

Letter to Unitholders

Overview

Our business had a good quarter. Adjusted EBITDA increased to \$844 million which included the significant value of benefits recorded at our advanced energy storage operation and we continued to advance our capital recycling program, generating over \$350 million of proceeds from distributions and announced monetizations. The progress we are making on our capital recycling initiatives and expected proceeds from future business sales should substantially reduce borrowings at the corporate level and support continued growth.

Our trading price has increased nearly 70% since this time last year coinciding with central banks signaling an end to the tightening cycle. Despite this recovery, our units and shares still trade at a meaningful discount to intrinsic value. As rates continue to decline, our cash flows will grow, transaction activity will return and investors should resume valuing our units on a fundamental basis – all of this sets the stage for further improvement in our trading performance.

Compounding Value at Work

Our business is a compounding engine built on the back of Brookfield's private equity playbook, developed and honed over 25 years to deliver top tier returns. Since launching BBU eight years ago, we have invested approximately \$9 billion alongside Brookfield's private equity business to acquire high-quality, mission-critical and market leading operations. These are inherently strong compounders of value, and the execution of our operational plans makes them even better. At the right time we can sell these operations to generate strong returns and reinvest the capital to continue compounding growth.

This strategy has proven effective as demonstrated by the excellent returns we have delivered as a public company. We have generated over \$6 billion of proceeds from the sale of 20 businesses, realizing a 3x multiple of our invested capital and a 30% IRR – and we are just getting started. Half of the businesses we own today were acquired in just the last three years at an average overall single digit multiple of EBITDA, well below comparable market trading levels. We are still in the early stages of executing our value creation plans in these operations, so we should see improved performance and cash flows in the coming years which will allow us to continue compounding value.

Our hands-on approach to value creation also serves us well in tough situations, where we can take a long-term view, double down at the bottom and roll up our sleeves to maximize returns.

It has been nearly two years since our offshore oil services operation emerged from a restructuring process. We provided the business with additional capital to significantly deleverage its balance sheet and implemented a comprehensive operating plan to improve performance and support a repositioning of the business.

Over that time, the outlook for the business has continued to improve driven by strengthening customer sentiment, a renewed focus on offshore developments and tightening industry fundamentals resulting in higher re-contracting rates. On the back of this, the business entered into long-term contracts for the redeployment of two Floating Production Storage and Offloading (FPSO) vessels on new field developments, providing increased certainty to its longer-term earnings and cash flows.

With the significant progress achieved over the last few years, earlier this week the business reached an agreement to sell its shuttle tanker operations to a leading global shipping service provider for \$1.9 billion. Our share of net proceeds from the sale is expected to be approximately \$265 million – an excellent result as we continue to execute plans to realize additional proceeds from the sale of other business units.

In some cases, growing a business through acquisitions can be an efficient way for us to scale our operations and create value. In September, we completed the acquisition of Network International, the leading digital payment processor in the Middle East, for approximately \$3 billion. The business has a strong track record of growth supported by a diversified customer base and an integrated technology platform covering the entire payments value chain. It processes more than \$50 billion of annual payments and services approximately 150,000 merchants, forming the financial backbone of the economies where it operates.

We combined this business with Magnati, the second largest payment processor in the region, which we acquired two years ago through a partnership with First Abu Dhabi Bank. This will create a champion in the high-growth payments solutions sector, driving unparalleled expansion and innovation. The combined business will be the market leader with considerable scale, giving us the ability to optimize the business by leveraging a combined technology stack which will improve the customer experience.

We view this business as core financial infrastructure – essential technology and services that power the movement of money. These are typically asset light businesses operating within strict regulatory frameworks which provide strong competitive advantages. They generate stable and predictable cash flows and are highly scalable. While critical to the backbone of the economy, many of these platforms which were developed years ago need to be modernized as the forces of digitalization and deglobalization reshape the world's financial system. Our proven ability to execute complex carve-outs and drive operational transformation has enabled us to become a partner of choice to existing owners of these assets.

Balance Sheet and Liquidity

Our balance sheet is strong. We ended the quarter with \$1.6 billion of liquidity at the corporate level, pro forma for recent and announced sales, combined with acquisitions and distributions. We have over \$7.5 billion of additional available liquidity within our underlying operations.

This provides us with optionality to continue to support a balanced approach to capital allocation. Our near-term focus is to reduce the borrowings on our corporate credit facility which we have drawn as a bridge to fund a portion of our recent acquisition activity. We will also continue to invest in strategic acquisitions to grow our business, reinvest in our existing operations to generate incremental returns and opportunistically repurchase our units where it will enhance the intrinsic value of our business.

Over the past eight years, we have sold mostly smaller businesses and reinvested proceeds to acquire larger scale and higher quality operations. As a consequence, the ongoing distributions from our operations today should be larger and future sales of our business interests will provide even greater liquidity to support our growth.

Operating Results

Adjusted EBITDA for the quarter was \$844 million compared to \$655 million in the prior year. Current period results included a \$296 million benefit recorded at our advanced energy storage operation which the business is entitled to claim under the U.S. Inflation Reduction Act. Underlying performance of our operations, after adjusting for the impact of acquisitions and dispositions and the benefit recorded at our advanced energy storage operation, was in line with prior year results.

Business Services

Our Business Services segment generated third quarter Adjusted EBITDA of \$228 million. The continued strong performance of our residential mortgage insurer was offset by reduced results at our dealer software and technology services operation primarily due to the impact of higher technology enhancement costs.

Our residential mortgage insurer continues to perform well in the context of the broader Canadian housing market with housing fundamentals across most markets in Canada remaining balanced. Home prices have stabilized and further expected rate cuts by the Bank of Canada are supporting consensus estimates for low-single digit increases in home prices next year. Mortgage delinquencies have increased as expected compared to last year but remain low relative to historical levels which is contributing to low levels of losses on claims in the business. The Canadian government's recently announced changes to mortgage underwriting rules should expand the addressable market for insured mortgages which we expect will be a net positive for the business without materially increasing risk exposure. The business remains well capitalized to manage the impact of higher losses over time, and should continue generating over \$350 million (\$150 million at BBU) of cash distributions annually.

Performance at our dealer software and technology services operation recovered in the quarter and the business signed multi-year extension agreements with two of its largest North American publicly traded automotive dealership customers. Annual recurring revenue, a key metric for the business' subscription-based software as a service model, increased compared to prior year as the business continues to focus on enhancing customer service levels. We are also accelerating planned modernization and technology upgrade activities in the business to further improve the user experience, strengthen security protocols and enhance the customer value proposition. Higher costs associated with these initiatives were reflected in results this quarter.

We are making continued progress at our Indian non-bank lending services operation and underlying performance continues to improve. The business recently reached an agreement to sell its non-core home finance lending operations at an approximate 3x multiple of book value, representing a premium to our acquisition multiple and recent comparable transactions in the region. The business expects to generate approximately \$200 million of proceeds from the sale which will be used to accelerate growth of the core commercial vehicle lending operations.

Industrials

Our Industrials segment generated third quarter Adjusted EBITDA of \$500 million. Underlying performance was supported by growing contribution from our Brazilian water and wastewater services operation and ongoing performance of our advanced energy storage operation.

Our advanced energy storage operation continues to perform exceptionally well and repaid nearly \$600 million of debt during the quarter, reducing its leverage ratio to 3.7x annual EBITDA. Results in the quarter included the value of benefits the business is entitled to claim under the U.S. Inflation Reduction Act for its 2024 fiscal year which will support its planned ongoing investment in the U.S. to meet growing customer demand. In fact, over the last decade, the business has invested more than \$1 billion in its global manufacturing operations and expects to invest double this amount over the next 10 years to upgrade its capabilities in the U.S. This will include new capacity, state-of-the-art manufacturing technology and important innovations to strengthen the business' global leadership position in producing the most advanced recyclable batteries in the world.

Market conditions at our engineered components manufacturer have remained weak, contributing to reduced volumes across the business. We are working alongside management on additional cost optimization initiatives to support profitability and strengthen its market position in the current environment. We are planning for a recovery in volumes next year which should contribute to better performance supported by the business' diversified product offering, global footprint and ongoing productivity improvements.

Higher billing rates supported by contractual inflation adjustments and the impact of cost optimization initiatives are contributing to improved performance of our Brazilian water and wastewater services operation. The business

has achieved more than \$50 million of annualized cost and commercial optimization improvements over the past 12 months, which has supported increased margins and cash flows. While we are positioning the business for potential capital recycling opportunities, the macroeconomic environment in Brazil remains challenging amidst broader inflationary headwinds. Interest rates are rising and expected to move higher next year, which has contributed to slowing transaction activity and could make it challenging to complete a public listing of the business until market conditions recover.

Infrastructure Services

Our Infrastructure Services segment generated third quarter Adjusted EBITDA of \$146 million. Results in the quarter reflect the impact of the sale of our nuclear technology services operation which was completed late last year.

The pipeline of new commercial opportunities for lottery services has continued to strengthen with bidding activity at peak levels. With its industry leading capabilities and long-term relationships with global lottery operators, the business is well positioned for several potential wins over the next few quarters which would contribute meaningful incremental growth. We are also continuing to support the business as it scales its digital lottery capabilities in anticipation of increased adoption of digital lottery offerings in the U.S. and internationally. In the near term, the acceleration of initiatives focused on cost reduction actions, sourcing optimization and manufacturing rationalization will continue to support profitability.

At our modular building leasing services operation, performance is benefiting from value added products and services and ongoing initiatives to enhance operational efficiency despite a broader slowdown in the U.K. and parts of Europe impacting utilization of units. The business continues to execute plans to integrate recent acquisitions. Broader transformation initiatives focused on process optimization and capturing growth opportunities in more resilient segments of the European market are progressing well.

Closing

We are committed to continuing to compound value for our shareholders. As we execute our improvement plans over the next three to five years, we expect to substantially increase the earnings and cash flows of our operations which we believe will double the value of our business. For investors, the entry point today offers attractive returns as units and shares trade well below intrinsic value.

We had excellent turnout at our annual Investor Day in September and it was great to see many of you in attendance. For those who were unable to attend, the webcast and materials are available under the *News & Events* section of our website.

Thank you for your continued interest in Brookfield Business Partners and please do not hesitate to contact any of us should you have suggestions, questions, comments or ideas you wish to share.

Sincerely,



Anuj Ranjan
Chief Executive Officer



Cyrus Madon
Executive Chairman

November 8, 2024

Cautionary Statement Regarding Forward-looking Statements and Information

Note: This letter to unitholders contains “forward-looking information” within the meaning of Canadian provincial securities laws and “forward-looking statements” within the meaning of applicable Canadian and U.S. securities laws. Forward-looking statements include statements that are predictive in nature, depend upon or refer to future events or conditions, include statements regarding the operations, business, financial condition, expected financial results, performance, prospects, opportunities, priorities, targets, goals, ongoing objectives, strategies and outlook of Brookfield Business Partners, as well as regarding recently completed and proposed acquisitions, dispositions and other transactions, and the outlook for North American and international economies for the current fiscal year and subsequent periods, and include words such as “expects”, “anticipates”, “plans”, “believes”, “estimates”, “seeks”, “intends”, “targets”, “projects”, “forecasts”, “views”, “potential”, “likely” or negative versions thereof and other similar expressions, or future or conditional verbs such as “may”, “will”, “should”, “would” and “could”.

Although we believe that our anticipated future results, performance or achievements expressed or implied by the forward-looking statements and information are based upon reasonable assumptions and expectations, investors and other readers should not place undue reliance on forward-looking statements and information because they involve known and unknown risks, uncertainties and other factors, many of which are beyond our control, which may cause the actual results, performance or achievements of Brookfield Business Partners to differ materially from anticipated future results, performance or achievements expressed or implied by such forward-looking statements and information. These beliefs, assumptions and expectations can change as a result of many possible events or factors, not all of which are known to us or are within our control. If a change occurs, our business, financial condition, liquidity and results of operations and our plans and strategies may vary materially from those expressed in the forward-looking statements and forward-looking information herein.

Factors that could cause actual results to differ materially from those contemplated or implied by forward-looking statements include, but are not limited to: the cyclical nature of our operating businesses and general economic conditions and risks relating to the economy, including unfavorable changes in interest rates, foreign exchange rates, inflation and volatility in the financial markets; global equity and capital markets and the availability of equity and debt financing and refinancing within these markets; strategic actions including our ability to complete dispositions and achieve the anticipated benefits therefrom; the ability to complete and effectively integrate acquisitions into existing operations and the ability to attain expected benefits; changes in accounting policies and methods used to report financial condition (including uncertainties associated with critical accounting assumptions and estimates); the ability to appropriately manage human capital; the effect of applying future accounting changes; business competition; operational and reputational risks; technological change; changes in government regulation and legislation within the countries in which we operate; governmental investigations; litigation; changes in tax laws; ability to collect amounts owed; our reliance on computerized business systems, which could expose us to cyber-attacks; catastrophic events, such as earthquakes, hurricanes and pandemics/epidemics; cybersecurity incidents; the possible impact of international conflicts, wars and related developments including terrorist acts and cyber terrorism; and other risks and factors detailed from time to time in our documents filed with the securities regulators in Canada and the United States including those set forth in the “Risk Factors” section in our annual report for the year ended December 31, 2023 filed on Form 20-F.

Statements relating to “reserves” are deemed to be forward-looking statements as they involve the implied assessment, based on certain estimates and assumptions, that the reserves described herein can be profitably produced in the future. We qualify any and all of our forward-looking statements by these cautionary factors.

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

Cautionary Statement Regarding the Use of a Non-IFRS Measure

This letter to unitholders contains references to a Non-IFRS measure. Adjusted EBITDA is not a generally accepted accounting measure under IFRS and therefore may differ from definitions used by other entities. We believe this is a useful supplemental measure that may assist investors in assessing the financial performance of Brookfield Business Partners and its subsidiaries. However, Adjusted EBITDA should not be considered in isolation from, or as substitute for, analysis of our financial statements prepared in accordance with IFRS.

References to Brookfield Business Partners are to Brookfield Business Partners L.P. together with its subsidiaries, controlled affiliates and operating entities. Unitholders’ results include limited partnership units, redemption-exchange units, general partnership units, BBUC exchangeable shares and special limited partnership units. More detailed information on certain references made in this letter to unitholders will be available in our Management’s Discussion and Analysis of Financial Condition and Results of Operations in our interim report for the third quarter ended September 30, 2024 furnished on Form 6-K.