Letter to Unitholders

Overview

Our business performed well in 2022. Adjusted EBITDA increased to a record $2.3 billion and Adjusted Free Cash Flow increased to a record $3.40 per unit. We are pleased with these results which, given the volatility in the operating environment, demonstrate the quality of our operations and progress we achieved in business performance.

We are also making excellent progress on our growth and capital recycling initiatives. During the year we committed $2.7 billion to acquire several high-quality, market-leading businesses and generated $2.3 billion from distributions and business sales, including an agreement to sell Westinghouse, our nuclear technology services operation.

Tides of Change

What a difference a year makes. While interest rates remain low by historical standards, the U.S. 10-year bond yield sits at 3.5%, or 200-basis points higher compared to the start of last year. Despite central bank policy shifts, inflation has been slow to subside with the U.S. consumer price index still nearly 7% above prior year levels. Supply chains remain stretched, labor costs are structurally higher and energy costs in developed markets have increased 50% or more in the past 12 months. All this has contributed to decelerating global growth with many major economies expecting to experience a recession within the next 12 months.

Against this backdrop, we achieved strong business performance. The Adjusted EBITDA margin of our operations reached a record 19% in 2022 – compared to 11% just three years ago. Adjusted EBITDA increased 30% and on a same store basis, after adjusting for the impact of acquisitions and dispositions, increased 3% compared to 2021. All this contributed to our business generating Adjusted Free Cash Flow of $740 million, or 19% higher per unit compared to 2021. This cash provides us with flexibility to fund future growth, reinvest in our operations or pay down debt.

Our business should continue to generate strong performance in all market environments. Many of our largest operations provide essential products and services that consumers and businesses need to buy in any environment. This resilience underpins a majority of our EBITDA and cash flow today.

While dislocation in the financial markets has made access to capital more challenging for many, we are fortunate to have ended the year with total available liquidity in excess of $9 billion, of which $1.6 billion is available at the corporate level. We can also readily manage the impact of a higher interest rate environment on our cash flows. For context, a 50-basis point increase in overnight borrowing rates results in less than a $50 million increase to our annual interest expense, which is about a 5% impact to our annual Adjusted Free Cash Flow at current levels. As our operations deleverage over time, the impact will be more muted.

Despite our business fundamentals continuing to strengthen, our trading price, like many publicly traded securities, has become materially disconnected from the value of our business. Our units trade at approximately 8x annualized EBITDA compared to 13x for the S&P 500. Businesses which generate EBITDA margins on par with ours are trading at multiples in excess of 15x.

As a result, BBU represents a great value opportunity, and at this entry point investors should out-earn the underlying performance of our business as we close the gap between our trading price and intrinsic value.

Value Creation at Work

A core skill of ours is repositioning the businesses we own, and in markets like these, our hands-on operational approach to building value is more important than ever.

To put this in context, EBITDA of the 15 businesses we acquired over the last five years has increased by approximately $275 million for just our share. A majority of this improvement has come from the execution of our value creation plans which are largely within our control regardless of the operating environment.

Last July we acquired CDK Global, the leading provider of software and technology services to automotive dealers. Our value creation plan for the business is simple: refocus the product and service offerings to those that drive the most value for its customers, improve the efficiency and effectiveness of its operations and enhance its go-to-market strategy. This is the same strategy we executed at Westinghouse.

Within six months of acquiring this business we replaced the senior leadership team and progressed plans to optimize the organizational structure. We are working closely with the new management team to enhance the customer value proposition and increase focus on core value-add service and product offerings.

The steps we have taken should improve the business' EBITDA by approximately $200 million when fully implemented. Once adjusted for the impact of these improvements, we believe our acquisition multiple of less than 10x pro forma EBITDA is exceptional value. This plan should generate strong returns for our investment.

Capital Allocation and Liquidity

We ended the year with approximately $1.6 billion of liquidity at the corporate level, providing us ample capacity to support our operations.

Over the past year we have used our corporate credit facilities to bridge the funding of considerable growth activities, knowing that at some point we will generate significant proceeds from our monetization activities. The sale of Westinghouse is expected to close in the second half of this year and will substantially reduce borrowings at the corporate level.

Even in difficult markets, high-quality and highly cash-generative businesses are readily saleable, especially to strategic buyers. Several of our other operations are of substantial size and will be sold in due course to support future growth initiatives.

Operating Results

Industrials

Our Industrials segment generated Adjusted EBITDA of $879 million for 2022.

Performance of our advanced energy storage operation benefited from increased demand for higher margin advanced batteries and a recovery in original equipment manufacturer demand as auto production challenges eased during the year. Overall volumes were in line with prior year, while pricing and progress on our operational improvement plans helped offset the impact of inflationary headwinds. As the leading provider of low voltage battery solutions for electric vehicles, the business is more than halfway toward its goal of delivering solutions on 200 electric vehicle platforms. Strong cash generation supported $400 million of debt paydown during the year as we position this business for an eventual public offering.

Our engineered components manufacturing operation had a strong 2022. The impact of commercial initiatives and cost reductions contributed to performance despite volumes softening in North America and Europe. Since we acquired the business, it has completed 10 add-on acquisitions to support the growth of its product and service offering and strengthen its global footprint. The continued integration of these acquisitions should contribute to meaningful value creation in the business.

Contribution from our water and wastewater operation in Brazil increased 30% in 2022 driven by the ramp-up of recently acquired concessions, the addition of 75,000 new customer connections and increased billing rates. Due to the contracted nature of the business, we have been able to protect our margins by adjusting our rates in line with inflation.

Infrastructure Services

Our Infrastructure Services segment generated Adjusted EBITDA of $872 million for 2022.

Overall demand at our lottery services and technology operation remains stable. Recent customer wins support an improving growth outlook, and the business is executing on initiatives to offset inflationary cost headwinds.

Our nuclear technology services operation generated strong performance during the year driven by increased outage and maintenance volumes, ongoing optimization initiatives and contribution from recent add-on acquisitions. The business continues to advance negotiations on supplying fuel to new customers in Eastern Europe and was recently selected as the technology supplier for the first nuclear power plant in Poland as the country looks to advance its clean and secure energy future.

Utilization levels in our modular building leasing services operation were stable during the year as strong demand in Germany and Asia Pacific offset softer market conditions in the U.K. and other parts of Europe. In January the business acquired a leading rental provider in the U.K., increasing the scale and diversification of its product offering in the region.

In January our offshore oil services operation emerged from its restructuring process with a significantly deleveraged balance sheet. We, along with our institutional partners, own 88% of the business and are working on plans to reposition it for long-term growth.

Business Services

Our Business Services segment generated Adjusted EBITDA of $722 million for 2022.

Our residential mortgage insurer had a strong year. Claims on losses have remained low as a result of low Canadian unemployment rates and the ability of borrowers to self-cure mortgage delinquencies following several years of strong home price appreciation. During the year the business provided us with approximately $200 million in dividends. While housing activity is normalizing and claims on losses are expected to increase from historically low levels, the business should continue to generate positive earnings and cash flow.

Our Australian healthcare services operation had a challenging year given temporarily high rates of surgery cancellations, reduced hospital admissions and higher operating costs coming out of the pandemic. At the same time, waitlists for elective surgeries are at historic highs and the labor environment is improving as absenteeism, sick leave and overtime slowly trend toward normal levels.

Closing

Despite a challenging macroeconomic backdrop, we are optimistic our business fundamentals will continue to strengthen in 2023. Our primary objective continues to be to generate higher intrinsic value per unit over the longer term.

Thank you for your continued interest in Brookfield Business Partners and your ongoing support. As always, 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

February 3, 2023

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" 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.

Factors that could cause actual results to differ materially from those contemplated or implied by forward-looking statements include, but are not limited to: 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, including the anticipated sale of Westinghouse; 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 including COVID-19; the possible impact of international conflicts, wars and related developments including Russia's invasion of 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 annual report for the year ended December 31, 2022 to be 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 Non-IFRS Measures

This letter to unitholders contains references to Non-IFRS Measures. Adjusted EBITDA, Adjusted EBITDA margin and Adjusted Free Cash Flow are not generally accepted accounting measures under IFRS and therefore may differ from definitions used by other entities. We believe these measures are useful supplemental measures that may assist investors in assessing the financial performance of Brookfield Business Partners and its subsidiaries. However, Adjusted EBITDA, Adjusted EBITDA margin and Adjusted Free Cash Flow 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. 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 news release will be available in our Management's Discussion and Analysis of Financial Condition and Results of Operations in our annual report for the year ended December 31, 2022 to be filed on Form 20-F.