

Letter to Unitholders

Our operations faced challenging business conditions in the second quarter as a result of the global shutdown. Despite that we fared reasonably well and generated Company EBITDA of \$286 million and Company FFO of \$173 million. This represented a 30% reduction in comparable revenue from the prior year; but with cost reduction, liquidity management and investing in new opportunities, we came through it.

The worst month was April, and since then economic activity has gradually improved. By the end of the quarter virtually all of our operations were experiencing increased activity, with some approaching levels similar to the prior year. During the quarter we enhanced our liquidity and remain well positioned to pursue investments.

Update on Strategic Initiatives

A key advantage to our investment approach is that we have the flexibility to invest across industries and in different forms, meaning we may acquire debt or equity securities or provide financing to companies, in addition to acquiring businesses. Having broad flexibility enables us to pursue the best opportunities available irrespective of market and industry conditions, and we recently provided capital to a business to support its capitalization and growth. The investment was structured senior to the business' common equity which provides us with some protection, and has the potential to generate attractive returns for BBU. As capital markets normalize with less support from governments, we expect there may be more opportunity for this type of investment, both to support the growth of businesses and provide capital when it is otherwise challenging to raise in more conventional ways.

In June, in conjunction with our institutional partners, we subscribed for \$260 million in convertible preferred shares of Superior Plus Corporation ("Superior"). Superior is a leading propane distributor in North America and our investment will help accelerate the company's growth objectives to consolidate a fragmented U.S. propane distribution market. Our investment earns a minimum coupon of 7.25% per annum and is convertible into a 15% common equity stake in Superior. BBU's share of the investment is \$45 million.

In July, together with our institutional partners, we completed the acquisition of IndoStar, an Indian finance company focused on commercial vehicle lending and affordable home finance, for approximately \$295 million. BBU funded approximately \$105 million of the investment for 20% ownership. Business conditions in India are starting to recover as lockdown measures ease and the availability of financing for non-bank financial corporations like IndoStar is improving following the Indian Government's announced stimulus package in June. IndoStar has now re-opened many of its 230 branches, and while we expect the recovery to be gradual the business is benefiting from a positive trend in collections activity across all its key business segments. In addition, many of IndoStar's competitors are in distress, which should enable IndoStar to increase its loans outstanding at attractive returns.

We successfully completed a recapitalization of Cardone in May, and together with our institutional partners, committed \$180 million of new equity in the business (BBU's share was approximately \$95 million). As part of the recapitalization Cardone secured concessions from its senior debtholders including the extension of maturities on its bank debt. Cardone is one of the largest remanufacturers of automotive aftermarket parts in North America.

We made an initial loan to the company in 2018 and were supporting a turnaround of its operations prior to the pandemic which severely impacted the business' operations and liquidity. Our recapitalization strengthens Cardone's capital structure and positions the company on better footing with both customers and suppliers. We are working closely with management to progress its turnaround efforts that remain in the early stages.

The significant correction in the price of public securities early in the quarter created an opportunity for us to acquire equity in high-quality businesses at significant discounts to our view of intrinsic value. With the recent recovery in public markets, the trading price of these securities has increased by over 80% generating a gain to BBU of ~\$165 million.

Subsequent to the quarter end, we executed a partial distribution of GrafTech common shares to our institutional partners that reduced the size of the BBU consortium's control position in the company. BBU continues to own approximately 69 million shares in GrafTech, 17 million of which we own directly and which we now have the flexibility to sell outside of the BBU consortium. The distribution advances our efforts to monetize our investment in GrafTech while providing GrafTech with increased share liquidity and potentially additional opportunities for us to execute larger market transactions.

Robust public markets and ultra-low interest rates are creating opportunities for us to explore the monetization of certain of our businesses. Options available to us to exit our investments include public offerings of securities and the sale of minority interests or entire company sales to strategic buyers, financial sponsors or special purpose acquisition companies.

Liquidity and Capital Position

Subsequent to quarter end we increased the borrowing capacity available to us on our credit facilities by \$500 million. We are in a strong capital position with approximately \$2.3 billion of liquidity at the corporate level comprised of cash, marketable securities and undrawn capacity on our credit facilities.

Overview of Operational Performance

Our Infrastructure Services segment generated Company EBITDA of \$148 million for the second quarter 2020.

Westinghouse continues to perform well with limited impact from the economic shutdown and is benefiting from the essential services it provides to the global nuclear power industry. Strong performance in Europe during the quarter offset the impact of some anticipated deferrals of non-critical maintenance work at customer facilities in North America. The business continues to focus on cost saving initiatives that enhance the resiliency of its operations and cash flows. Westinghouse remains well capitalized with significant available liquidity and is expected to generate strong EBITDA and free cash flow for the full year.

Altera Infrastructure's results continue to be supported by the contractual nature of its revenue and cash flows that remain largely unaffected by lower oil prices. Utilization in the towage segment continues to be weak, offset by the commencement of contracts as well as overall higher utilization in the shuttle tanker business.

At BrandSafway, activity was materially impacted in the quarter by pandemic-related shutdowns and restrictions at customer sites partially offset by the benefit of cost curtailment initiatives. BrandSafway's revenue is largely derived from the essential maintenance needs of its customers and activity levels are recovering as business conditions normalize.

Our Industrials segment generated Company EBITDA of \$98 million for the second quarter 2020.

At Clarios, overall volumes in the quarter were directly impacted by a reduction in demand associated with the economic shutdown and costs increased related to the closing and safe re-opening of its plants. Clarios permanently consolidated one of its U.S. assembly plants and redeployed impacted employees to existing facilities as part of its broader plan to increase operational efficiency of its North American manufacturing footprint. While OEM demand remains weak, aftermarket battery demand is up sharply from trough levels in April and volumes for the quarter were higher than the prior year led by a recovery in North America, Europe and China. We are encouraged by the resiliency we are seeing in the aftermarket which comprises the majority of Clarios' profitability. In May, Clarios completed a \$500 million offering of senior secured notes. Proceeds were used to repay existing credit facilities, further enhancing the company's liquidity.

GrafTech, our graphite electrode manufacturer, generated reduced EBITDA due to lower volumes and sales price as the global economic slowdown has impacted graphite electrode demand. GrafTech expects that a portion of its 2020 contracted volumes will be deferred to future periods given current disruption to the steel industry. GrafTech continues to generate significant free cash flow and in May reduced its dividend to focus on debt reduction.

BRK Ambiental, our water and wastewater services company in Brazil, has not experienced a material impact to volumes or a reduction in services to date. Pipeline construction and other capex spending is progressing as many operations are in areas that have not been severely disrupted by the shutdowns. The business successfully refinanced asset-level borrowings during the quarter. As the rate of new COVID-19 cases continues to rise in Brazil, we are closely monitoring potential impacts on the business and have contingency plans in place to maintain services provided. During the quarter, the Brazilian government approved new rules for the sanitation sector which are expected to improve private sector participation and should provide BRK Ambiental with increased opportunities to scale its operations.

Our Business Services segment generated Company EBITDA of \$64 million for the second quarter 2020.

At Genworth, losses from mortgage defaults were higher than last year, partially supported by mortgage deferral programs put in place by Canada's banks. Underwriting activity slowed sharply in April, the weakest month for residential sales in history, but has since recovered fully. The business remains well capitalized to manage through the current environment.

Healthscope's results during the quarter reflect the material impact of the Australian government's decision in early April to suspend all non-critical elective surgeries, which resulted in a 50% year-over-year decline in surgical activity for that month. During the quarter Healthscope received monthly payments that covered its net operating costs from state governments in return for making its hospital network available to the public. Healthscope has now resumed its elective surgeries in most regions and activity levels are rebounding. In August, Healthscope reached an agreement to sell its New Zealand pathology business for \$360 million, which advances our long-term strategy focused on the core Australian hospital operations. Proceeds from the sale will go toward debt reduction.

Our fuel distribution business, Greenergy, has remained fully operational given its role as a critical supplier. Fuel volumes in the U.K. have progressively increased since April to the range of 75% of prior year levels. With the easing of travel restrictions, sales volumes and retail margins at our Canadian gas station convenience stores have also steadily improved. The recent downturn in oil prices created an opportunity for Greenergy to acquire low cost fuel in the spot market and sell forward physical inventory at higher prices on a fully hedged basis. The locked-in price differential will contribute to future profits.

Multiplex reported improved performance for the quarter led by stronger results in the business' Australian operations. While construction activity on all U.K. projects has restarted, the business is still being impacted by reduced project productivity as a result of operating in compliance with government guidelines. Multiplex has implemented measures to mitigate losses and preserve cash. The operating environment in the U.K. remains fluid

and we continue to expect the business will require support to manage through the impacts of project related interruptions in the second half of the year.

Looking Forward

We are cautiously optimistic heading into the second half of the year while mindful that current challenges to our businesses may persist for several more months and a full economic recovery thereafter may be slow. We are confident in the resiliency of our business and have positioned all of our companies appropriately to manage through the current environment. We will emerge from this crisis in a strong position and believe that as markets normalize there will be large scale opportunities to finance or acquire businesses.

We would like to thank all our employees and partners around the world for their continued dedication and efforts during these challenging times. On behalf of everyone at BBU, thank you for your ongoing interest and support.

Sincerely,

A handwritten signature in blue ink, appearing to read "Cyrus Madon".

Cyrus Madon
Chief Executive Officer

August 6, 2020

Cautionary Statement Regarding Forward-looking Statements and Information

This letter to unitholders contains “forward-looking information” within the meaning of Canadian provincial securities laws and “forward-looking statements” within the meaning of Section 27A of the U.S. Securities Act of 1933, as amended, Section 21E of the U.S. Securities Exchange Act of 1934, as amended, “safe harbor” provisions of the United States Private Securities Litigation Reform Act of 1995 and in any applicable Canadian securities regulations. 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 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 in which we do business, including as a result of the recent novel coronavirus outbreak (“COVID-19”); 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 dispositions; 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, and hurricanes and pandemics/epidemics; the possible impact of international conflicts and other 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.

In addition, our future results may be impacted by the economic shutdown resulting from the COVID-19 pandemic and the related global reduction in commerce and travel and substantial volatility in stock markets worldwide, which may negatively impact our revenues, affect our ability to identify and complete future transactions, impact our liquidity position and result in a decrease of cash flows and impairment losses and/or revaluations on our investments and assets, and therefore we may be unable to achieve our expected returns. See “Risks Associated with the COVID-19 Pandemic” in the “Risks and Uncertainties” section included in our Management’s Discussion and Analysis of Financial Condition and Results of Operations for the second quarter ended June 30, 2020 to be made available.

We caution that the foregoing list of important factors that may affect future results is not exhaustive. When relying on our forward-looking statements, 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. When determining Company FFO and Company EBITDA, we include our unitholders’ proportionate share of Company FFO and Company EBITDA for equity accounted investments. Company FFO and Company EBITDA are not generally accepted accounting measures under IFRS and therefore may differ from definitions used by other entities. We believe these metrics are useful supplemental measures that may assist investors in assessing the financial performance of Brookfield Business Partners and its subsidiaries. However, Company FFO and Company EBITDA should not be considered in isolation from, or as substitutes 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 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 for the quarter ended June 30, 2020.