

Letter to Unitholders

Overview

We had an excellent quarter on many fronts, progressing our capital recycling initiatives with an agreement to sell our nuclear technology services operation, advancing our growth initiatives and generating strong financial performance. Third quarter Adjusted EBITDA increased 40% over the prior year to a record \$627 million, driven by new businesses acquired over the past 12 months and supported by the resilience of our ongoing operations.

Resilient and Growing Cash Flow

Our objective is to create long-term growth in intrinsic value per unit, primarily through capital appreciation. Our strategy is simple: buy great businesses for reasonable value and take a hands-on approach to improve the operations of the businesses we own. We fund our growth, in part, through our capital recycling initiatives including cash generated within our operations and the sale of our business interests at the right time.

We have been deliberate over the last few years investing in larger-scale providers of essential products and services. Today, about 75% of our annual EBITDA is derived from large-scale, market-leading operations with stable and resilient cash flows. The durability of these operations has been an enormous advantage in the current environment and will continue to support resilient performance across all market cycles.

As our business has evolved, we have also continued to build value within our operations. To put this in context, the EBITDA of businesses we have acquired over the past five years has improved by approximately \$275 million, at our share, and most of this value creation has been achieved by focusing on repeatable processes to enhance business performance across all sectors and regions in which we operate. The execution of our value creation plans, combined with the quality of businesses we own today, means the earnings of our operations should continue to grow.

Apart from growth, the intrinsic value of our business, which we define as the present value of all cash flows our operations will generate in the future, should also continue to increase. Our annual free cash flow has increased to \$3.65 per unit, representing a compound annual growth rate of approximately 30% since we launched our business in 2016. This substantial level of cash flow, separate from any capital recycling, provides us with significant flexibility to reinvest in our operations, reduce borrowings or fund future growth activities.

Free Cash Flow¹

	Dec-2016	Dec-2018	Dec-2020	Sept-2022	CAGR
Free cash flow	\$130 million	\$450 million	\$550 million	\$800 million	40%
Free cash flow per unit	\$0.95	\$2.00	\$2.45	\$3.65	30%

1. Free cash flow represents BBU's proportionate share of Earnings from Operations excluding gains (losses) on acquisitions/dispositions, less BBU's proportionate share of estimated maintenance capex and depletion. Figures rounded for presentation purposes.

Strategic Initiatives

Last month, alongside our institutional partners, we reached an agreement to sell Westinghouse, our nuclear technology services operation, to a strategic consortium led by Cameco Corporation and Brookfield Renewable Partners for approximately \$8 billion. This agreement was the result of a sales process that began earlier this year.

We acquired Westinghouse out of bankruptcy in 2018 at a time when nuclear energy was not widely viewed as a reliable clean source of baseload power. We appointed a world-class management team and over the past four years worked closely with them to strengthen the organizational structure, refocus on profitable service and product offerings and invest in new technologies. Since our acquisition, Westinghouse has strengthened its position as an industry leader and its EBITDA has nearly doubled to an annual run rate of approximately \$800 million. Today the business is ideally positioned to benefit from strong industry tailwinds driven by increased recognition of nuclear power playing a critical role in achieving global decarbonization goals and energy security.

We expect to generate approximately \$1.8 billion in net proceeds from the sale of our 44% interest in Westinghouse, which combined with distributions received to date, will equate to approximately 6x our invested capital of \$405 million. The transaction is expected to close in the second half of next year, subject to unitholder and various regulatory approvals.

The monetization of Westinghouse is a precursor of what is to come. We have other businesses which will reach a mature state, and subject to market conditions and other factors, should provide us substantial monetization opportunities. In addition, we have been very active over the last few years, investing more than \$5 billion at our share to acquire larger scale and more resilient operations. It will take time for us to build value within these operations, but at the low end of our value creation expectations these businesses should generate \$12 billion of proceeds for our business when it comes time to monetize them.

Growth Initiatives

In October, alongside our partner, we closed the privatization of Nielsen. As a reminder, Nielsen is the market leader in third-party audience measurement, data and analytics. The business is an essential service provider to the \$100 billion video and audio advertising industry, providing critical measurement data for advertising buyers and sellers. The business' scale and longstanding customer relationships position it well to be the leading provider of a unified measure of viewership across all media platforms. We look forward to supporting its growth strategy.

We expect to invest approximately \$400 million through convertible preferred equity for a 7% share of the equity, on a converted basis. This structure provides us downside protection and governance rights, while positioning us to participate in our share of the business' profitability and growth alongside our partner in the investment.

We also continue to focus on opportunities to grow our existing businesses.

Our engineered components manufacturer recently completed the acquisition of TexTrail, a leading distributor of axles and other trailer components. The transaction builds on the business' highly successful bolt-on acquisition growth strategy and provides opportunities to continue scaling its distribution operations. We invested \$100 million for our share of the acquisition.

Last month, our Brazilian fleet management operation completed the acquisition of Unidas, a leading full-service rent-a-car platform in Brazil. We are doubling the size of our existing fleet management platform which will provide meaningful opportunities to reduce costs, grow the combined revenues and continue scaling our operations in the region. We are focused on carving out the business and integrating the combined operations. We invested \$125 million for our 35% share of the equity.

Liquidity

Our capital position is strong. During the quarter we issued \$750 million of preferred equity securities to Brookfield Asset Management which provides us with efficient, non-dilutive long-term capital to continue funding our growth. We ended the quarter with approximately \$2.8 billion of pro forma liquidity at the corporate level after accounting for the planned syndication of our recently closed acquisitions and expected proceeds from the sale of Westinghouse.

Operating Results

Business Services

Our Business Services segment generated third quarter Adjusted EBITDA of \$229 million.

Our residential mortgage insurer contributed strong results driven by higher premiums earned following elevated underwriting activity over the past few years and continued low mortgage default rates. New premiums written are declining, as we expected, given the impact of higher mortgage rates and reduced housing affordability in Canada. The business remains in a strong capital position to manage through a period of normalizing Canadian housing market activity.

Our dealer software and technology services operation is performing well since we closed our acquisition in July. During the quarter we appointed a new CEO who previously served in that role at the company. We are in the early stages of executing our value creation plan to enhance customer service, improve productivity and refocus on product and service offerings that improve margins and profitability.

At our Australian healthcare services operation, high rates of surgery cancellations and elevated operating costs continue to affect performance. The labor environment is slowly improving and absenteeism, sick leave and overtime are all trending toward normal levels. We are working closely with the management team to support the operations and expect business performance to improve as the operating environment normalizes.

Industrials

Our Industrials segment generated third quarter Adjusted EBITDA of \$228 million.

Our advanced energy storage operation generated strong performance, benefiting from higher selling prices and a favorable mix of higher margin advanced battery sales compared to the prior year. Increased overall battery volumes benefited from improved original equipment manufacturer demand as auto production challenges eased. We are working closely with the business to continue managing the impact of a higher cost environment.

Performance at our engineered components manufacturer benefited from the contribution of recent add-on acquisitions. The business is focused on integrating the recently closed TexTrail acquisition as well as identifying opportunities to reduce costs to offset lower volumes across North America and parts of Europe.

Infrastructure Services

Our Infrastructure Services segment generated third quarter Adjusted EBITDA of \$205 million.

Our nuclear technology services operation performed well and remains on track to generate strong full-year EBITDA and cash flow. Contribution from the recent BHI Energy acquisition was offset by the impact of disruption caused by the conflict in Ukraine. Increased activity during the fall outage season is expected to contribute to strong fourth quarter financial results.

Demand at our lottery services and technology operation has been resilient and we are supporting initiatives to mitigate the impacts of supply chain challenges and higher input costs. In September, the operator of the U.K. National Lottery concession formally awarded us a 10-year contract to provide products and services. Efforts are underway to implement the contract which is expected to begin in early 2024.

Utilization levels in our modular building leasing services business remain stable as strong demand in Germany and Asia Pacific is offsetting reduced activity in the U.K. and other parts of Europe. Higher penetration of value-added products and services and pricing actions are supporting margin performance. We are continuing to assist the business in reviewing potential add-on acquisition opportunities to enhance its product offering and expand its geographic footprint.

In August, our offshore oil services operation voluntarily entered Chapter 11 reorganization proceedings with the objective of executing a comprehensive financial restructuring to reduce debt and strengthen its financial position. The business is planning to emerge from the Chapter 11 process with a significantly deleveraged balance sheet. We, along with our institutional partners, expect to own a substantial majority of the business following the reorganization, subject to court approval.

Closing

In September, we held our annual Investor Day where we provided investors with an update on our strategic initiatives to build value within our business. It was great to see many of you in the audience again this year. If you missed it, the webcast is available under the *News & Events* section of our website.

We welcome your input as partners in our business. Please do not hesitate to reach out to any of us should you have suggestions, ideas or comments you wish to share.

Sincerely,



Cyrus Madon
Chief Executive Officer

November 4, 2022

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” 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, the reader 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 achievement expressed or implied by such forward-looking statements and information.

Factors that could cause actual results to differ materially from those contemplated or implied by forward-looking statements include, but are not limited to: the impact or unanticipated impact of general economic, political and market factors in the countries and industries in which we do business; including as a result of recessionary factors, rising interest rates, inflation and supply chain issues, as well as the ongoing novel coronavirus (SARS-CoV-2) pandemic, including any SARS-CoV-2 variants (See “Risks Associated with the COVID-19 Pandemic” in the “Risk Factors” section included in our Management’s Discussion and Analysis of Financial Condition and Results of Operations in our Form 20-F for the year ended December 31, 2021 (“2021 Annual Report”)); the behavior of financial markets, including fluctuations in interest and foreign exchange rates; 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; catastrophic events, such as earthquakes; hurricanes and pandemics/epidemics; the possible impact of international conflicts, wars and related developments including Russia’s military operation in Ukraine, 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 in the “Risks Factors” section in our 2021 Annual Report.

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, Brookfield Business Partners undertakes no obligation to publicly update or revise any forward-looking statements or information, whether written or oral, that may be as a result of new information, future events or otherwise.

Cautionary Statement Regarding the Use of Non-IFRS Measures

This letter to unitholders contains references to Non-IFRS Measures. Adjusted EBITDA is not a generally accepted accounting measure under IFRS and therefore may differ from definitions used by other entities. We believe this measure 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 a 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. Brookfield Business Partners’ results include publicly held 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 news release 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, 2022 furnished on Form 6-K.