

Letter to Unitholders

We had a strong start to 2021 generating Company EBITDA of \$387 million and record Company FFO of \$545 million for the first quarter. As global economies reopen we are benefiting from the continued recovery in business conditions. Most of our businesses are operating at or above pre-pandemic levels and we are confident that as economic activity continues to improve, activity levels across all our operations will normalize through the year.

We remain focused on our objective of generating growth in intrinsic value per unit over the long-term. Most of our value creation has been achieved by acquiring high-quality businesses at reasonable prices and improving their underlying operating performance and cash flows. While we expect some variability in cash flows and earnings as we advance initiatives to surface the considerable embedded value potential across our businesses, the exceptional quality of businesses we own today has supported resilient performance through an unprecedented period of volatility.

Update on Strategic Initiatives

Sagen

In April, together with institutional partners, we completed the privatization of Sagen, Canada's largest private residential mortgage insurer.

As a reminder, Sagen provides insurance to mortgage lenders against homeowner default for which it receives a lump sum upfront non-refundable premium on new policies. The business operates in a highly regulated industry as mortgage insurance is mandatory in Canada for home purchases with a down payment of less than 20% and is provided on owner-occupied homes up to a maximum loan-to-value of 95%. Sagen insures homes with an average price of approximately \$310,000 (CAD \$400,000) and typically caters to first-time home buyers, 25 to 45 years old and with growing household incomes. Sagen's national footprint and the regional diversification of its mortgage insurance book limits exposure to correlated economic risks. As an essential service provider to the Canadian banking industry, Sagen has consistently generated earnings and reasonable returns on equity through both housing and economic cycles.

The Canadian banking system and lending environment has historically been very stable. Strict mortgage underwriting rules are designed to be conservative and result in higher quality borrowers. Strong oversight and regulation including mandatory loan amortization, limits on maximum amortization periods, full borrower recourse and debt service stress tests for all insured borrowers have mitigated the risk of default. Consequently, mortgage delinquency rates in Canada have historically trended meaningfully lower than comparable levels in the U.S.

Last year, strong economic government support programs during the pandemic resulted in increased Canadian household incomes which, combined with reduced discretionary spending, led to record savings rates and falling household debt levels. These impacts along with continued strength in housing market activity have contributed to low default rates within Sagen's portfolio even as borrowers have transitioned from mortgage deferral programs which were provided by lenders at the onset of the pandemic.

Given increased demand for the debt of high-quality issuers like Sagen, the company raised approximately \$750 million of financing as part of our privatization transaction while maintaining its strong credit ratings that are important to its customer base. As a result, BBU funded \$185 million for its share of the privatization investment, increasing our ownership in Sagen to approximately 40%. Even after completing the financing, the business is operating with \$500 million of excess capital compared to its normal targeted range. We expect Sagen to distribute this capital through special dividends later this year, subject to regulatory approvals, and thereafter provide ongoing distributions from its free cash flow generation.

We were able to acquire Sagen for book value, which we believe to be a favorable price. In a private setting we believe we can run this business more efficiently by optimizing its capital structure, enhancing market share and improving the yield earned on its \$5 billion investment portfolio, all of which should improve Sagen's return on equity to more than 15%. Trading valuations of comparable financial services peers with high returns on equity are well in excess of book value.

Clarios

Since acquiring Clarios, we have made considerable progress on our business improvement plans focused on optimizing its U.S. operations. Despite a challenging operating environment over the past year, Clarios has advanced key initiatives to debottleneck assembly plants, optimize its transportation network, reduce costs and improve the efficiency of its closed-loop recycling system.

Clarios is at the forefront of advanced technology development and is well positioned to capture the growing shift to advanced batteries across all platforms including electric vehicles. Clarios is currently shipping batteries for electric vehicle platforms manufactured by most electric vehicle manufacturers, including General Motors, Volkswagen and BMW, and is working alongside them on their next generation electric vehicle platforms. Clarios' leadership position across all powertrains gives the company visibility to its longer-term growth potential.

As a result of strong capital market demand for high-quality industrial businesses with stable aftermarket profitability and exposure to high growth automotive electrification trends, Clarios is well positioned to garner a strong following in the public markets. With this in mind, we are exploring a potential public offering of Clarios shares. If we do move forward, proceeds from a potential offering would be expected to reduce Clarios' leverage and provide BBU and our institutional partners future opportunities to monetize their investment over time.

Capital Recycling

We crystallized through sale a total after tax gain for BBU of approximately \$130 million on public securities acquired during the market downturn early last year. We also continue to advance the monetization of our investment in GrafTech and sales during the quarter reduced BBU's economic ownership interest in the company to approximately 13%. In total, we generated approximately \$300 million of net proceeds for BBU this quarter from sales of public securities and GrafTech common shares.

Refinancings

Strong market appetite for the debt of high-quality companies and a favorable financing environment have created opportunities for our businesses to refinance borrowings and further enhance their capital structures. During the quarter Clarios, Westinghouse and GrafTech all successfully repriced the borrowing rates on their respective term loans resulting in combined annual interest rate savings for the companies of approximately \$45 million.

Overview of Operational Performance

Our Industrials segment generated Company EBITDA of \$172 million for the first quarter 2021. At Clarios, overall battery volumes increased 24% over the first quarter last year driven by continued strong aftermarket demand and a gradual recovery in original equipment battery volumes. As part of the company's broader transformation

plan to optimize its U.S. operations and improve the overall efficiency of its supply chain, during the quarter Clarios announced the closure of one of its North American recycling centers. Clarios recognized a non-cash impairment charge primarily related to the wind down of the facility which should result in meaningful savings on an annual basis in the future.

BRK Ambiental, our essential provider of water and wastewater services in Brazil, contributed stable operating performance driven by continued growth within its existing service network. The business remains focused on advancing high priority capital growth projects to expand its service networks and add new customer connections. BRK is preparing to take operational control of the recently acquired Maceió concession in the first half of this year and is currently reviewing additional concession opportunities that may come to market later in the year.

We generated reduced Company EBITDA as a result of our reduced ownership and lower realized pricing of graphite electrodes at GrafTech. An improving outlook for global steel demand is expected to translate to higher graphite electrode pricing and volumes in the second half of the year. The company is generating strong free cash flow and repaid approximately \$150 million of debt during the quarter.

Our Infrastructure Services segment generated Company EBITDA of \$136 million for the first quarter 2021. Westinghouse, our service provider to the nuclear power industry, performed well in the quarter. Results for the quarter reflected normal seasonality and the timing of customer outage activity which resulted in fewer planned fuel assembly shipments. A majority of Westinghouse's profit is generated from contracted maintenance services performed on an 18-month recurring outage schedule and the timing of these services can contribute to predictable variability in results from period to period. The business remains on track to generate targeted full-year EBITDA growth with higher contribution expected in the second half of the year based on the timing and scope of customers' fall outage cycle.

Altera Infrastructure's results were lower than expected due to reduced contribution from its FPSO operations. Many oil majors have been evaluating investment decisions which may impact future opportunities for Altera to redeploy certain of its large offshore vessels. This was exacerbated by extremely low oil prices in 2020. We remain optimistic on the growth potential of Altera's shuttle tanker operations which account for more than half of its overall EBITDA and continue to contribute to the resilience of Altera's near-term operations. We are considering options to reposition the business longer term.

Activity levels at BrandSafway continue to gradually recover despite impacts from ongoing restrictions to customer sites and near-term project delays. Deferrals of required customer maintenance and turnaround work is leading to a significant backlog of project activity towards the latter half of 2021 and into 2022, and the business should benefit from a renewed focus on large-scale infrastructure spend in the U.S.

Our Business Services segment generated Company EBITDA of \$104 million for the first quarter 2021. At Sagen, performance benefited from strength in new underwriting activity supported by growing market share and strong Canadian housing market activity. Loss ratios remained lower than normal in the quarter driven by strong home price appreciation and improving employment levels.

Healthscope generated strong performance during the quarter driven by a recovery to pre-pandemic levels with increased surgical volumes as well as improved performance at the flagship Northern Beaches Hospital in Sydney. Healthscope continues to operate with higher-than-normal costs associated with increased health and safety measures for both patients and staff.

Multiplex reported improved results as productivity levels have normalized and project sites remained open across most regions. Bidding activity has improved compared to last year and during the quarter Multiplex secured five contracts in Australia and the U.K. contributing to an increase in backlog to approximately \$7 billion compared to \$5.5 billion at the end of last year.

Liquidity and Capital Position

We remain in a strong liquidity position with corporate liquidity of approximately \$2.4 billion at the end of the quarter. We have ample liquidity to fund our growth which is further supported by cash flow generated within our operations and the monetization of our more mature business interests.

Outlook

We are optimistic looking ahead and although there is still much to do, our first quarter performance provides us a strong start to the year. We are reviewing a well-diversified pipeline of new investment opportunities across all our key regions, however, exceptionally strong public markets are providing sellers with an attractive alternative means of monetization. We have increased our focus on healthcare and technology services where we believe our local presence and the market insight we bring through the broader Brookfield platform can be a true differentiator for us.

On behalf of the BBU management team, we would like to thank all our employees for their continued hard work and dedication, and our unitholders for their ongoing interest and support.

Sincerely,



Cyrus Madon
Chief Executive Officer

May 5, 2021

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 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 ongoing novel coronavirus pandemic (“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; 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 government mandated economic restrictions resulting from the ongoing 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 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, 2020.

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’ 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 news release will be available in our Management’s Discussion and Analysis of Financial Condition and Results of Operations in our Form 6-K for the first quarter ended March 31, 2021.