supply chains will continue to evolve, as manufacturers diversify their sourcing of inputs and as nations reprioritize energy security.

Our primary focus for new capital deployment during the upcoming year is to advance our pipeline of transactions that are well progressed. We also remain focused on the integration plans at our recently acquired businesses and executing on our organic capital project initiatives.

In terms of our funding strategy, in allocating every dollar of FFO, we typically invest about 15-20% to satisfy maintenance capex obligations, with another 15-20% going into smaller, recurring growth projects, and the remaining 60-70% being utilized for distributions to unitholders.

For new investments, our partnership’s size and scale, as well as the maturity profile of many of our assets, has evolved to a point where we should be able to significantly self-fund our growth. We have accomplished this by executing well on our asset rotation strategy, selling mature assets and using the proceeds to fund new investments, which is an integral component of our full cycle investment plan and is important to our business for the following reasons:

- **Key value creation lever** - most infrastructure assets reach a maturity point, where the pace of capital appreciation or same-store growth levels out. Capital appreciation is maximized in periods where there are operational improvements, increased capacity utilization and capital expansion. Absent these factors, we would generally consider these assets to have mature income streams. At this point we will look to sell them at attractive returns and redeploy the proceeds into new investments that will earn our 12-15%+ target returns.
- **Alternative source of capital** - we sometimes issue equity to fund growth, however capital markets are not always available and thus capital recycling is a core source of cost-efficient and non-dilutive funding.
- **Institutes capital discipline** - to us, it is imperative that businesses are sold to maximize proceeds, not when cash is needed, as selling under duress is suboptimal. While our approach may result in periods where we have substantial liquidity that results in a short-term drag on results, as long-term investors, we believe it is the best way to create value over the long run.

While the market environment for selling assets changes year to year based on a number of factors including macroeconomic policy and interest rates, we expect that high-quality, de-risked essential infrastructure, will have strong demand through market cycles. This should particularly be true for buyers that take a longer-term view and are less influenced by short-term economic conditions or sentiment.

5.E CRITICAL ACCOUNTING ESTIMATES

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

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

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

(i) Revaluation of property, plant and equipment

Property, plant and equipment is revalued on a regular basis. The significant estimates and assumptions underlying the valuation of property, plant and equipment are set out in Note 14, "Property, Plant and Equipment" in our financial statements included in this annual report on Form 20-F. Our 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, 2025 and 2024. Brookfield Infrastructure determines fair value under both the income and depreciated replacement cost methods, with due consideration to significant inputs such as the discount rate, terminal value multiple, overall investment horizon, useful life and replacement cost.

(ii) Impairment of goodwill, intangibles with indefinite lives and investment in associates and joint ventures

Our partnership assesses the impairment of goodwill and intangible assets with indefinite lives by reviewing the value-in-use or fair value less costs of disposal of the cash-generating units to which goodwill or the intangible asset has been allocated. Brookfield Infrastructure uses the following significant assumptions and estimates: the circumstances that gave rise to the goodwill, timing and amount of future cash flows expected from the cash-generating unit; discount rates; terminal capitalization rates; terminal valuation dates; useful lives and residual values.

The impairment assessment of investments in associates and joint ventures requires estimation of the recoverable amount of the asset.

Other estimates utilized in the preparation of our partnership's financial statements are: depreciation and amortization rates and useful lives; recoverable amount of goodwill and intangible assets; ability to utilize tax attributes.

Future accounting policies

Amendments to IFRS 9, Financial Instruments (“IFRS 9”) and IFRS 7, Financial Instruments: Disclosures (“IFRS 7”) - Classification and Measurement of Financial Instruments

In May 2024, the IASB issued amendments which clarify the requirements for the timing of recognition and derecognition of financial liabilities settled through an electronic cash transfer system, add further guidance for assessing the contractual cash flow characteristics of financial assets with contingent features, and add new or amended disclosures relating to investments in equity instruments designated at FVOCI and financial instruments with contingent features. The amendments to IFRS 9 and IFRS 7 are effective for periods beginning on or after January 1, 2026, with early adoption permitted. The partnership has assessed these amendments and determined that they are not expected to have a material impact on the consolidated financial statements of the partnership.

IFRS 18 - Presentation and Disclosure in Financial Statements (“IFRS 18”)

In April 2024, the IASB issued IFRS 18, Presentation and Disclosure of Financial Statements. IFRS 18 is effective for periods beginning on or after January 1, 2027, with early adoption permitted. IFRS 18 is expected to improve the quality of financial reporting by requiring defined subtotals in the statement of profit or loss, requiring disclosure about management-defined performance measures, and adding new principles for aggregation and disaggregation of information. The partnership is in the process of determining the impact of the amendments on its consolidated financial statements.