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BROOKFIELD BUSINESS PARTNERS L.P.**

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REPORT OF INDEPENDENT REGISTERED PUBLIC ACCOUNTING FIRM

To the Unitholders and the Board of Directors of Brookfield Business Partners L.P.

Opinion on the Financial Statements

We have audited the accompanying consolidated statements of financial position of Brookfield Business Partners L.P. and subsidiaries (the “Partnership”) as of December 31, 2025 and 2024, the related consolidated statements of operating results, comprehensive income (loss), changes in equity, and cash flow, for each of the three years in the period ended December 31, 2025, and the related notes (collectively referred to as the “financial statements”). In our opinion, the financial statements present fairly, in all material respects, the financial position of the Partnership as of December 31, 2025 and 2024 and its financial performance and its cash flows for each of the three years in the period ended December 31, 2025, in accordance with IFRS Accounting Standards as issued by the International Accounting Standards Board.

We have also audited, in accordance with the standards of the Public Company Accounting Oversight Board (United States) (PCAOB), the Partnership’s internal control over financial reporting as of December 31, 2025, based on criteria established in Internal Control - Integrated Framework (2013) issued by the Committee of Sponsoring Organizations of the Treadway Commission and our report dated March 30, 2026, expressed an unqualified opinion on the Partnership’s internal control over financial reporting.

Basis for Opinion

These financial statements are the responsibility of the Partnership’s management. Our responsibility is to express an opinion on the Partnership’s financial statements based on our audits. We are a public accounting firm registered with the PCAOB and are required to be independent with respect to the Partnership in accordance with the U.S. federal securities laws and the applicable rules and regulations of the Securities and Exchange Commission and the PCAOB.

We conducted our audits in accordance with the standards of the PCAOB. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement, whether due to error or fraud. Our audits included performing procedures to assess the risks of material misstatement of the financial statements, whether due to error or fraud, and performing procedures that respond to those risks. Such procedures included examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements. Our audits also included evaluating the accounting principles used and significant estimates made by management, as well as evaluating the overall presentation of the financial statements. We believe that our audits provide a reasonable basis for our opinion.

Critical Audit Matter

The critical audit matter communicated below is a matter arising from the current-period audit of the financial statements that was communicated or required to be communicated to the audit committee and that (1) relates to accounts or disclosures that are material to the financial statements and (2) involved our especially challenging, subjective, or complex judgments. The communication of critical audit matters does not alter in any way our opinion on the financial statements, taken as a whole, and we are not, by communicating the critical audit matter below, providing a separate opinion on the critical audit matter or on the accounts or disclosures to which it relates.

Goodwill – Refer to Notes 2(m) and 13 to the financial statements

Critical Audit Matter Description

The Partnership’s evaluation of goodwill impairment at its dealer software and technology services operation cash generating unit (“CGU”) involves assessing if the carrying amount of the CGU, including the allocated goodwill, exceeds its recoverable amount determined using a value in use discounted cash flow model. Determining the recoverable amount requires management to make significant estimates and assumptions related to the revenue growth rates and discount rate. Goodwill of \$4,136 million was allocated to the Partnership’s dealer software and technology services operation CGU. The recoverable amount of the dealer software and technology services operation CGU exceeded the carrying amount therefore no impairment was recognized.

We identified goodwill impairment as a critical audit matter because of the significant estimates and assumptions made by management to estimate the recoverable amount of the CGU, specifically revenue growth rates and the discount rate. This required a high degree of auditor judgment and an increased extent of audit effort, including the involvement of fair value specialists.

How the Critical Audit Matter Was Addressed in the Audit

Our audit procedures related to the estimates and assumptions used to determine the recoverable amount of the CGU included the following, among others:

- Evaluated the effectiveness of controls over the determination of revenue growth rates and the discount rate made by management.
- Evaluated the reasonableness of management’s revenue growth rates by:
 - Evaluating management’s ability to accurately forecast by comparing actual results to historical forecasts.
 - Assessing forecasts by giving consideration to the Board approved business plan, available macroeconomic and market specific information, and considering the impact of evidence identified through other audit procedures, as appropriate.

- With the assistance of fair value specialists, evaluated the reasonableness of management's discount rate by testing the source information underlying the determination of the discount rate, benchmarking the assumptions against publicly available information and developing a range of independent estimates based on market data and comparing those to the discount rate selected by management, as appropriate.

/s/ Deloitte LLP

Chartered Professional Accountants
Licensed Public Accountants
Toronto, Canada
March 30, 2026

We have served as the Partnership's auditor since 2015.

REPORT OF INDEPENDENT REGISTERED PUBLIC ACCOUNTING FIRM

To the Unitholders and the Board of Directors of Brookfield Business Partners L.P.

Opinion on Internal Control over Financial Reporting

We have audited the internal control over financial reporting of Brookfield Business Partners L.P. and subsidiaries (the “Partnership”) as of December 31, 2025, based on criteria established in Internal Control - Integrated Framework (2013) issued by the Committee of Sponsoring Organizations of the Treadway Commission (COSO). In our opinion, the Partnership maintained, in all material respects, effective internal control over financial reporting as of December 31, 2025, based on criteria established in Internal Control - Integrated Framework (2013) issued by COSO.

We have also audited, in accordance with the standards of the Public Company Accounting Oversight Board (United States) (PCAOB), the consolidated financial statements as of and for the year ended December 31, 2025, of the Partnership and our report dated March 30, 2026, expressed an unqualified opinion on those financial statements.

As described in Management’s Annual Report on Internal Control Over Financial Reporting, management excluded from its assessment the internal control over financial reporting at their electric heat tracing systems manufacturer, which was acquired on January 30, 2025 and whose financial statements constitute 3% of total assets, 5% of net assets, 2% of revenues and 21% of net income of the consolidated financial statement amounts as of and for the year ended December 31, 2025. Accordingly, our audit did not include the internal control over financial reporting at the electric heat tracing systems manufacturer.

Basis for Opinion

The Partnership's management is responsible for maintaining effective internal control over financial reporting and for its assessment of the effectiveness of internal control over financial reporting, included in the accompanying Management's Annual Report on Internal Control over Financial Reporting. Our responsibility is to express an opinion on the Partnership’s internal control over financial reporting based on our audit. We are a public accounting firm registered with the PCAOB and are required to be independent with respect to the Partnership in accordance with the U.S. federal securities laws and the applicable rules and regulations of the Securities and Exchange Commission and the PCAOB.

We conducted our audit in accordance with the standards of the PCAOB. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether effective internal control over financial reporting was maintained in all material respects. Our audit included obtaining an understanding of internal control over financial reporting, assessing the risk that a material weakness exists, testing and evaluating the design and operating effectiveness of internal control based on the assessed risk, and performing such other procedures as we considered necessary in the circumstances. We believe that our audit provides a reasonable basis for our opinion.

Definition and Limitations of Internal Control over Financial Reporting

A company’s internal control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A company’s internal control over financial reporting includes those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorizations of management and directors of the company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorized acquisition, use, or disposition of the company’s assets that could have a material effect on the financial statements.

Because of its inherent limitations, internal control over financial reporting may not prevent or detect misstatements. Also, projections of any evaluation of effectiveness to future periods are subject to the risk that controls may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

/s/ Deloitte LLP

Chartered Professional Accountants
Licensed Public Accountants
Toronto, Canada
March 30, 2026

**CONSOLIDATED FINANCIAL STATEMENTS FOR
BROOKFIELD BUSINESS PARTNERS L.P.
CONSOLIDATED STATEMENTS OF FINANCIAL POSITION**

(US\$ MILLIONS)	Notes	December 31, 2025	December 31, 2024
Assets			
Current Assets			
Cash and cash equivalents	4	\$ 3,546	\$ 3,239
Financial assets	5	1,230	1,537
Accounts and other receivable, net	6	6,550	5,178
Inventory, net	7	2,562	2,416
Other assets	9	1,155	2,969
		15,043	15,339
Non-Current Assets			
Financial assets	5	11,253	10,834
Accounts and other receivable, net	6	1,175	1,101
Other assets	9	877	343
Property, plant and equipment	11	11,013	13,232
Deferred income tax assets	18	2,083	1,744
Intangible assets	12	18,513	18,317
Equity accounted investments	14	2,494	2,325
Goodwill	13	13,310	12,239
		\$ 75,761	\$ 75,474
Liabilities and Equity			
Current Liabilities			
Accounts payable and other	15	\$ 7,630	\$ 10,550
Non-recourse borrowings in subsidiaries of the partnership	17	1,352	1,616
		8,982	12,166
Non-Current Liabilities			
Accounts payable and other	15	6,558	6,141
Corporate borrowings	17	1,325	2,142
Non-recourse borrowings in subsidiaries of the partnership	17	41,072	35,104
Deferred income tax liabilities	18	2,513	2,613
		\$ 60,450	\$ 58,166
Equity			
Limited partners	19	\$ 2,294	\$ 1,752
Non-controlling interests attributable to:			
Redemption-exchange units	19	1,350	1,644
Special limited partner	19	—	—
BBUC exchangeable shares	19	1,807	1,721
Preferred securities	19	740	740
Interest of others in operating subsidiaries	10	9,120	11,451
		15,311	17,308
		\$ 75,761	\$ 75,474

The accompanying notes are an integral part of the consolidated financial statements.

**CONSOLIDATED FINANCIAL STATEMENTS FOR
BROOKFIELD BUSINESS PARTNERS L.P.**

CONSOLIDATED STATEMENTS OF OPERATING RESULTS

(US\$ MILLIONS, except per unit amounts)	Notes	2025	2024	2023
Revenues	24	\$ 27,457	\$ 40,620	\$ 55,068
Direct operating costs	21	(22,151)	(34,883)	(50,021)
General and administrative expenses		(1,151)	(1,267)	(1,538)
Interest income (expense), net		(3,139)	(3,104)	(3,596)
Equity accounted income (loss)	14	42	90	132
Impairment reversal (expense), net	11, 13	(88)	(981)	(831)
Gain (loss) on dispositions, net	8	325	692	4,686
Other income (expense), net		(815)	(573)	(178)
Income (loss) before income tax		480	594	3,722
Income tax (expense) recovery				
Current	18	(583)	(646)	(775)
Deferred	18	490	947	830
Net income (loss)		<u>\$ 387</u>	<u>\$ 895</u>	<u>\$ 3,777</u>
Attributable to:				
Limited partners	19	\$ (26)	\$ (37)	\$ 482
Non-controlling interests attributable to:				
Redemption-exchange units	19	(9)	(35)	451
Special limited partner	19	95	—	—
BBUC exchangeable shares	19	(17)	(37)	472
Preferred securities	19	52	52	83
Interest of others in operating subsidiaries		292	952	2,289
		<u>\$ 387</u>	<u>\$ 895</u>	<u>\$ 3,777</u>
Basic and diluted earnings (loss) per limited partner unit	19	<u>\$ (0.30)</u>	<u>\$ (0.50)</u>	<u>\$ 6.49</u>

The accompanying notes are an integral part of the consolidated financial statements.

**CONSOLIDATED FINANCIAL STATEMENTS FOR
BROOKFIELD BUSINESS PARTNERS L.P.**

CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME (LOSS)

(US\$ MILLIONS)	Notes	2025	2024	2023
Net income (loss)		\$ 387	\$ 895	\$ 3,777
Other comprehensive income (loss):				
Items that may be reclassified subsequently to profit or loss:				
Fair value through other comprehensive income		\$ 45	\$ 128	\$ 159
Insurance finance reserve	31	(19)	(30)	(38)
Foreign currency translation		860	(1,214)	329
Net investment and cash flow hedges	4	(268)	484	(92)
Equity accounted investments	14	12	(13)	1
Taxes on the above items	18	30	(47)	20
Reclassification to profit or loss		(68)	(282)	(212)
		592	(974)	167
Items that will not be reclassified subsequently to profit or loss:				
Revaluation of pension obligations	30	32	34	23
Fair value through other comprehensive income		222	17	112
Taxes on the above items		(13)	(9)	(14)
		241	42	121
Total other comprehensive income (loss)		833	(932)	288
Comprehensive income (loss)		\$ 1,220	\$ (37)	\$ 4,065
Attributable to:				
Limited partners		\$ 163	\$ (133)	\$ 498
Non-controlling interests attributable to:				
Redemption-exchange units		105	(126)	466
Special limited partner		95	—	—
BBUC exchangeable shares		135	(132)	487
Preferred securities		52	52	83
Interest of others in operating subsidiaries		670	302	2,531
		\$ 1,220	\$ (37)	\$ 4,065

The accompanying notes are an integral part of the consolidated financial statements.

**CONSOLIDATED FINANCIAL STATEMENTS FOR
BROOKFIELD BUSINESS PARTNERS L.P.
CONSOLIDATED STATEMENTS OF CHANGES IN EQUITY**

(US\$ MILLIONS)	Limited partners					Non-controlling interests						Total equity
	Capital	Retained earnings (deficit)	Ownership changes	Accumulated other comprehensive income (loss) ⁽¹⁾	Total limited partners	Redemption-exchange units	Special limited partner units	BBUC exchangeable shares	Preferred securities	Interest of others in operating subsidiaries		
Balance as at January 1, 2025	\$ 2,109	\$ 491	\$ (624)	\$ (224)	\$ 1,752	\$ 1,644	\$ —	\$ 1,721	\$ 740	\$ 11,451	\$ 17,308	
Net income (loss)	—	(26)	—	—	(26)	(9)	95	(17)	52	292	387	
Other comprehensive income (loss)	—	—	—	189	189	114	—	152	—	378	833	
Total comprehensive income (loss)	—	(26)	—	189	163	105	95	135	52	670	1,220	
Contributions	—	—	—	—	—	—	—	—	—	324	324	
Distributions and capital paid ⁽²⁾	—	(22)	—	—	(22)	(13)	(95)	(18)	(52)	(4,065)	(4,265)	
Ownership changes and other ⁽³⁾	—	(30)	547	—	517	(386)	—	77	—	122	330	
Unit repurchases ⁽²⁾	(116)	—	—	—	(116)	—	—	(108)	—	—	(224)	
Acquisition of interest ⁽⁴⁾	—	—	—	—	—	—	—	—	—	618	618	
Balance as at December 31, 2025	\$ 1,993	\$ 413	\$ (77)	\$ (35)	\$ 2,294	\$ 1,350	\$ —	\$ 1,807	\$ 740	\$ 9,120	\$ 15,311	
Balance as at January 1, 2024	\$ 2,109	\$ 549	\$ (619)	\$ (130)	\$ 1,909	\$ 1,792	\$ —	\$ 1,875	\$ 740	\$ 12,216	\$ 18,532	
Net income (loss)	—	(37)	—	—	(37)	(35)	—	(37)	52	952	895	
Other comprehensive income (loss)	—	—	—	(96)	(96)	(91)	—	(95)	—	(650)	(932)	
Total comprehensive income (loss)	—	(37)	—	(96)	(133)	(126)	—	(132)	52	302	(37)	
Contributions	—	—	—	—	—	—	—	—	—	198	198	
Distributions and capital paid ⁽²⁾	—	(19)	—	—	(19)	(17)	—	(18)	(52)	(741)	(847)	
Ownership changes and other ⁽³⁾	—	(2)	(5)	2	(5)	(5)	—	(4)	—	(524)	(538)	
Balance as at December 31, 2024	\$ 2,109	\$ 491	\$ (624)	\$ (224)	\$ 1,752	\$ 1,644	\$ —	\$ 1,721	\$ 740	\$ 11,451	\$ 17,308	

(1) See Note 20 for additional information.

(2) See Note 19 for additional information on distributions and unit repurchases.

(3) Includes gains or losses on changes in ownership interests of consolidated subsidiaries.

(4) See Note 3 for additional information.

(US\$ MILLIONS)	Limited partners					Non-controlling interests					
	Capital	Retained earnings (deficit)	Ownership changes	Accumulated other comprehensive income (loss) ⁽¹⁾	Total limited partners	Redemption-exchange units	Special limited partner units	BBUC exchangeable shares	Preferred securities	Interest of others in operating subsidiaries	Total equity
Balance as at January 1, 2023	\$ 2,114	\$ 97	\$ (660)	\$ (143)	\$ 1,408	\$ 1,318	\$ —	\$ 1,378	\$ 1,490	\$ 12,835	\$ 18,429
Net income (loss)	—	482	—	—	482	451	—	472	83	2,289	3,777
Other comprehensive income (loss)	—	—	—	16	16	15	—	15	—	242	288
Total comprehensive income (loss)	—	482	—	16	498	466	—	487	83	2,531	4,065
Contributions	—	—	—	—	—	—	—	—	—	1,561	1,561
Distributions and capital paid ⁽²⁾	—	(19)	—	—	(19)	(17)	—	(18)	(833)	(4,310)	(5,197)
Ownership changes and other ⁽³⁾	—	(11)	41	(3)	27	25	—	28	—	(401)	(321)
Unit repurchases ⁽²⁾	(5)	—	—	—	(5)	—	—	—	—	—	(5)
Balance as at December 31, 2023	\$ 2,109	\$ 549	\$ (619)	\$ (130)	\$ 1,909	\$ 1,792	\$ —	\$ 1,875	\$ 740	\$ 12,216	\$ 18,532

(1) See Note 20 for additional information.

(2) See Note 19 for additional information on distributions and unit repurchases.

(3) Includes gains or losses on changes in ownership interests of consolidated subsidiaries.

The accompanying notes are an integral part of the consolidated financial statements.

**CONSOLIDATED FINANCIAL STATEMENTS FOR
BROOKFIELD BUSINESS PARTNERS L.P.
CONSOLIDATED STATEMENTS OF CASH FLOW**

(US\$ MILLIONS)	Notes	2025	2024	2023
Operating Activities				
Net income (loss)		\$ 387	\$ 895	\$ 3,777
Adjusted for the following items:				
Equity accounted earnings, net of distributions	14	367	115	40
Impairment expense (reversal), net		88	981	831
Depreciation and amortization expense	21	3,030	3,204	3,592
(Gain) loss on dispositions, net	8	(325)	(692)	(4,686)
Provisions and other items		159	220	(810)
Deferred income tax expense (recovery)	18	(490)	(947)	(830)
Changes in non-cash working capital, net	29	14	(495)	216
Cash from (used in) operating activities		<u>3,230</u>	<u>3,281</u>	<u>2,130</u>
Financing Activities				
Proceeds from non-recourse subsidiary borrowings of the partnership		20,801	11,551	15,570
Repayment of non-recourse subsidiary borrowings of the partnership		(16,061)	(11,574)	(15,807)
Proceeds from corporate borrowings		664	1,000	565
Repayment of corporate borrowings		(1,484)	(290)	(1,225)
Proceeds from other financing		136	184	446
Repayment of other financing		(72)	(139)	(257)
Proceeds from (repayment of) other credit facilities, net		17	(216)	(46)
Lease liability repayment		(255)	(301)	(384)
Capital provided by others who have interests in operating subsidiaries	19	808	165	2,093
Repurchases of LP units and BBUC exchangeable shares	19	(224)	—	(5)
Distributions to limited partners, Redemption-Exchange unitholders and BBUC exchangeable shareholders	19	(53)	(54)	(56)
Distributions and capital paid to preferred securities holders	19	(52)	(52)	(837)
Distributions and capital paid to others who have interests in operating subsidiaries	19	(4,153)	(779)	(4,428)
Cash from (used in) financing activities		<u>72</u>	<u>(505)</u>	<u>(4,371)</u>
Investing Activities				
Acquisitions				
Subsidiaries, net of cash acquired	3	(1,683)	(115)	(731)
Property, plant and equipment and intangible assets		(2,060)	(2,520)	(2,288)
Equity accounted investments		(402)	(211)	(234)
Financial assets and other		(3,220)	(3,364)	(2,470)
Dispositions				
Subsidiaries, net of cash disposed	8	700	293	4,586
Property, plant and equipment and intangible assets		116	211	83
Equity accounted investments		1	18	7
Financial assets and other		3,398	3,495	3,535
Net settlement of derivative assets and liabilities		(136)	(63)	13
Restricted cash and deposits		103	(71)	36
Cash from (used in) investing activities		<u>(3,183)</u>	<u>(2,327)</u>	<u>2,537</u>
Cash and cash equivalents				
Change during the period		119	449	296
Impact of foreign exchange		203	(323)	86
Net change in cash classified within assets held for sale		(15)	(139)	—
Balance, beginning of year		3,239	3,252	2,870
Balance, end of period		<u><u>\$ 3,546</u></u>	<u><u>\$ 3,239</u></u>	<u><u>\$ 3,252</u></u>

Supplemental cash flow information is presented in Note 29.

The accompanying notes are an integral part of the consolidated financial statements.

BROOKFIELD BUSINESS PARTNERS L.P.**NOTES TO CONSOLIDATED FINANCIAL STATEMENTS****As at December 31, 2025 and 2024 and for the years ended December 31, 2025, 2024 and 2023****NOTE 1. ORGANIZATION AND DESCRIPTION OF THE BUSINESS**

Brookfield Business Partners L.P. and its subsidiaries (collectively, the “partnership”) is an owner and operator of business services and industrials operations on a global basis. Brookfield Business Partners L.P. was established as a limited partnership under the laws of Bermuda, and organized pursuant to a limited partnership agreement as amended on May 31, 2016, and as thereafter amended. Brookfield Corporation (together with its controlled subsidiaries, excluding the partnership, “Brookfield”) is the ultimate parent of the partnership. “Brookfield Holders” refers to Brookfield, Brookfield Wealth Solutions Ltd. (“Brookfield Wealth Solutions”) and their related parties. Brookfield Business Partners L.P.’s limited partnership units are listed on the New York Stock Exchange (“NYSE”) and the Toronto Stock Exchange (“TSX”) under the symbols “BBU” and “BBU.UN”, respectively, and will be delisted shortly after completion of an arrangement agreement (the “Arrangement”). Refer to Note 32 for further details. The registered head office of Brookfield Business Partners L.P. is 73 Front Street, 5th Floor, Hamilton HM 12, Bermuda.

Brookfield Business Partners L.P.’s sole direct investment consists of managing general partnership units (“Managing General Partner Units”) of Brookfield Business L.P. (the “Holding LP”), which holds the partnership’s interests in its operating businesses. The partnership’s consolidated equity interests as at December 31, 2025 included the non-voting publicly traded limited partnership units (“LP Units”) held by public unitholders and Brookfield Holders, general partner units held by Brookfield (“GP Units”), redemption-exchange partnership units (“Redemption-Exchange Units”) in the Holding LP held by Brookfield, special limited partnership units (“Special LP Units”) in the Holding LP held by Brookfield and class A exchangeable subordinate voting shares (“BBUC exchangeable shares”) of Brookfield Business Corporation (“BBUC”), a consolidated subsidiary of the partnership, held by the public and Brookfield Holders. Holders of the LP Units, GP Units, Redemption-Exchange Units, Special LP Units and BBUC exchangeable shares will be collectively referred to throughout as “Unitholders”, unless the context indicates or requires otherwise. LP Units, GP Units, Redemption-Exchange Units, Special LP Units and BBUC exchangeable shares will be collectively referred to throughout as “Units” unless the context indicates or requires otherwise.

The partnership’s principal operations include business services operations such as a dealer software and technology services operation, non-bank financial services, a residential mortgage insurer and fleet management and car rental services. The partnership’s industrials operations include an advanced energy storage operation and an engineered components manufacturing operation, among others. The partnership’s infrastructure services operations include modular building leasing services, a lottery services operation, offshore oil services and work access services. The partnership’s operations are primarily located in the United States, Europe, Brazil, Australia and Canada.

Brookfield Business Corporation

On March 15, 2022, the partnership completed a special distribution whereby holders of LP Units and GP Units of record as of March 7, 2022 (the “Record Date”) received one BBUC exchangeable share, for every two Units held (the “special distribution”).

The partnership directly and indirectly controlled BBUC prior to the special distribution and continues to control BBUC subsequent to the special distribution through its interests in BBUC. The BBUC exchangeable shares are listed on the NYSE and the TSX under the symbol “BBUC” and will be delisted shortly after completion of the Arrangement. Refer to Note 32 for further details.

NOTE 2. MATERIAL ACCOUNTING POLICY INFORMATION**(a) Basis of presentation**

These consolidated financial statements of the partnership and its subsidiaries (“consolidated financial statements”) have been prepared in accordance with IFRS® Accounting Standards as issued by the International Accounting Standards Board (“IASB”). The consolidated financial statements are prepared on a going concern basis and have been presented in U.S. dollars rounded to the nearest million unless otherwise indicated. Certain comparative figures have been reclassified to conform to the current year’s presentation. The accounting policies and methodologies set out below have been applied consistently. Policies not effective for the current accounting period are described later in Note 2(ae), under Future changes in accounting policies.

These consolidated financial statements were approved by the Board of Directors of the partnership’s general partner and authorized for issue on March 30, 2026.

BROOKFIELD BUSINESS PARTNERS L.P.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

As at December 31, 2025 and 2024 and for the years ended December 31, 2025, 2024 and 2023

(b) Basis of consolidation

The consolidated financial statements include the accounts of the partnership and its consolidated subsidiaries, which are the entities over which the partnership has control. An investor controls an investee when it is exposed, or has rights, to variable returns from its involvement with the investee and has the ability to affect those returns through its power over the investee. Non-controlling interests in the equity of the partnership's subsidiaries held by others and the Redemption-Exchange Units, Special LP Units and preferred shares held by Brookfield Holders in the Holding LP and the holding entities respectively are shown separately in equity in the consolidated statements of financial position. Intercompany transactions within the partnership have been eliminated.

Brookfield Business Partners L.P., through its managing general partnership interest, is the managing general partner of the Holding LP, and thus controls the Holding LP. The partnership has entered into voting agreements with various affiliates of Brookfield whereby the partnership effectively obtains control of the subsidiaries with respect to which the agreements were put in place. Accordingly, the partnership consolidates the accounts of the Holding LP and its other subsidiaries.

The partnership has entered into voting arrangements with Brookfield and its institutional partners, whereby the partnership gained control of certain investees. These voting arrangements provide the partnership the authority to direct the relevant activities of the investees, among other things, and therefore provide the partnership with control. Accordingly, the partnership consolidated the accounts of these investees.

(c) Interests in other entities

(i) Subsidiaries

These consolidated financial statements include the accounts of the partnership and subsidiaries over which the partnership has control. Subsidiaries are consolidated from the date of acquisition, being the date on which the partnership obtained control, and continue to be consolidated until the date when control is lost. The partnership controls an investee when it is exposed, or has rights, to variable returns from its involvement with the investee and has the ability to affect those returns through its power over the investee.

Non-controlling interests may be initially measured either at fair value or at the non-controlling interests' proportionate share of the fair value of the acquiree's identifiable net assets. The choice of measurement basis is made on an acquisition by acquisition basis. Subsequent to acquisition, the carrying amount of non-controlling interests is the amount of those interests at initial recognition plus the non-controlling interests' share of subsequent changes in capital in addition to changes in ownership interests. Total comprehensive income (loss) is attributed to non-controlling interests, even if this results in the non-controlling interests having a deficit balance.

All intercompany balances, transactions, revenues and expenses are eliminated in full.

The following table presents details of wholly-owned subsidiaries of the partnership as of December 31, 2025 and 2024:

Business type	Name of entity	Country of incorporation	Voting interest		Economic interest	
			2025	2024	2025	2024
Business services						
Construction operation	Multiplex Global Limited	United Kingdom	100 %	100 %	100 %	100 %

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The following table presents details of material non-wholly owned subsidiaries of the partnership as of December 31, 2025 and 2024:

Business type	Name of entity	Country of incorporation	Voting interest		Economic interest	
			2025	2024	2025	2024
Business services						
Healthcare services ⁽¹⁾	Healthscope Pty Ltd	Australia	— %	100 %	— %	28 %
Fleet management and car rental services	Unidas Locadora S.A.	Brazil	100 %	100 %	35 %	35 %
Residential mortgage insurer	Sagen MI Canada Inc.	Canada	100 %	100 %	41 %	41 %
Indian non-bank financial services operation	IndoStar Capital Finance Limited	India	56 %	56 %	20 %	20 %
Australian asset manager and lender	La Trobe Financial Services Pty Limited	Australia	100 %	100 %	35 %	35 %
Dealer software and technology services operation	CDK Global II LLC	United States	100 %	100 %	19 %	26 %
Infrastructure services						
Offshore oil services	Altera Infrastructure L.P.	United States	89 %	89 %	53 %	53 %
Modular building leasing services	Modulaire Investments 2 S.à r.l.	Luxembourg	100 %	100 %	28 %	28 %
Lottery services operation	Scientific Games Holdings LP	United States	100 %	100 %	33 %	33 %
Industrials						
Water and wastewater operation	BRK Ambiental Participações S.A.	Brazil	70 %	70 %	26 %	26 %
Returnable plastic packaging operation ⁽²⁾	Schoeller Allibert Group B.V.	Netherlands	— %	52 %	— %	14 %
Natural gas production	Ember Resources Inc.	Canada	100 %	100 %	46 %	46 %
Advanced energy storage operation	Clarios Global LP	United States	100 %	100 %	28 %	28 %
Solar power solutions	Descarbonize Soluções S.A.	Brazil	100 %	100 %	35 %	35 %
Engineered components manufacturing operation	DexKo Global Inc.	United States	100 %	100 %	21 %	33 %
Electric heat tracing systems manufacturer	BCP VI Summit Holdings LP	United States	100 %	— %	26 %	— %

⁽¹⁾ In May 2025, the partnership's healthcare service operation entered receivership. As a result, the partnership ceased to have control and deconsolidated the net liabilities of the business. See Note 17(b) for further details.

⁽²⁾ In July 2025, the partnership merged its returnable plastic packaging operation with a North American packaging solutions provider. See Note 14 for further details.

(ii) Associates and joint ventures

Associates are entities over which the partnership exercises significant influence. Significant influence is the power to participate in the financial and operating policy decisions of the investee but without control or joint control over those policies. Joint ventures are joint arrangements whereby the parties that have joint control of the arrangement have the rights to the net assets of the joint arrangement. Joint control is the contractually agreed sharing of control over an arrangement, which exists only when decisions about the relevant activities require unanimous consent of the parties sharing control. The partnership accounts for associates and joint ventures in the consolidated financial statements using the equity method.

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Interests in associates and joint ventures accounted for using the equity method are initially recognized at cost. At the time of initial recognition, if the cost of the associate or joint venture is lower than the proportionate share of the fair value of the investee's identifiable assets and liabilities, the partnership records a gain on the difference between the cost and the underlying fair value of the investment in net income. If the cost of the associate or joint venture is greater than the partnership's proportionate share of the fair value of the investee's identifiable assets and liabilities, goodwill relating to the associate or joint venture is included in the carrying amount of the investment.

Subsequent to initial recognition, the carrying value of the partnership's interest in an associate or joint venture is adjusted for the partnership's share of comprehensive income and distributions of the investee. Profit and losses resulting from transactions with an associate or joint venture are recognized in the consolidated financial statements based on the interests of unrelated investors in the investee. The carrying value of associates or joint ventures is assessed for impairment at each reporting date. Impairment losses on equity accounted investments may be subsequently reversed in net income. Further information on the impairment of long-lived assets is available in Note 2(k).

(d) Foreign currency translation

The U.S. dollar is the functional and presentation currency of the partnership. Each of the partnership's subsidiaries and equity accounted investments determines its own functional currency and items included in the consolidated financial statements of each subsidiary and equity accounted investment are measured using that functional currency.

Assets and liabilities of foreign operations having a functional currency other than the U.S. dollar are translated at the rate of exchange prevailing at the reporting date and revenues and expenses at average rates during the period. Gains or losses on translation are included as a component of equity.

On disposal of a foreign operation resulting in the loss of control, the component of other comprehensive income due to accumulated foreign currency translation relating to that foreign operation is reclassified to net income. Gains or losses on foreign currency denominated balances and transactions that are designated as hedges of net investments in these operations are reported in the same manner. On partial disposal of a foreign operation in which control is retained, the proportionate share of the component of other comprehensive income or loss relating to that foreign operation is reclassified to non-controlling interests in that foreign operation.

Foreign currency denominated monetary assets and liabilities are translated using the exchange rate prevailing at the reporting date and non-monetary assets and liabilities are measured at their historic cost and translated at the exchange rate on the transaction date. Gains or losses on translation of these items are included in the consolidated statements of operating results.

(e) Business combinations

Business acquisitions, in which control is acquired, are accounted for using the acquisition method in accordance with IFRS 3, *Business Combinations* ("IFRS 3"), other than those between entities under common control.

The consideration of each acquisition is measured at the aggregate of the fair values at the acquisition date of assets transferred by the acquirer, liabilities incurred or assumed and equity instruments issued by the partnership in exchange for control of the acquiree. Transaction costs are recognized in the consolidated statements of operating results as incurred and included in other income (expense), net.

Where applicable, the consideration for each acquisition includes any asset or liability resulting from a contingent consideration arrangement, measured at its acquisition-date fair value. Subsequent changes in fair values are adjusted against the cost of the acquisition where they qualify as measurement period adjustments. All other subsequent changes in the fair value of contingent consideration classified as assets or liabilities will be recognized in the consolidated statements of operating results, whereas changes in the fair values of contingent consideration classified within equity are not subsequently remeasured.

Where a business combination is achieved in stages, the partnership's previously held interests in the acquired entity are remeasured to fair value at the acquisition date, that is, the date the partnership attains control. The resulting gain or loss, if any, is recognized in the consolidated statements of operating results or consolidated statements of other comprehensive income (loss). Amounts arising from interests in the acquiree prior to the acquisition date that have previously been recognized in other comprehensive income (loss) shall be recognized on the same basis as would be required if the partnership had disposed directly of the previously held equity interest.

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If the initial accounting for a business combination is incomplete by the end of the reporting period in which the acquisition occurs, the partnership reports provisional amounts for the items for which the accounting is incomplete. Those provisional amounts are adjusted during the measurement period, or additional assets or liabilities are recognized, to reflect new information obtained about facts and circumstances that existed as of the acquisition date that, if known, would have affected the amounts recognized as of that date.

The measurement period is the period from the date of acquisition to the date the partnership obtains complete information about facts and circumstances that existed as of the acquisition date. The measurement period is a maximum of one year subsequent to the acquisition date.

If, after reassessment, the partnership's interest in the fair value of the acquiree's identifiable net assets exceeds the sum of the consideration transferred, the amount of any non-controlling interests in the acquiree and the fair value of the acquirer's previously held equity interest in the acquiree, if any, the excess is recognized immediately in income as a bargain purchase gain.

Contingent liabilities acquired in a business combination are initially measured at fair value at the date of acquisition. At the end of subsequent reporting periods, such contingent liabilities are measured at the higher of the amount that would be recognized in accordance with IAS 37, *Provisions, Contingent Liabilities and Contingent Assets* ("IAS 37"), and the amount initially recognized less cumulative amortization recognized in accordance with IFRS 15, *Revenue from Contracts with Customers* ("IFRS 15"), if applicable.

(f) Cash and cash equivalents

Cash and cash equivalents include cash on hand, non-restricted deposits and short-term investments with original maturities of three months or less.

(g) Accounts and other receivable, net

Accounts and other receivable, net include trade receivables, construction retentions and other unbilled receivables, which are recognized initially at fair value and subsequently measured at amortized cost using the effective interest method, less any allowance for expected credit losses.

(h) Inventory, net

Inventory, net, is valued at the lower of cost and net realizable value. Cost is determined using specific identification where possible and practicable or using the first-in, first-out or weighted average method. Costs include direct and indirect expenditures incurred in bringing the inventory to its existing condition and location. Net realizable value represents the estimated selling price in the ordinary course of business, less the estimated costs of completion and the estimated costs necessary to make the sale.

(i) Related party transactions

In the normal course of operations, the partnership enters into various transactions with related parties, which have been measured at their exchange value and are recognized in the consolidated financial statements. Related party transactions are further described in Note 25.

(j) Property, plant and equipment

Property, plant and equipment ("PP&E"), which includes right-of-use assets, is measured at cost less accumulated depreciation and accumulated impairment losses, if any. Cost includes expenditures that are directly attributable to the acquisition of the asset. The cost of assets includes the cost of materials and direct labor, any other costs directly attributable to bringing the assets to a working condition for their intended use, and the cost of dismantling and removing the items and restoring the site on which they are located.

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Depreciation of an asset commences when it is available for use. PP&E is depreciated for each component of the asset classes as follows:

Buildings	Up to 50 years
Right-of-use assets	Up to 40 years but not exceeding the term of the lease
Machinery and equipment	Up to 25 years
Vessels	Up to 35 years
Oil and gas related equipment and mining property	Units of production

Depreciation on PP&E is calculated so as to recognize in the consolidated statements of operating results the net cost of each asset over its expected useful life to its estimated residual value. Buildings, machinery, equipment and vessels are depreciated over their expected useful lives on a straight-line basis. Right-of-use assets are depreciated over the period of the lease or estimated useful life, whichever is shorter, on a straight-line basis. The estimated useful lives, residual values and depreciation methods are reviewed at the end of each annual reporting period, with the effect of any changes recognized on a prospective basis.

The net carrying value of oil and gas properties is depleted using the units-of-production method based on estimated proved plus probable oil and natural gas reserves. Future development costs, which are the estimated costs necessary to bring those reserves into production, are included in the depletable base. For purposes of this calculation, oil and natural gas reserves are converted to a common unit of measurement on the basis of their relative energy content where six thousand cubic feet of natural gas equates to one barrel of oil.

(k) Asset impairment

At each reporting date, the partnership assesses whether for assets, other than those measured at fair value with changes in fair value recorded in net income, there is any indication that such assets are impaired. This assessment includes a review of internal and external factors which includes, but is not limited to, changes in the technological, political, economic or legal environment in which the entity operates, structural changes in the industry, changes in the level of demand, physical damage and obsolescence due to technological progress. An impairment is recognized if the recoverable amount of the asset, determined as the higher of the estimated fair value less costs of disposal or the value in use, is less than its carrying value. The projections of future cash flows take into account the relevant operating plans and management's best estimate of the most probable set of conditions anticipated to prevail. Where an impairment loss subsequently reverses, the carrying amount of the asset is increased to the lesser of the revised estimate of recoverable amount and the carrying amount that would have been recorded had no impairment loss been recognized previously.

(l) Intangible assets

Intangible assets acquired in a business combination are recognized separately from goodwill and are initially recognized at their fair values at the acquisition date. The partnership's intangible assets comprise primarily water and sewage concession rights, brands and trademarks, computer software, customer relationships, and proprietary technology.

Subsequent to initial recognition, intangible assets are reported at cost less any accumulated amortization and any accumulated impairment losses. Finite life intangible assets are amortized on a straight-line basis over the following useful lives:

Water and sewage concession rights	Up to 50 years
Brand and trademarks	Up to 40 years
Computer software	Up to 10 years
Customer relationships	Up to 20 years
Proprietary technology	Up to 15 years

Certain of the partnership's intangible assets have an indefinite life, as described in Note 12, as there is no foreseeable limit to the period over which the asset is expected to generate cash flows. Indefinite life intangible assets are recorded at cost unless an impairment is identified which requires a write-down to its recoverable amount.

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Indefinite life intangible assets are evaluated for impairment annually or more often if events or circumstances indicate there may be an impairment. Any impairment of the partnership's indefinite life intangible assets is recorded in the period in which the impairment is identified.

Where an impairment loss subsequently reverses, the carrying amount of the asset is increased to the lesser of the revised estimate of recoverable amount and the carrying amount that would have been recorded had no impairment loss been recognized previously. Any impairment losses or subsequent reversals are recorded in the consolidated statements of operating results in impairment reversal (expense), net.

Gains or losses arising from derecognition of an intangible asset are measured as the difference between the net disposal proceeds, if any, and the carrying amount of the asset and are recognized in the consolidated statements of operating results in other income (expense), net when the asset is derecognized.

(m) Goodwill

Goodwill represents the excess of the price paid for the acquisition of a business over the fair value of the identifiable assets and liabilities acquired. Goodwill is allocated to the cash-generating unit or units to which it relates. The partnership identifies cash-generating units as identifiable groups of assets whose cash inflows are largely independent of the cash inflows from other assets or groups of assets.

Goodwill is evaluated for impairment on an annual basis or more often if events or circumstances indicate there may be an impairment. Impairment is determined for goodwill by assessing if the carrying value of a cash-generating unit, including the allocated goodwill, exceeds its recoverable amount determined as the greater of the estimated fair value less costs of disposal or the value in use. Impairment losses recognized in respect of a cash-generating unit are first allocated to the carrying value of goodwill and any excess is allocated to the carrying amount of assets in the cash-generating unit. Any goodwill impairment is charged to impairment expense, net in the consolidated statements of operating results in the period in which the impairment is identified. Impairment losses on goodwill are not subsequently reversed.

On disposal of a subsidiary, the attributable amount of goodwill is included in the determination of the gain or loss on disposal of the operation.

(n) Revenues from contracts with customers**Business services*****Construction operation***

The partnership's construction operation business provides end-to-end design and development solutions under contracts with its customers. The partnership recognizes revenues on these contracts over a period of time. The partnership uses an input method, the cost-to-cost method, to measure progress towards complete satisfaction of the performance obligations under IFRS 15.

As work is performed, a contract asset in the form of contracts in progress is recognized, which is reclassified to accounts receivable when invoiced to the customer. If payment is received in advance of work being completed, a contract liability is recognized. Refer to Note 16 for further information on contracts in progress balances. There is not considered to be a significant financing component in construction contracts as the period between the recognition of revenues under the cost-to-cost method and when payment is received is typically less than one year.

IFRS 15 requires a highly probable criterion be met with regards to recognizing revenue arising from variable consideration resulting from contract modifications and claims. Claims are accounted for as variable consideration only when it is highly probable that revenue will not reverse in the future. Revenues from contract modifications are treated as variable consideration when changes to the contract are approved by the customer but the price is not agreed or is not fixed.

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The partnership's interest in its road fuels operation was sold in July 2024, resulting in the deconsolidation of the business. During the period prior to the disposal, revenues from the sale of goods represent sales of fuel products inclusive of Renewable Transport Fuel Obligation ("RTFO") certificates, excluding value added taxes but including excise duty, which has been assessed to be a production tax and recorded as part of consideration received. RTFO certificates are deemed part of the transaction price as the RTFO is not collected on behalf of another entity. When the RTFO is settled via non-cash consideration, the fair value of the non-cash consideration is included in the transaction price at the measurement date, of which is deemed to be the same as the cash portion. This is the fair value of the RTFO certificate at that point in time, unless it is higher than the 'buy-out' of the obligation, of which the price is set by the Department of Transport, in which case that becomes the fair value of consideration receivable.

Healthcare services

The partnership's healthcare services entered receivership due to an event of default under its credit agreement after unsuccessful efforts to negotiate with key stakeholders on a sustainable long-term solution for the business in May 2025, resulting in the deconsolidation of the business. During the period prior to the loss of control, revenues from contracts with customers are recognized when control of the goods or services are transferred to the customer at an amount that reflects the consideration to which the partnership's healthcare services is entitled to in exchange for those goods or services. The partnership's healthcare services has concluded that it is the principal in its revenue arrangements as it typically controls the goods or services before transferring them to the customers.

The partnership's healthcare services has two types of performance obligations: hospital services and hospital management services. For hospital services, revenue for each surgical and non-surgical service provided to a patient is recognized over the period from admission of the patient to discharge. For hospital management services, revenue from management fee income is recognized in accordance with the relevant agreement.

Dealer software and technology services operation

The majority of revenue generated by the partnership's dealer software and technology services operation is from contracts with multiple performance obligations. A contract's transaction price is allocated to each distinct performance obligation and recognized as revenue when, or as, the performance obligation is satisfied. The partnership is required to develop its best estimate of standalone selling price for each distinct good or service as the basis for allocating the total transaction price. The primary method used to estimate standalone selling price is the adjusted market assessment approach, with some product categories using the expected cost plus a margin approach.

The partnership's dealer software and technology services operation primarily generates revenues from the provision of software and technology solutions for automotive retailers and OEMs, which includes:

- Dealer Management System ("DMS") software solution and layered applications, which may be installed on-site at the customer's location, or hosted and provided on a software-as-a-service ("SaaS") basis, including ongoing maintenance and support; and,
- Interrelated services such as installation, initial training, and data updates.

SaaS and other hosted service arrangements, which allow the customer continuous access to the software over the contract period without taking control of the software, are provided on a subscription basis. Under these arrangements the customer obtains access to the software which resides and is maintained on the managed servers of the dealer software and technology services operation of the partnership. The customer does not obtain the right to take possession of the software therefore these arrangements are determined not to include a software license. The support, maintenance and hosting services are not distinct from the SaaS and other hosted services within the context of the contract and are provided over the same period and have the same pattern of transfer of control, and therefore are combined and recognized as a single performance obligation. Setup activities such as installation, initial training and data updates that must be undertaken to fulfill the contract are considered fulfillment activities that do not transfer service to the customer. In addition to the core DMS software application, the customer may also contract for layered applications, which are each considered a distinct performance obligation.

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Revenue for SaaS and other hosted service arrangements are recognized ratably over the duration of the contract. The partnership's obligation under these arrangements is to stand ready to perform the underlying services as required by the customer. The customer receives the benefit of the services, and the partnership's dealer software and technology services operation has the right to payment as the services are performed. A time-elapsed output method is used to measure progress as the partnership's dealer software and technology services operation transfers control evenly over the duration of the contract.

Technology services operation

The partnership's interest in its technology services operation was partially sold in December 2023, resulting in the deconsolidation of the business and the recognition of an equity accounted investment. Revenue recognized during the period prior to the deconsolidation corresponds to the following major sources: (i) business process outsourcing, (ii) training services and (iii) supplemental activities.

Business process outsourcing revenues are recognized as the services are performed based on hourly or per-connect minute contractual rates. Training services revenues represents amounts billable to the client at an agreed hourly rate for the agents being trained prior to servicing a particular account. Revenues from supplemental activities such as information technology services are recognized when the services are rendered.

Revenues comprise the fair value of the consideration received or receivable for the rendering of services in the ordinary course of the partnership's technology services operation activities. Sales are presented net of value added tax, rebates and discounts.

Revenues from the rendering of services is recognized in the accounting period in which the services are rendered based on an agreed price with customers.

Infrastructure services***Modular building leasing services***

The primary source of revenues from the partnership's modular building leasing services is leasing modular units and other product offerings, including rentals of steps, ramps, furniture, fire extinguishers, air conditioners, wireless internet access points, damage waivers and service plans. Leasing revenue is recognized under the requirements of IFRS 16, *Leases* ("IFRS 16"), whereas the other revenue streams are recognized under IFRS 15.

Modular delivery and installation services revenue includes fees charged for the delivery, setup, knockdown and pick-up of leasing equipment to and from the customers' premises and repositioning the leasing equipment. Modular delivery and installation services revenue is generally recognized over time as the customer simultaneously receives and consumes the benefits of the performance as services are performed.

Revenues generated from the sale of new and used modular space and portable storage units are recognized at a point in time when the customer obtains control of the asset, which includes a present right to payment, legal title, physical possession, risk and rewards of ownership and acceptance of the asset, which generally occurs upon delivery of the asset.

Revenues generated from modular construction projects are generally recognized over time as the performance creates or enhances an asset that the customer controls and/or in some cases, creates a specific asset with no alternative use with an enforceable right to payment for performance completed to date. Fixed price construction projects generally use a cost-to-cost input method to measure the progress towards complete satisfaction of the performance obligations as it best depicts the transfer of control to the customer.

Revenues generated from remote accommodation leasing and services revenue relates to the leasing and operation of remote workforce accommodations where the business provides housing, catering and transportation to meet the customers' requirements. This activity has been determined to be a series of accommodation services for which the customer simultaneously receives and consumes the benefits provided as they are performed. The revenue is recognized over time based on the number of nights of accommodation services delivered.

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The partnership's interest in its nuclear technology services operation was sold in November 2023, resulting in the deconsolidation of the business. During the period prior to the disposal, revenues from sales of products are recognized at a point in time when the product is shipped and control passes to the customer. Revenues from contracts to provide engineering, design or other services are recognized and reported over time based on an appropriate measure of progress. The partnership's nuclear technology services operation uses an input method, the cost-to-cost method, to measure progress towards complete satisfaction of the performance obligations under IFRS 15.

IFRS 15 requires a highly probable criterion be met with regards to recognizing revenues arising from variable consideration and contract modification and claims. For variable consideration, revenues are only to be recognized to the extent that it is highly probable that a significant reversal in the amount of revenue recognized will not occur when the uncertainty associated with the variable consideration is subsequently resolved. The partnership's nuclear technology services operation includes in its contract estimates additional revenue for submitted contract modifications or claims against the customer or others when it believes that it has an enforceable right to the modification or claim, the amount can be estimated reliably, and its realization is probable. The partnership's nuclear technology services operation includes incentive fees in the estimated transaction price when there is a basis to reasonably estimate the amount of the fee.

Offshore oil services

The primary source of revenues from the partnership's offshore oil services is chartering its vessels and offshore units to its customers.

The partnership's primary form of contracts are floating production storage, offloading ("FPSO") contracts, and contracts of affreightment ("CoA"). Pursuant to an FPSO contract, the partnership charters an FPSO unit to a customer for a fixed period of time, generally more than one year. The performance obligations within an FPSO contract, which will include the use of the FPSO unit to the charterer as well as the operation of the FPSO unit, are satisfied as services are rendered over the duration of such contract, as measured using the time that has elapsed from commencement of performance.

Some FPSO contracts include variable consideration components in the form of expense adjustments or reimbursements, incentive compensation and penalties. Variable consideration under the partnership's contracts is typically recognized as earned as either such revenues are allocated and accounted for under lease accounting requirements or alternatively such consideration is allocated to the distinct period in which such variable consideration was earned.

The partnership's interest in its offshore oil services' shuttle tanker operation was sold in January 2025, resulting in its deconsolidation. During the period prior to the disposal, revenues from shuttle tankers related to contracts of affreightment. Voyages performed pursuant to a CoA for the partnership's shuttle tankers are priced based on the pre-agreed terms in the CoA. The performance obligations within a voyage performed pursuant to a CoA, which typically include the use of the vessel to the charterer as well as the operation of the vessel, are satisfied as services are rendered over the duration of the voyage, as measured using the time that has elapsed from commencement of performance. The duration of a single voyage will typically be less than two weeks.

Industrials***Manufacturing***

Sales of goods are recognized at a point in time when control of the product is passed to the customer. Services revenues are recognized over time when the services are provided over time.

Water and wastewater operation

Revenues from the partnership's water and wastewater operation are recognized over time as water and wastewater services are delivered. Revenues from the sale of industrial water is recognized when control of the product passes to the customer, which generally coincides with the time of billing.

Revenues from construction are determined and recognized using an input method based on the costs incurred on an accrual basis plus an applicable profit margin.

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(o) Contract work in progress

The gross amount due from customers for contract work for all contracts in progress for which costs incurred plus recognized profits (less recognized losses) exceed progress billings, is generally presented as an asset. Progress billings not yet paid by customers and retentions are included in accounts and other receivable, net on the consolidated statements of financial position. The gross amounts due to customers for contract work for all contracts in progress for which progress billings exceed costs incurred plus recognized profits (less recognized losses) is generally presented as a liability in accounts payable and other.

Construction work in progress on construction contracts is stated at cost plus profit recognized to date calculated in accordance with performance obligations satisfied over time, including retentions payable and receivable, less a provision for foreseeable losses and progress payments received to date.

(p) Financial instruments and hedge accounting

Classification and measurement

The table below summarizes the partnership's classification and measurement of financial assets and liabilities, under IFRS 9, *Financial Instruments* ("IFRS 9"):

	IFRS 9 measurement category	Consolidated statements of financial position account
Financial assets		
Cash and cash equivalents	Amortized cost	Cash and cash equivalents
Accounts receivable	Amortized cost	Accounts and other receivable, net
Restricted cash	Amortized cost	Financial assets
Equity securities	FVTPL / FVOCI	Financial assets
Debt securities	Amortized cost / FVTPL / FVOCI	Financial assets
Derivative assets	FVTPL ⁽¹⁾	Financial assets
Other financial assets	Amortized cost / FVTPL / FVOCI	Financial assets
Financial liabilities		
Borrowings	Amortized cost	Non-recourse borrowings in subsidiaries of the partnership and Corporate borrowings
Accounts payable and other	Amortized cost	Accounts payable and other
Derivative liabilities	FVTPL ⁽¹⁾	Accounts payable and other

⁽¹⁾ Derivative assets and liabilities are classified and measured at FVTPL except those designated in hedging relationships.

The classification of financial instruments depends on the specific business model for managing the financial instruments and the contractual cash flow characteristics of the financial asset. The partnership maintains a portfolio of marketable securities comprising equity and debt securities. Marketable securities are recognized at fair value on their trade date. They are subsequently measured at fair value at each reporting date with the change in fair value recorded in either profit or loss ("FVTPL") or other comprehensive income ("FVOCI"). For investments in debt instruments, subsequent measurement will depend on the business model for which the investments are held and the cash flow characteristics of the debt instruments.

At initial recognition, the partnership measures a financial asset at its fair value plus, in the case of a financial asset not at FVTPL, transaction costs that are directly attributable to the acquisition of the financial asset. Transaction costs of financial assets measured at FVTPL are expensed in other income (expense), net in the consolidated statements of operating results.

Financial assets carried at amortized cost are measured based on their contractual cash flow characteristics and the business model for which they are held. Financial assets classified as amortized cost are recorded initially at fair value, then subsequently measured at amortized cost using the effective interest method, less any impairment.

BROOKFIELD BUSINESS PARTNERS L.P.**NOTES TO CONSOLIDATED FINANCIAL STATEMENTS****As at December 31, 2025 and 2024 and for the years ended December 31, 2025, 2024 and 2023****Impairment of financial assets**

The partnership recognizes an allowance for expected credit losses (“ECL”) on financial assets including loans receivable and debt securities measured at amortized cost, debt securities measured at FVOCI and undrawn loan commitments. ECLs are also determined for trade receivables and contract assets. The ECL model consists of three stages: Stage 1 – twelve-month ECLs for performing financial assets, Stage 2 – Lifetime ECLs for financial assets that have experienced a significant increase in credit risk since initial recognition and Stage 3 – Lifetime ECLs for financial assets that are impaired.

The partnership calculates ECLs based on the shortfall between the probability weighted expected cash flows and the carrying value of the loan or investment and considers reasonable and supportable information about past events, current conditions and forecasts of future events and economic conditions that may impact the credit profile of the loans. Forward-looking information is considered when determining significant increase in credit risk and measuring expected credit losses. Forward-looking macroeconomic factors are incorporated in the risk parameters as relevant.

The partnership utilizes a simplified approach for measuring the loss allowance at an amount equal to the lifetime ECL for trade receivables and contract assets. The ECL on trade receivables are estimated using a provision matrix by reference to past default experience of the debtor and an analysis of the debtor’s current financial position, adjusted for factors that are specific to the debtors, general economic conditions of the industry in which the debtors operate and an assessment of both the current as well as the forecast direction of conditions at the reporting date. The ECL provision is presented net within the corresponding financial asset balance on the consolidated statements of financial position with a corresponding expense recorded in direct operating costs in the consolidated statements of operating results.

Derivatives and hedging activities

The partnership selectively utilizes derivative financial instruments primarily to manage financial risks, including foreign exchange risks, interest rate risks and commodity price risks. Derivatives are recognized initially at fair value at the date a derivative contract is entered into and are subsequently remeasured to their fair value at each reporting date. The resulting gain or loss is recognized in profit or loss immediately unless the derivative is designated and effective as a hedging instrument, in which event the timing of the recognition in profit or loss depends on the nature of the hedge relationship. Hedge accounting is applied when the derivative is designated as a hedge of a specific exposure and there is assurance that it will continue to be highly effective as a hedge based on an expectation of offsetting cash flows or fair value. Hedge accounting is discontinued prospectively when the derivative no longer qualifies as a hedge or the hedging relationship is terminated. Once discontinued, the cumulative change in fair value of a derivative that was previously recorded in other comprehensive income by the application of hedge accounting is recognized in profit or loss over the remaining term of the original hedging relationship as amounts related to the hedged item are recognized in profit or loss. The assets or liabilities relating to unrealized mark-to-market gains and losses on derivative financial instruments are recorded in financial assets and financial liabilities, respectively.

*(i) Items classified as hedges**Net investment hedges*

Realized and unrealized gains and losses on foreign exchange contracts and foreign currency debt that are designated as hedges of currency risks relating to a net investment in a subsidiary with a functional currency other than the U.S. dollar are included in equity and are included in net income in the period in which the subsidiary is disposed of or to the extent partially disposed and control is not retained.

Fair value hedges

Derivative financial instruments that are designated as hedges to offset corresponding changes in the fair value of assets and liabilities are measured at fair value with changes in fair value recorded in profit or loss against the fair value changes recorded in profit or loss corresponding to the hedged item.

BROOKFIELD BUSINESS PARTNERS L.P.**NOTES TO CONSOLIDATED FINANCIAL STATEMENTS****As at December 31, 2025 and 2024 and for the years ended December 31, 2025, 2024 and 2023***Cash flow hedges*

Unrealized gains and losses on commodity contracts designated as hedges of commodity price fluctuations are included in equity as a cash flow hedge when the commodity price risk relates to inputs to production of inventory. Upon settlement of the commodity contracts designated as cash flow hedges, the realized gains and losses are reclassified from equity into inventory as a basis adjustment. The impact of the commodity contracts designated as cash flow hedges is recognized in profit or loss when the inventory is sold.

Unrealized gains and losses on interest rate contracts designated as hedges of future variable interest payments are included in equity as a cash flow hedge when the interest rate risk relates to an anticipated variable interest payment. The periodic exchanges of payments on interest rate contracts designated as hedges of debt are recorded on an accrual basis as an adjustment to interest expense.

Unrealized gains and losses on forward currency contracts designated as hedges of the partnership's exposure to foreign currency risk in forecast transactions and firm commitments are included in equity as a cash flow hedge. The amounts accumulated in equity are accounted for depending on the nature of the underlying hedged transaction. If the hedged transaction subsequently results in the recognition of a non-financial item, the amount accumulated in equity is removed from the separate component of equity and included in the initial cost or other carrying amount of the hedged asset or liability.

(ii) Items not classified as hedges

Derivative financial instruments that are not designated as hedges are recorded at fair value, and gains and losses arising from changes in fair value are recognized in net income in the period the changes occur. Realized and unrealized gains and losses on derivatives not designated as hedges are recorded in other income (expense), net on the consolidated statements of operating results.

(q) Interest income

Interest from interest-bearing assets and liabilities not measured at FVTPL is recognized as interest income using the effective interest method. The effective interest rate is the rate that discounts expected future cash flows for the expected life of the financial instrument to its carrying value. The calculation takes into account the contractual interest rate, along with any fees or incremental costs that are directly attributable to the instrument and all other premiums or discounts.

(r) Fair value measurement

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date, regardless of whether that price is directly observable or estimated using another valuation technique. In estimating the fair value of an asset or a liability, the partnership takes into account the characteristics of the asset or liability if market participants would take those characteristics into account when pricing the asset or liability at the measurement date.

Fair value measurement is disaggregated into three hierarchical levels: Level 1, 2 or 3. Fair value hierarchical levels are based on the degree to which the inputs to the fair value measurement are observable. The levels are as follows:

Level 1 – Inputs are unadjusted, quoted prices in active markets for identical assets or liabilities at the measurement date.

Level 2 – Inputs (other than quoted prices included in Level 1) are either directly or indirectly observable for the asset or liability through correlation with market data at the measurement date and for the duration of the asset's or liability's anticipated life.

Level 3 – Inputs are unobservable and reflect management's best estimate of what market participants would use in pricing the asset or liability at the measurement date. Consideration is given to the risk inherent in the valuation technique and the risk inherent in the inputs in determining the estimate.

Further information on fair value measurements is available in Note 4.

BROOKFIELD BUSINESS PARTNERS L.P.**NOTES TO CONSOLIDATED FINANCIAL STATEMENTS****As at December 31, 2025 and 2024 and for the years ended December 31, 2025, 2024 and 2023****(s) Income taxes**

Brookfield Business Partners L.P. is a flow-through entity for tax purposes and as such is not subject to Bermudian taxation. However, income taxes are recognized for the amount of taxes payable by the holding entities, and any direct or indirect consolidated subsidiaries of such holding entities. Income tax expense represents the sum of the current tax accrued in the period and deferred income tax.

(i) Current income taxes

Current income tax assets and liabilities are measured at the amount expected to be paid to tax authorities, net of recoveries based on the tax rates and laws enacted or substantively enacted at the reporting date.

(ii) Deferred income taxes

Deferred income tax liabilities are provided for using the liability method on temporary differences between the tax bases used in the computation of taxable income and carrying amounts of assets and liabilities in the consolidated financial statements. Deferred income tax assets are recognized for all deductible temporary differences, carry forward of unused tax credits and unused tax losses, to the extent that it is probable that deductions, tax credits and tax losses can be utilized. Such deferred income tax assets and liabilities are not recognized if the temporary difference arises from goodwill or from the initial recognition of other assets and liabilities in a transaction that affects neither the taxable income nor the accounting income, other than in a business combination. The carrying amount of deferred income tax assets are reviewed at each reporting date and reduced to the extent it is no longer probable that the income tax asset will be recovered.

Deferred income tax liabilities are recognized for taxable temporary differences associated with investments in subsidiaries and equity accounted investments and interests in joint ventures, except where the partnership is able to control the reversal of the temporary difference and it is probable that the temporary differences will not reverse in the foreseeable future. Deferred income tax assets arising from deductible temporary differences associated with such investments and interests are only recognized to the extent that it is probable that there will be sufficient taxable income against which to utilize the benefits of the temporary differences and they are expected to reverse in the foreseeable future.

Deferred income tax assets and liabilities are measured at the tax rates that are expected to apply in the period in which the liability is settled or the asset realized, based on tax rates and tax laws that have been enacted or substantively enacted by the end of the reporting period. The measurement of deferred income tax liabilities and assets reflect the tax consequences that would follow from the manner in which the partnership expects, at the end of the reporting period, to recover or settle the carrying amount of its assets and liabilities.

Deferred income tax assets and liabilities are offset when there is a legally enforceable right to set off current tax assets against current tax liabilities and when they relate to income taxes levied by the same taxation authority within a single taxable entity or the partnership intends to settle its current tax assets and liabilities on a net basis in the case where there exist different taxable entities in the same taxation authority and when there is a legally enforceable right to set off current tax assets against current tax liabilities.

(t) Provisions

Provisions are recognized when the partnership has a present obligation, either legal or constructive, as a result of a past event, it is probable that the partnership will be required to settle the obligation, and a reliable estimate can be made of the amount of the obligation. Provisions are recorded within accounts payable and other in the consolidated statements of financial position with a corresponding expense recorded in other income (expense), net in the consolidated statements of operating results.

The amount recognized as a provision is the best estimate of the consideration required to settle the present obligation at the end of the reporting period, taking into account the risks and uncertainties surrounding the obligation. Where a provision is measured using the cash flows estimated to settle the obligation, its carrying amount is the present value of those cash flows.

When some or all of the economic benefits required to settle a provision are expected to be recovered from a third party, the receivable is recognized as an asset if it is virtually certain that reimbursement will be received and the amount of the receivable can be measured reliably.

BROOKFIELD BUSINESS PARTNERS L.P.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

As at December 31, 2025 and 2024 and for the years ended December 31, 2025, 2024 and 2023

(i) Provisions for defects

Provisions made for defects are based on a standard percentage charge of the aggregate contract value of completed construction projects and represents a provision for potential latent defects that generally manifest over a period of time following practical completion.

Claims against the partnership are also recorded as part of provisions for defects when it is probable that the partnership will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation.

(ii) Decommissioning liabilities

Certain of the partnership's subsidiaries record decommissioning liabilities related to the requirement to remediate the property where operations are conducted.

The partnership recognizes a decommissioning liability in the period in which it has a present legal or constructive liability and a reasonable estimate of the amount can be made. Liabilities are measured based on current requirements, technology and price levels and the present value is calculated using amounts discounted over the useful economic lives of the assets. Amounts are discounted using a rate that reflects the risks specific to the liability. On a periodic basis, management reviews these estimates and changes, if any, will be applied prospectively. The fair value of the estimated decommissioning liability is recorded as a long-term liability, with a corresponding increase in the carrying amount of the related asset. The liability amount is increased in each reporting period due to the passage of time, and the amount of accretion is charged to other income (expense), net in the period. Periodic revisions to the estimated timing of cash flows, to the original estimated undiscounted cost and to changes in the discount rate can also result in an increase or decrease to the decommissioning liability. Actual costs incurred upon settlement of the obligation are recorded against the decommissioning liability to the extent of the liability recorded.

(iii) Provisions for onerous contracts

Present obligations arising from onerous contracts are recognized as provisions in accounts payable and other, and measured at the present value of the best estimate of the expenditure required to settle the present obligation at the end of the reporting period. An onerous contract is considered to exist where the partnership has a contract under which the unavoidable costs of meeting the obligations under the contract exceed the economic benefits expected to be received.

(u) Pensions and other post-employment benefits

Certain of the partnership's subsidiaries offer post-employment benefits to their employees by way of a defined contribution plan. Payments to defined contribution pension plans are expensed as they fall due.

Certain of the partnership's subsidiaries offer defined benefit plans. Defined benefit pension expense, which includes the current year's service cost and net interest cost, is included within general and administrative expenses within the consolidated statements of operating results. For each defined benefit plan, the partnership recognizes the present value of its defined benefit obligations less the fair value of the plan assets, as a defined benefit asset or liability reported as other assets or accounts payable and other, respectively, in the consolidated statements of financial position. The partnership's obligations under its defined benefit pension plans are determined periodically through the preparation of actuarial valuations.

The cost of pensions and other retirement benefits earned by employees is actuarially determined using the projected unit credit method (also known as the projected benefit method pro-rated on service) and management's best estimate of salary escalation, retirement ages of employees and their expected future longevity.

For the purposes of calculating the expected return on plan assets, the plan assets are measured at fair value.

The partnership recognizes actuarial gains and losses in other comprehensive income (loss) in the period in which those gains and losses occur.

BROOKFIELD BUSINESS PARTNERS L.P.**NOTES TO CONSOLIDATED FINANCIAL STATEMENTS****As at December 31, 2025 and 2024 and for the years ended December 31, 2025, 2024 and 2023****(v) Assets held for sale**

Non-current assets and disposal groups are classified as held for sale if their carrying amount will be recovered principally through a sale transaction rather than through continuing use. This condition is regarded as met only when the sale is highly probable and the non-current asset or disposal group is available for immediate sale in its present condition. Management must be committed to the sale, which should be expected to qualify for recognition as a completed sale within one year from the date of classification subject to limited exceptions.

Non-current assets and disposal groups classified as held for sale are measured at the lower of their carrying amount and fair value less costs to sell and are classified as current. Once classified as held for sale, neither of property, plant and equipment and intangible assets are depreciated or amortized.

(w) Insurance contracts

The partnership's insurance policies are classified as contracts without direct participating features and are measured using the general measurement approach under IFRS 17. The measurement approach is based on estimates of the present value of future cash flows that are expected to arise as the partnership fulfills the contracts, an explicit risk adjustment for non-financial risks and a contractual service margin. The risk adjustment for non-financial risk reflects the compensation that the insurer requires for bearing uncertainty about the amount and timing of cash flows. Estimates of the present value of future cash flows and a risk adjustment for non-financial risk are together referred to as fulfillment cash flows. The contractual service margin represents the unearned profit that is recognized as revenue systematically over the coverage period as insurance services are provided.

Mortgage insurance revenues earned in each reporting period primarily represents the changes in the liability for remaining coverage that relate to insurance contract services provided during the period and an allocation of premiums that relates to recovering insurance acquisition cash flows. For all periods presented, insurance revenues earned from insurance contracts are included under revenues in the consolidated statement of operating results.

The insurance contract liabilities are included in accounts payable and other, on the consolidated statement of financial position and the carrying amount at each reporting date is the sum of the liability for remaining coverage and the liability for incurred claims.

(a) Liability for remaining coverage

At inception of the insurance contract, a liability for remaining coverage is established which comprises the fulfillment cash flows related to services that will be provided in future periods and the contractual service margin at that date. If the fulfillment cash flows from a contract at the date of initial recognition are a net outflow, then the contract is considered onerous. A loss from onerous insurance contracts is recognized immediately in the consolidated statement of operating results.

All acquisition cash flows are included in the measurement of fulfillment cash flows and recognized within the insurance contract liabilities.

All cash flows are discounted using a market-based discount rate selected through a top-down approach that reflects the characteristics of the insurance contract liabilities. The partnership has elected to disaggregate insurance finance expense between amounts included in income and amounts included in other comprehensive income ("OCI"). Interest accretion is recognized as insurance finance expense in income while effect of changes in discount rates is recognized as insurance finance expense in OCI.

The risk adjustment has been determined using a confidence level technique.

The contractual service margin is recognized in income to reflect services provided in each reporting period based on the number of coverage units provided during the period, which is determined by considering, for each contract, the quantity of the benefits provided and its expected coverage period. The coverage units are reviewed and updated at each reporting date. The partnership determines the quantity of the benefits provided under its insurance contracts on the basis of Loss Given Default, which is defined as outstanding mortgage principal balance and expected costs of foreclosure, less the expected value of the property securing the claim.

BROOKFIELD BUSINESS PARTNERS L.P.**NOTES TO CONSOLIDATED FINANCIAL STATEMENTS****As at December 31, 2025 and 2024 and for the years ended December 31, 2025, 2024 and 2023***(b) Liability for incurred claims*

The liability for incurred claims includes the fulfillment cash flows for incurred claims and expenses that have not yet been paid, including claims that have been incurred but not yet reported.

Fulfillment cash flows include the cost of settling claims and cash flows from expected recovery of real estate assets in the event of default by borrowers (both reported and unreported) that have occurred on or before each reporting date, discounted to consider the time value of money using a market-based discount rate. The liability also incorporates a risk adjustment for non-financial risk using actuarially determined risk factors.

(x) Earnings (loss) per LP Unit

The partnership calculates basic earnings (loss) per unit by dividing net income (loss) attributable to limited partners by the weighted average number of LP Units outstanding during the period. For the purpose of calculating diluted earnings (loss) per unit, the partnership adjusts net income (loss) attributable to limited partners, and the weighted average number of LP Units outstanding for the effects of all dilutive potential LP Units.

(y) Segments

The partnership's operating segments are components of the business for which discrete financial information is reviewed regularly by the Chief Operating Decision Maker (the "CODM") to assess performance and make decisions regarding resource allocation. The partnership has assessed the CODM to be the Chief Executive Officer and Chief Financial Officer. The partnership's operating segments are business services, infrastructure services, industrials and corporate.

(z) Leases

The partnership accounts for leases under IFRS 16. When the partnership is a lessee, the partnership assesses whether a contract is, or contains, a lease at inception of the contract and recognizes a right-of-use asset and a corresponding lease liability with respect to all lease arrangements in which it is a lessee, except for short-term leases (defined as leases with a lease term of 12 months or less) and leases of low value assets. For these leases, the partnership recognizes the lease payments as an operating expense on a straight-line basis over the term of the lease unless another systematic basis is more representative of the time pattern in which economic benefits from the leased assets are consumed.

The lease liability is initially measured at the present value of the future lease payments, discounted using the interest rate implicit in the lease, if that rate can be determined, or otherwise the incremental borrowing rate. Lease payments included in the measurement of the lease liability comprise: (i) fixed lease payments, including in-substance fixed payments, less any lease incentives; (ii) variable lease payments that depend on an index or rate, initially measured using the index or rate at the commencement date; (iii) the amount expected to be payable by the lessee under residual value guarantees; (iv) the exercise price of purchase options, if it is reasonably certain that the option will be exercised; and (v) payments of penalties for terminating the lease, if the lease term reflects the exercise of an option to terminate the lease. The lease liability is subsequently measured by increasing the carrying amount to reflect interest on the lease liability (using the effective interest method) and by reducing the carrying amount to reflect the lease payments made.

The partnership remeasures lease liabilities and makes a corresponding adjustment to the related right-of-use asset when: (i) the lease term has changed or there is a change in the assessment of exercise of a purchase option, in which case the lease liability is remeasured by discounting the revised lease payments using a revised discount rate; (ii) the lease payments have changed due to changes in an index or rate or a change in expected payment under a guaranteed residual value, in which cases the lease liability is remeasured by discounting the revised lease payments using the initial discount rate (unless the lease payments change is due to a change in a floating interest rate, in which case a revised discount rate is used); or (iii) a lease contract is modified and the lease modification is not accounted for as a separate lease, in which case the lease liability is remeasured by discounting the revised lease payments using a revised discount rate.

BROOKFIELD BUSINESS PARTNERS L.P.**NOTES TO CONSOLIDATED FINANCIAL STATEMENTS****As at December 31, 2025 and 2024 and for the years ended December 31, 2025, 2024 and 2023**

The right-of-use asset comprises the initial measurement of the corresponding lease liability, lease payments made at or before the commencement date and any initial direct costs. The right-of-use asset is subsequently measured at cost less accumulated depreciation and impairment losses. It is depreciated over the shorter period of the lease term and useful life of the underlying asset. If a lease transfers ownership of the underlying asset or the cost of the right-of-use asset reflects that the partnership expects to exercise a purchase option, the related right-of-use asset is depreciated over the useful life of the underlying asset. The depreciation starts on the commencement date of the lease. The partnership applies IAS 36, *Impairment of Assets*, to determine whether a right-of-use asset is impaired and accounts for any identified impairment loss as described in the asset impairment policy in Note 2(k).

Variable rents that do not depend on an index or rate are not included in the measurement of the lease liability and the right-of-use asset. The related payments are recognized as an expense in the period in which the event or condition that triggers those payments occurs and are recorded in direct operating costs on the consolidated statements of operating results.

When the partnership is a lessor, a lease is classified as either a finance or operating lease on commencement of the lease contract. If the contract represents a finance lease in which the risk and rewards of ownership have transferred to the lessee, the partnership recognizes a finance lease receivable at an amount equal to the net investment in the lease discounted using the interest rate implicit in the lease. Subsequently, finance income is recognized at a constant rate on the net investment of the finance lease. Lease payments received from operating leases are recognized into income on a straight-line or other systematic basis.

(aa) Government assistance

The partnership applies IAS 20, *Accounting for Government Grants and Disclosure of Government Assistance* (“IAS 20”) to account for government grants and other government assistance received by its subsidiaries. Government grants are recognized when there is reasonable assurance that the assistance will be received and the partnership will comply with all relevant conditions. The partnership recognizes government grants in the consolidated statements of operating results on a systematic basis over the periods in which the partnership recognizes expenses for which the grants were provided.

(ab) Extinguishment of financial liabilities with equity instruments

The partnership applies IFRIC 19, *Extinguishing financial liabilities with equity instruments* (“IFRIC 19”) to account for financial liabilities that are extinguished either fully, or partially by issuing equity instruments. This interpretation provides guidance on how to account for the extinguishment of a financial liability by the issue of equity instruments. IFRIC 19 clarifies that the entity’s equity instruments issued to a creditor, which are part of the consideration paid to extinguish the financial liability, are measured at their fair value. Differences between the carrying amount of the financial liability extinguished and the initial measurement amount of the equity instruments issued are included in the partnership’s consolidated statements of operating results.

(ac) Critical accounting judgments and key sources of estimation uncertainty

The preparation of the partnership’s consolidated financial statements requires management to make critical judgments, estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the consolidated financial statements and the reported amounts of revenues and expenses that are not readily apparent from other sources, during the reporting period. These estimates and associated assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognized in the period in which the estimate is revised if the revision affects only that period, or in the period of the revision and future periods if the revision affects both current and future periods.

Critical judgments made by management and utilized in the normal course of preparing the partnership’s consolidated financial statements are outlined below.

BROOKFIELD BUSINESS PARTNERS L.P.**NOTES TO CONSOLIDATED FINANCIAL STATEMENTS****As at December 31, 2025 and 2024 and for the years ended December 31, 2025, 2024 and 2023***(i) Business combinations*

The partnership accounts for business combinations using the acquisition method of accounting. The allocation of fair values to assets acquired and liabilities assumed through an acquisition requires numerous estimates that affect the valuation of certain assets and liabilities acquired including discount rates, customer attrition rates and estimates of future operating costs, revenues, commodity prices, capital costs and other factors. The determination of the fair values may remain provisional during the measurement period due to the time required to obtain independent valuations of individual assets and to complete assessments of provisions. When the accounting for a business combination has not been completed as of the reporting date, the partnership will disclose that fact in the consolidated financial statements, including observations on the estimates and judgments made as of the reporting date.

(ii) Determination of control

The partnership consolidates an investee when it controls the investee, with control existing if, and only if, the partnership has power over the investee; exposure or rights to variable returns from its involvement with the investee; and the ability to use that power over the investee to affect the amount of the partnership's returns.

In determining if the partnership has power over an investee, judgments are made when identifying which activities of the investee are relevant in significantly affecting returns of the investee and the extent of existing rights that give the partnership the current ability to direct the relevant activities of the investee. Judgments are made as to the amount of potential voting rights that provide voting powers, the existence of contractual relationships that provide voting power and the ability for the partnership to appoint directors. The partnership enters into voting agreements which provide it the ability to contractually direct the relevant activities of the investee (referred to as "power" within IFRS 10, *Consolidated Financial Statements*). In assessing if the partnership has exposure or rights to variable returns from its involvement with the investee, judgments are made concerning whether returns from an investee are variable and how variable those returns are on the basis of the substance of the arrangement, the magnitude of those returns and the magnitude of those returns relative to others, particularly in circumstances where the partnership's voting interest differs from the ownership interest in an investee. In determining if the partnership has the ability to use its power over the investee to affect the amount of its returns, judgments are made when the partnership is an investor as to whether the partnership is a principal or agent and whether another entity with decision making rights is acting as the partnership's agent. If it is determined that the partnership is acting as an agent, as opposed to a principal, the partnership does not control the investee.

(iii) Common control transactions

IFRS 3 does not include specific measurement guidance for the acquisition of a business from an entity that is under common control. Accordingly, the partnership has developed an accounting policy to account for such transactions taking into consideration other guidance in IFRS Accounting Standards and pronouncements of other standard-setting bodies. The partnership's policy is to record assets and liabilities recognized as a result of an acquisition of a business from an entity that is under common control at the carrying values in the transferor's financial statements.

(iv) Indicators of impairment

Judgment is applied when determining whether indicators of impairment exist when assessing the carrying values of the partnership's assets, including the determination of the partnership's ability to hold financial assets, the estimation of a cash-generating unit's future revenues and direct costs, the determination of discount rates, and when an asset's or cash-generating unit's carrying value is above its recoverable amount.

For some of the partnership's assets, forecasting the recoverability and economic viability of property and equipment requires an estimate of reserves. The process for estimating reserves is complex and requires significant interpretation and judgment. It is affected by economic conditions, production, operating and development activities, and is performed using available geological, geophysical, engineering and economic data.

(v) Revenue recognition

Judgment is applied where certain of the partnership's subsidiaries use the cost-to-cost method to account for their contract revenue. The stage of completion is measured by reference to actual costs incurred to date as a percentage of estimated total costs for each contract. Significant assumptions are required to estimate the total contract costs and the recoverable variation

BROOKFIELD BUSINESS PARTNERS L.P.**NOTES TO CONSOLIDATED FINANCIAL STATEMENTS****As at December 31, 2025 and 2024 and for the years ended December 31, 2025, 2024 and 2023**

works that affect the stage of completion and the contract revenue, respectively. In making these estimates, management has relied on past experience or the work of experts, where necessary.

Judgment is also applied where certain of the partnership's subsidiaries generate revenues from contracts with multiple performance obligations. The partnership applies judgment in order to identify and determine the number of performance obligations, estimate the total transaction price, determine the allocation of the transaction price to each identified performance obligation, and determine the appropriate method and timing of revenue recognition.

(vi) *Financial instruments*

Judgments inherent in accounting policies relating to derivative financial instruments relate to applying the criteria to the assessment of the effectiveness of hedging relationships and estimates and assumptions used in determining the fair value of financial instruments, such as: equity or commodity prices; future interest rates; the creditworthiness of the partnership relative to its counterparties; the credit risk of the partnership's counterparties; estimated future cash flows; discount rates and volatility utilized in option valuations.

(vii) *Decommissioning liabilities*

Decommissioning costs will be incurred at the end of the operating life of some of the partnership's oil and gas facilities, mining properties and manufacturing facilities. These obligations are typically many years in the future and require judgment to estimate. The estimate of decommissioning costs can vary in response to many factors including changes in relevant legal, regulatory, and environmental requirements, the emergence of new restoration techniques or experience at other production sites. Inherent in the calculations of these costs are assumptions and estimates including the ultimate settlement amounts, inflation factors, discount rates, and timing of settlements.

(viii) *Insurance contracts*

The partnership has applied critical judgments and estimates in the application of IFRS 17, including: (i) estimates and underlying assumptions in determining fulfillment cash flows related to the liability for remaining coverage; (ii) discount rate used to account for time value of money for all cash flows; (iii) the estimated risk adjustment for non-financial risk; (iv) timing of revenue recognition for the liability for remaining coverage; (v) estimated cash flows for settling claims; and (vi) estimated recoveries including recoveries from real estate included in the liability for incurred claims, based on third party property appraisals or other types of third party valuations deemed to be appropriate for a particular property in the event of default.

(ix) *Measurement of expected credit losses*

The partnership exercises judgment when determining expected credit losses on financial assets. Judgment is applied in the determination of probability-weighted expected cash flows, the probability of default of borrowers, and in selecting forward looking information to determine increase in credit risk and other risk parameters.

(x) *Uncertainty of income tax treatments*

The partnership applies IFRIC 23, *Uncertainty over income tax treatments* ("IFRIC 23"). The interpretation requires an entity to assess whether it is probable that a tax authority will accept an uncertain tax treatment used, or proposed to be used, by an entity in its income tax filings and to exercise judgment in determining whether each tax treatment should be considered independently or whether some tax treatments should be considered together. The decision should be based on which approach provides better predictions of the resolution of the uncertainty. An entity is required to make its assessment assuming that the taxation authority with the right to examine any amounts reported to it will examine those amounts and will have full knowledge of all relevant information when doing so.

(xi) *Other*

Other estimates and assumptions utilized in the preparation of the partnership's consolidated financial statements are: depreciation and amortization rates and useful lives; estimation of recoverable amounts of assets and cash-generating units for impairment assessment of long-lived assets and goodwill; and the ability of the partnership to utilize tax losses and other tax measurements.

Other critical judgments include the determination of the functional currency of the partnership's subsidiaries.

BROOKFIELD BUSINESS PARTNERS L.P.**NOTES TO CONSOLIDATED FINANCIAL STATEMENTS****As at December 31, 2025 and 2024 and for the years ended December 31, 2025, 2024 and 2023***(xii) Going concern*

In assessing whether the going concern assumption is appropriate and whether there are material uncertainties that cast significant doubt on the partnership's ability to continue as a going concern, management has made certain estimates and assumptions about future cash flows. These judgments considered various forward-looking factors, such as forecasted cash flows, access to financing and liquidity reserves, planned capital expenditures and debt repayment obligations. The assumptions underlying this assessment are based on actual operating results and the most relevant available information about the future, including the partnership's strategic initiatives and business plans and may be affected by market conditions, regulatory developments, and macroeconomic risks.

(ad) Impact of tax legislation*(i) U.S. legislation for domestic energy production and manufacturing*

On August 16, 2022, the United States enacted laws providing incentives for domestic energy production and manufacturing. In December 2023, the United States Department of the Treasury issued proposed regulations, which were subsequently finalized in October 2024, that provided guidance in determining eligibility to claim tax benefits. The tax benefits are available for qualifying activities from 2023 to 2032, subject to phase out beginning in 2030. For qualified business activities in the partnership's advanced energy storage operation beginning in its fiscal year 2024, these tax benefits are eligible to be refundable or transferable, and therefore the benefits are accounted for in accordance with IAS 20. IAS 20 permits a policy choice to present benefits of a similar nature as income or an offset to a related expense. The partnership has elected to present these benefits as a reduction to direct operating costs. During the year ended December 31, 2025, the partnership recorded a cumulative benefit of \$1,071 million (December 31, 2024: \$1,341 million and December 31, 2023: \$nil).

(ae) Future changes in accounting policies*(i) Amendments to IFRS 9, Financial Instruments ("IFRS 9") and IFRS 7, Financial Instruments: Disclosures ("IFRS 7") - Classification and Measurement of Financial Instruments*

In May 2024, the IASB issued amendments which clarify the requirements for the timing of recognition and derecognition of financial liabilities settled through an electronic cash transfer system, add further guidance for assessing the contractual cash flow characteristics of financial assets with contingent feature, and add new or amended disclosures relating to investments in equity instruments designated at FVOCI and financial instruments with contingent features. The amendments to IFRS 9 and IFRS 7 are effective for periods beginning on or after January 1, 2026, with early adoption permitted. The partnership has assessed these amendments and determined that they are not expected to have a material impact on the consolidated financial statements, other than additional disclosures relating to equity instruments designated at FVOCI, once effective.

(ii) IFRS 18, Presentation and Disclosure in Financial Statements ("IFRS 18")

In April 2024, the IASB issued IFRS 18 to replace IAS 1 *Presentation of Financial Statements* ("IAS 1"). IFRS 18 is effective for periods beginning on or after January 1, 2027, with early adoption permitted. IFRS 18 aims to improve financial reporting by requiring additional defined subtotals in the statement of profit or loss, requiring disclosures about management-defined performance measures, and adding new principles for the aggregation and disaggregation of items. The partnership is currently assessing the impact of these amendments.

There are currently no other future changes to IFRS Accounting Standards with expected material impacts on the partnership.

BROOKFIELD BUSINESS PARTNERS L.P.**NOTES TO CONSOLIDATED FINANCIAL STATEMENTS**

As at December 31, 2025 and 2024 and for the years ended December 31, 2025, 2024 and 2023

NOTE 3. ACQUISITION OF BUSINESSES**(a) Acquisitions completed in 2025****Industrials****Chemelex**

On January 30, 2025, the partnership, together with institutional partners, acquired a 100% economic interest in Chemelex, a leading manufacturer of electric heat tracing systems. Total consideration for the business was \$1,654 million, funded with debt and equity. The partnership received 100% of the voting rights, which provided the partnership with control, and accordingly, the partnership has consolidated the business for financial reporting purposes. The partnership's economic ownership interest in the business is 26%.

Goodwill of \$680 million was recognized and represents the growth the partnership expects to experience from the operations. The goodwill recognized was not deductible for income tax purposes. Intangible assets of \$804 million were acquired as part of the transaction, comprising customer relationships of \$498 million, brand and trademarks of \$198 million, and developed technology and software of \$108 million. Other items include \$115 million of property, plant and equipment, \$109 million of inventory, and \$54 million of net other liabilities. Transaction costs of approximately \$34 million were recorded as other expenses in the consolidated statements of operating results.

The partnership's results from operations for the year ended December 31, 2025 include revenues of \$624 million and \$20 million of net loss attributable to Unitholders from the acquisition. If the acquisition had been effective January 1, 2025, the partnership would have recorded revenues of \$664 million and a net loss of \$19 million attributable to Unitholders for the year ended December 31, 2025.

(b) Acquisitions completed in 2024

There were no significant acquisitions during the year ended December 31, 2024

NOTE 4. FAIR VALUE OF FINANCIAL INSTRUMENTS

The fair value of a financial instrument is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. Fair values are determined by reference to quoted bid or ask prices, as appropriate. Where bid and ask prices are unavailable, the closing price of the most recent transaction of that instrument is used. In the absence of an active market, fair values are determined based on prevailing market rates such as bid and ask prices, as appropriate, for instruments with similar characteristics and risk profiles or internal or external valuation models, such as option pricing models and discounted cash flow analysis, using observable market inputs when available.

Fair values determined using valuation models require the use of assumptions concerning the amount and timing of estimated future cash flows and discount rates. In determining those assumptions, the partnership looks primarily to external readily observable market inputs such as interest rate yield curves, currency rates and price and rate volatility, as applicable.

BROOKFIELD BUSINESS PARTNERS L.P.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

As at December 31, 2025 and 2024 and for the years ended December 31, 2025, 2024 and 2023

The following table provides the details of financial instruments and their associated financial instrument classifications as at December 31, 2025:

(US\$ MILLIONS)

MEASUREMENT BASIS	FVTPL	FVOCI	Amortized cost	Total
Financial assets				
Cash and cash equivalents	\$ —	\$ —	\$ 3,546	\$ 3,546
Accounts and other receivable, net (current and non-current) ⁽¹⁾	—	—	7,725	7,725
Financial assets (current and non-current) ^{(2) (3)}	879	5,072	6,532	12,483
Total ⁽⁴⁾	\$ 879	\$ 5,072	\$ 17,803	\$ 23,754
Financial liabilities				
Accounts payable and other (current and non-current) ^{(2) (5)}	\$ 144	\$ 57	\$ 7,046	\$ 7,247
Borrowings (current and non-current)	—	—	43,749	43,749
Total	\$ 144	\$ 57	\$ 50,795	\$ 50,996

(1) Includes a receivable of \$2,412 million related to the tax benefits at the partnership's advanced energy storage operation. Refer to Note 2(ad)(i) for additional details.

(2) FVOCI and FVTPL include derivative assets and liabilities designated in hedge accounting relationships. Refer to Hedging Activities in Note 4(a) below.

(3) FVOCI includes \$584 million of units in a new evergreen private equity fund managed by Brookfield Asset Management. Refer to Note 25(a)(i) for additional information.

(4) Total financial assets include \$3,284 million of assets pledged as collateral.

(5) Includes derivative liabilities, and excludes liabilities associated with assets held for sale, provisions, decommissioning liabilities, deferred revenue, insurance contract liabilities, work in progress, post-employment benefits and other liabilities of \$6,941 million.

Included in cash and cash equivalents as at December 31, 2025 was \$2,392 million of cash (2024: \$1,991 million) and \$1,154 million of cash equivalents (2024: \$1,248 million).

Included in financial assets (current and non-current) as at December 31, 2025 was \$1,115 million (2024: \$466 million) of equity instruments and \$3,865 million (2024: \$3,904 million) of debt instruments designated as measured at fair value through other comprehensive income.

BROOKFIELD BUSINESS PARTNERS L.P.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

As at December 31, 2025 and 2024 and for the years ended December 31, 2025, 2024 and 2023

The following table provides the details of financial instruments and their associated financial instrument classifications as at December 31, 2024:

(US\$ MILLIONS)

MEASUREMENT BASIS	FVTPL	FVOCI	Amortized cost	Total
Financial assets				
Cash and cash equivalents	\$ —	\$ —	\$ 3,239	\$ 3,239
Accounts and other receivable, net (current and non-current) ⁽¹⁾	—	—	6,279	6,279
Financial assets (current and non-current) ⁽²⁾	937	4,767	6,667	12,371
Total ⁽³⁾	<u>\$ 937</u>	<u>\$ 4,767</u>	<u>\$ 16,185</u>	<u>\$ 21,889</u>
Financial liabilities				
Accounts payable and other ^{(2) (4)}	\$ 170	\$ 187	\$ 8,194	\$ 8,551
Borrowings (current and non-current)	—	—	38,862	38,862
Total	<u>\$ 170</u>	<u>\$ 187</u>	<u>\$ 47,056</u>	<u>\$ 47,413</u>

(1) Includes a receivable of \$1,341 million related to the tax benefits at the partnership's advanced energy storage operation. Refer to Note 2(ad)(i) for additional details.

(2) FVOCI and FVTPL include derivative assets and liabilities designated in hedge accounting relationships. Refer to Hedging Activities in Note 4(a) below.

(3) Total financial assets include \$3,032 million of assets pledged as collateral.

(4) Includes derivative liabilities, and excludes provisions, decommissioning liabilities, deferred revenue, insurance contract liabilities, work in progress, post-employment benefits, liabilities associated with assets held for sale and various taxes and duties of \$8,140 million.

(a) Hedging activities

Derivative instruments not designated in a hedging relationship are classified as FVTPL, with changes in fair value recognized in the consolidated statements of operating results.

Net Investment hedge

The partnership uses foreign exchange derivative contracts, currency options and foreign currency denominated debt instruments to manage foreign currency exposures arising from net investments in foreign operations. For the year ended December 31, 2025, a pre-tax net loss of \$197 million (2024: net gain of \$257 million, 2023: net loss of \$165 million) was recorded in other comprehensive income for the effective portion of hedges of net investments in foreign operations. As at December 31, 2025, there was a derivative asset balance of \$34 million (2024: \$177 million) and derivative liability balance of \$14 million (2024: \$135 million) relating to derivative contracts designated as net investment hedges.

Cash Flow hedge

The partnership uses commodity swap contracts to hedge the sale price of its natural gas contracts, purchase price of lead, polypropylene, and tin, foreign exchange contracts and option contracts to hedge highly probable future transactions, and interest rate contracts to hedge the cash flows on its floating rate borrowings. For the year ended December 31, 2025, a pre-tax net loss of \$71 million (2024: net gain of \$227 million, 2023: net gain of \$73 million) was recorded in other comprehensive income for the effective portion of cash flow hedges. As at December 31, 2025, there was a derivative asset balance of \$58 million (2024: \$220 million) and derivative liability balance of \$43 million (2024: \$52 million) relating to derivative contracts designated as cash flow hedges.

Fair Value hedge

The partnership uses cross currency interest rate swap contracts to hedge its fair value exposure on certain foreign currency borrowings resulting from changes in foreign currency. As at December 31, 2025, there was a derivative asset balance of \$81 million (December 31, 2024: \$71 million) and derivative liability balance of \$76 million (December 31, 2024: \$28 million) relating to derivative contracts designated as fair value hedges.

BROOKFIELD BUSINESS PARTNERS L.P.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

As at December 31, 2025 and 2024 and for the years ended December 31, 2025, 2024 and 2023

(b) Fair value hierarchical levels - financial instruments

The following table categorizes financial assets and liabilities, which are carried at fair value, based upon the level of input as at December 31, 2025 and 2024:

(US\$ MILLIONS)	2025			2024		
	Level 1	Level 2	Level 3	Level 1	Level 2	Level 3
Financial assets						
Common shares ⁽¹⁾	\$ 32	\$ —	\$ 615	\$ 60	\$ —	\$ —
Corporate and government bonds	42	3,192	—	21	3,033	249
Derivative assets	—	230	—	—	522	—
Other financial assets ⁽²⁾	211	666	963	441	634	744
	<u>\$ 285</u>	<u>\$ 4,088</u>	<u>\$ 1,578</u>	<u>\$ 522</u>	<u>\$ 4,189</u>	<u>\$ 993</u>
Financial liabilities						
Derivative liabilities	\$ —	\$ 176	\$ —	\$ —	\$ 332	\$ —
Other financial liabilities	—	—	25	—	—	25
	<u>\$ —</u>	<u>\$ 176</u>	<u>\$ 25</u>	<u>\$ —</u>	<u>\$ 332</u>	<u>\$ 25</u>

(1) Level 3 common shares include \$584 million of units in a new evergreen private equity fund managed by Brookfield Asset Management. Refer to Note 25(a)(i) for additional information.

(2) Other financial assets include secured debentures, asset-backed securities and preferred shares. Level 1 other financial assets are primarily publicly traded preferred shares and mutual funds. Level 2 other financial assets are primarily asset backed securities and Level 3 other financial assets are primarily convertible preferred securities in the partnership's audience measurement operation and secured debentures.

There were no transfers between levels during the year ended December 31, 2025.

BROOKFIELD BUSINESS PARTNERS L.P.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

As at December 31, 2025 and 2024 and for the years ended December 31, 2025, 2024 and 2023

The following table summarizes the valuation techniques and key inputs used in the fair value measurement of Level 2 financial instruments:

(US\$ MILLIONS)

Type of asset/ liability	Carrying value December 31, 2025	Carrying value December 31, 2024	Valuation technique(s) and key input(s)
Corporate and government bonds	\$ 3,192	\$ 3,033	Fair value of bonds are obtained primarily from industry standard pricing services utilizing market observable inputs. Fair value is assessed by analyzing available market information through processes such as benchmark curves, benchmarking of like securities and quotes from market participants. The primary inputs used in determining fair value of bonds and debentures are interest rate curves and credit spreads.
Derivative assets	\$ 230	\$ 522	Fair value of derivative contracts incorporate quoted market prices, or in their absence, internal valuation models corroborated with observable market data, and for foreign exchange, interest rate, and commodity derivatives, observable forward exchange rates, current interest rates and commodity prices, respectively, at the end of the reporting period.
Other financial assets	\$ 666	\$ 634	Other financial assets primarily represent amounts from asset backed securities where values are obtained from industry standard pricing services utilizing market observable inputs. Fair value is assessed by analyzing available market information through processes such as benchmark curves, benchmarking of like securities and quotes from market participants. The primary inputs used in determining fair value are interest rate curves and credit spreads.
Derivative liabilities	\$ 176	\$ 332	Fair value of derivative contracts incorporate quoted market prices, or in their absence, internal valuation models corroborated with observable market data, and for foreign exchange, interest rate and commodity derivatives, observable forward exchange rates, current interest rates, and commodity prices, respectively, at the end of the reporting period.

The fair value of Level 3 financial assets and liabilities is determined using valuation models which require the use of unobservable inputs, including assumptions concerning the amount and timing of estimated future cash flows and discount rates. In determining unobservable inputs, the partnership uses internally developed information, external research, and observable market data, as applicable, in order to develop assumptions regarding those unobservable inputs.

BROOKFIELD BUSINESS PARTNERS L.P.
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
As at December 31, 2025 and 2024 and for the years ended December 31, 2025, 2024 and 2023

The following table summarizes the valuation techniques and significant unobservable inputs used in the fair value measurement of material Level 3 financial instruments:

(US\$ MILLIONS)

Type of asset/liability	Carrying value December 31, 2025	Carrying value December 31, 2024	Valuation technique(s)	Significant unobservable input(s)	Relationship of unobservable input(s) to fair value
Other financial assets - secured debentures	\$ 78	\$ 74	Discounted cash flows	Future cash flows	Increases (decreases) in future cash flows increase (decrease) fair value
				Discount rate	Increases (decreases) in discount rate decrease (increase) fair value
Common shares and other financial assets - equity instruments designated as measured at FVOCI	\$ 989	\$ 204	Discounted cash flows	Future cash flows	Increases (decreases) in future cash flows increase (decrease) fair value
				Discount rate	Increases (decreases) in discount rate decrease (increase) fair value
Other financial assets - debt instruments measured at FVTPL	\$ 511	\$ 466	Discounted cash flows	Future cash flows	Increases (decreases) in future cash flows increase (decrease) fair value
				Discount rate	Increases (decreases) in discount rate decrease (increase) fair value

The following table presents the change in the balance of financial assets classified as Level 3 for years ended December 31, 2025 and 2024:

(US\$ MILLIONS)

	2025	2024
Balance at beginning of year	\$ 993	\$ 828
Fair value change recorded in net income	22	14
Fair value change recorded in other comprehensive income	197	18
Additions	761	177
Disposals	(421)	(48)
Foreign currency translation and other	26	4
Balance at end of year	\$ 1,578	\$ 993

BROOKFIELD BUSINESS PARTNERS L.P.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

As at December 31, 2025 and 2024 and for the years ended December 31, 2025, 2024 and 2023

The following table presents the change in the balance of financial liabilities classified as Level 3 for the years ended December 31, 2025 and 2024:

(US\$ MILLIONS)	2025	2024
Balance at beginning of year	\$ 25	\$ 284
Fair value change recorded in net income	—	(151)
Fair value change recorded in other comprehensive income	—	(1)
Additions	—	12
Disposals	—	(117)
Foreign currency translation and other	—	(2)
Balance at end of year	<u>\$ 25</u>	<u>\$ 25</u>

Securities lending

The partnership's residential mortgage insurer participates in a securities lending program through an intermediary that is a financial institution for the purpose of generating fee income. Non-cash collateral, in the form of U.S. or Canadian government securities, which is equal to at least 105% of the fair value of the loaned securities, is retained by the partnership until the underlying securities have been returned.

In addition to earning fee income under the securities lending program, interest, dividends and other income generated by the loaned securities continues to be earned while the securities are in the possession of counterparties.

As at December 31, 2025, the partnership had \$292 million (2024: \$305 million) of financial assets loaned under its securities lending program. The partnership has accepted eligible securities as collateral with a fair value of \$307 million (2024: \$322 million).

NOTE 5. FINANCIAL ASSETS

(US\$ MILLIONS)	2025	2024
Current		
Marketable securities	\$ 544	\$ 571
Restricted cash	83	165
Derivative assets	95	185
Loans and notes receivable	328	396
Other financial assets ⁽¹⁾	180	220
Total current	<u>\$ 1,230</u>	<u>\$ 1,537</u>
Non-current		
Marketable securities ⁽²⁾	\$ 3,093	\$ 2,333
Restricted cash	68	63
Derivative assets	135	337
Loans and notes receivable ⁽³⁾	5,774	5,734
Other financial assets ⁽¹⁾	2,183	2,367
Total non-current	<u>\$ 11,253</u>	<u>\$ 10,834</u>

(1) Other financial assets primarily consist of asset-backed securities and high yield bonds at the partnership's residential mortgage insurer and convertible preferred shares held in the partnership's audience measurement operation.

(2) Marketable securities include \$584 million of units in a new evergreen private equity fund managed by Brookfield Asset Management. Refer to Note 25(a)(i) for additional information.

(3) Loans and notes receivable includes \$5,110 million (2024: \$5,014 million) of mortgage receivables related to the partnership's Australian asset manager and lender.

BROOKFIELD BUSINESS PARTNERS L.P.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

As at December 31, 2025 and 2024 and for the years ended December 31, 2025, 2024 and 2023

NOTE 6. ACCOUNTS AND OTHER RECEIVABLE, NET

(US\$ MILLIONS)	2025	2024
Current, net	\$ 6,550	\$ 5,178
Non-current, net		
Accounts receivable	397	449
Retainer on customer contract	58	55
Billing rights	720	597
Total non-current, net	\$ 1,175	\$ 1,101
Total ⁽¹⁾	\$ 7,725	\$ 6,279

⁽¹⁾ Includes a receivable of \$2,412 million (December 31, 2024: \$1,341 million) related to the tax benefits at the partnership's advanced energy storage operation. Refer to Note 2(ad)(i) for additional details.

Non-current billing rights represent unbilled rights from the partnership's water and wastewater operation in Brazil from revenues earned from the construction of public concession contracts classified as financial assets, which are recognized when there is an unconditional right to receive cash or other financial assets from the concession authority for the construction services.

The partnership's construction operation has a retention balance, which comprises amounts that have been earned but held back until the satisfaction of certain conditions specified in the contract. The retention balance included in current accounts and other receivable, net as at December 31, 2025 was \$63 million (2024: \$120 million).

The following table summarizes the change in the loss allowance for bad debts on accounts and other receivables for the years ended December 31, 2025 and 2024:

(US\$ MILLIONS)	2025	2024
Loss allowance - beginning	\$ 348	\$ 204
Add: increase in allowance	74	240
Deduct: bad debt write-offs	(52)	(50)
Foreign currency translation and other	45	(46)
Loss allowance - ending	\$ 415	\$ 348

NOTE 7. INVENTORY, NET

(US\$ MILLIONS)	2025	2024
Raw materials and consumables	\$ 857	\$ 809
Work in progress	713	613
Finished goods and other ⁽¹⁾	992	994
Carrying amount of inventories	\$ 2,562	\$ 2,416

⁽¹⁾ Finished goods and other primarily comprises finished goods inventory at the partnership's advanced energy storage operation and engineered components manufacturing operation.

BROOKFIELD BUSINESS PARTNERS L.P.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

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The following table summarizes the change in the inventory obsolescence provision for the years ended December 31, 2025 and 2024:

(US\$ MILLIONS)	2025	2024
Inventory obsolescence provision - beginning	\$ 69	\$ 76
Add: increase in provision	42	31
Deduct: inventory obsolescence write-off	(33)	(36)
Impact of foreign exchange	3	(2)
Inventory obsolescence provision - ending	\$ 81	\$ 69

NOTE 8. DISPOSITIONS

(a) Dispositions completed in 2025

Sale of partial interests into a new evergreen private equity fund

On July 4, 2025, the partnership completed the sale of a partial interest in three businesses to a new evergreen private equity fund, managed by Brookfield Asset Management. The transferred interests included 12% of its engineered components manufacturing operation, 7% of its dealer software and technology services operation, and 5% of its work access services operation. In exchange, the partnership received units of the new evergreen private equity fund with an initial redemption value of \$688 million, representing an 8.6% discount to the net asset value of the interests sold. The partnership recorded a loss of \$14 million in the consolidated statements of operating results, included in other income (expense), relating to the partial sale of the interest in its equity-accounted work access services operation, which continues to be equity-accounted by the partnership following the transaction. The partnership recorded a gain of \$280 million in the consolidated statements of changes in equity, included in ownership changes and other, relating to the partial sale of its engineered components manufacturing operation and dealer software and technology services operation, which continue to be consolidated subsidiaries of the partnership. The units of the new evergreen private equity fund received represent an investment in an equity instrument of the fund and are accounted for as a financial asset measured at FVOCI in the consolidated statements of financial position.

Business services

Indian non-bank financial services' non-core home financing operation

On July 17, 2025, the partnership's Indian non-bank financial services operation completed the sale of its non-core home financing operation for consideration of \$196 million, resulting in a net gain of \$110 million recorded in the consolidated statements of operating results, included in gain (loss) on dispositions, net.

Industrials

Returnable plastic packaging operation

On July 1, 2025, the partnership completed the merger of its returnable plastic packaging operation with a North American packaging solutions provider. The partnership deconsolidated the net assets of its returnable plastic packaging operation and recognized an equity accounted investment of \$180 million representing a 45% interest in the merged business, of which the partnership's economic interest is 10%, resulting in no gain or loss.

Infrastructure services

Offshore oil services' shuttle tanker operation

On January 16, 2025, the partnership's offshore oil services completed the sale of its shuttle tanker operation for consideration of \$484 million, resulting in a net gain of \$214 million recorded in the consolidated statements of operating results, included in gain (loss) on dispositions, net.

BROOKFIELD BUSINESS PARTNERS L.P.**NOTES TO CONSOLIDATED FINANCIAL STATEMENTS****As at December 31, 2025 and 2024 and for the years ended December 31, 2025, 2024 and 2023****(b) Dispositions completed in 2024****Business services***Road fuels operation*

During the third quarter of 2024, the partnership completed the sale of its road fuels operation for total consideration of \$250 million resulting in a pre-tax net gain of \$483 million recorded in the consolidated statements of operating results, included in gain (loss) on dispositions, net.

Payment processing services operation

On September 17, 2024, the partnership, together with institutional partners, completed the acquisition of Network International Holdings Plc ("Network"), a digital payment processor in the Middle East and Africa. Following the acquisition, the partnership combined the business with its existing payment processing services operation. The partnership invested an incremental \$156 million of equity for an 11% economic interest in the combined business. As a result of the combination, the partnership deconsolidated the net assets of its payment processing services operation and recorded a pre-tax net gain of \$110 million in gain (loss) on dispositions, net in the consolidated statements of operating results. The gain on deconsolidation was calculated based on the fair value of the retained interest in the business, extinguishment of a contingent consideration liability, net of the derecognition of net assets and non-controlling interests, and net of closing costs. The partnership accounts for its interest in the combined business as an equity accounted investment.

Real estate services operation

On March 31, 2024, the partnership completed the sale of its general partner interest and residential real estate brokerage portfolio to Bridgemarq, a publicly listed real estate services operation and brokerage business in which the partnership has an equity accounted investment. As consideration, the partnership received limited partnership units in the Bridgemarq public entity, increasing the partnership's ownership interest from 28% to approximately 42%. This resulted in a pre-tax gain of \$15 million recorded in the consolidated statements of operating results, included in gain (loss) on dispositions, net.

Industrials*Canadian aggregates production operation*

On June 11, 2024, the partnership completed the sale of its Canadian aggregates production operation for total consideration of \$140 million, resulting in a pre-tax net gain of \$84 million recorded in the consolidated statements of operating results, included in gain (loss) on dispositions, net.

Infrastructure services*Offshore oil services*

On February 29, 2024, the partnership's offshore oil services completed the sale of its non-core towage business. The proceeds realized from the sale were equal to the carrying value of the business disposed, resulting in no gain or loss.

(c) Dispositions completed in 2023**Business services***Residential property management operation*

On March 31, 2023, the partnership completed the sale of its residential property management operation, resulting in a pre-tax net gain of \$67 million recorded in the consolidated statements of operating results, included in gain (loss) on dispositions, net.

BROOKFIELD BUSINESS PARTNERS L.P.**NOTES TO CONSOLIDATED FINANCIAL STATEMENTS****As at December 31, 2025 and 2024 and for the years ended December 31, 2025, 2024 and 2023***Dealer software and technology services operation*

On May 1, 2023, the partnership's dealer software and technology services operation completed the sale of its non-core division servicing the heavy equipment sector for total consideration of \$490 million, resulting in a pre-tax net gain of \$87 million recorded in the consolidated statements of operating results, included in gain (loss) on dispositions, net.

Road fuels operation

On November 10, 2023, the partnership's road fuels operation completed the sale of its North American retail gas station assets for aggregate consideration of \$460 million, including a vendor take-back note, resulting in a pre-tax net gain of \$42 million recorded in the consolidated statements of operating results, included in gain (loss) on dispositions, net.

Technology services operation

On December 14, 2023, the partnership completed the partial sale of its technology services operation for aggregate consideration of \$628 million, including a note receivable. Following the sale, the partnership retained joint control with the buyer. As a result, the partnership deconsolidated the net assets of its technology services operation resulting in a pre-tax net gain of \$524 million recorded in the consolidated statements of operating results, included in gain (loss) on dispositions, net, and accounted for its 17% retained ownership interest as an equity accounted investment. The gain on deconsolidation was calculated as the fair value of the interest retained by the partnership, together with institutional partners, fair value of consideration received on the partial disposition, net of the derecognition of net assets, non-controlling interest and closing costs.

Infrastructure services*Power delivery business*

In February 2023, the partnership's nuclear technology services operation completed the sale of its power delivery business for gross proceeds of \$275 million, resulting in a net pre-tax net gain of \$14 million recorded in the consolidated statements of operating results, included in gain (loss) on dispositions, net.

Nuclear technology services operation

In November 7, 2023, the partnership completed the sale of its nuclear technology services operation to a strategic consortium led by Cameco Corporation and Brookfield Renewable Partners, a related party to the partnership, for total consideration of \$3.8 billion, net of transaction closing costs. Upon sale of the business, the partnership derecognized \$2.4 billion of intangibles and goodwill, \$1.0 billion of property, plant and equipment, \$0.3 billion of deferred tax assets, \$3.7 billion of borrowings, and \$0.1 billion of other net liabilities. The partnership recorded a pre-tax net gain of \$3.9 billion recorded in the consolidated statements of operating results, included in gain (loss) on dispositions, net.

Industrials*Automotive aftermarket parts remanufacturing operation*

During the year, the partnership completed the sale of its automotive aftermarket parts remanufacturing operation, resulting in a pre-tax net gain of \$49 million recorded in the consolidated statements of operating results, included in gain (loss) on dispositions, net.

Energy services operation

On November 8, 2023, the partnership completed the sale of its energy services operation for total consideration of \$37 million comprising cash and shares in the public company, resulting in a pre-tax net gain of \$1 million recorded in the consolidated statements of operating results, included in gain (loss) on dispositions, net.

BROOKFIELD BUSINESS PARTNERS L.P.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

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NOTE 9. OTHER ASSETS

(US\$ MILLIONS)	2025	2024
Current		
Work in progress ⁽¹⁾	\$ 118	\$ 170
Prepayments and other assets	871	757
Assets held for sale ⁽²⁾	166	2,042
Total current	\$ 1,155	\$ 2,969
Non-current		
Prepayments and other assets ⁽³⁾	\$ 877	\$ 343
Total non-current	\$ 877	\$ 343

(1) See Note 16 for additional information.

(2) Assets held for sale at December 31, 2024 included the partnership's offshore oil services' shuttle tanker operation which was sold in January 2025.

(3) Includes finance lease receivables related to vessels at the partnership's offshore oil services.

NOTE 10. NON-WHOLLY OWNED SUBSIDIARIES

The following tables present the gross assets and liabilities as at December 31, 2025 and 2024 as well as gross amounts of revenues, net income (loss), other comprehensive income (loss) and distributions for the years ended December 31, 2025, 2024 and 2023 from the partnership's investments in material non-wholly owned subsidiaries:

Year ended December 31, 2025										
(US\$ MILLIONS)	Total							Profit/(loss)	Distributions	Equity
	Current assets	Non-current assets	Current liabilities	Non-current liabilities	Revenues	Net income (loss)	OCI	allocated to others with non-controlling interests	to others with non-controlling interests	allocated to others with non-controlling interests
Business services	\$ 3,456	\$ 21,348	\$ 2,621	\$ 16,896	\$ 4,706	\$ 167	\$ 142	\$ 61	\$ (330)	\$ 3,709
Infrastructure services	2,225	13,713	1,179	11,213	3,153	(304)	193	(280)	(124)	2,213
Industrials	7,858	21,625	3,590	21,703	14,682	661	328	479	(3,278)	3,090
Total	<u>\$13,539</u>	<u>\$56,686</u>	<u>\$ 7,390</u>	<u>\$ 49,812</u>	<u>\$ 22,541</u>	<u>\$ 524</u>	<u>\$ 663</u>	<u>\$ 260</u>	<u>\$ (3,732)</u>	<u>\$ 9,012</u>

Year ended December 31, 2024										
(US\$ MILLIONS)	Total							Profit/(loss)	Distributions	Equity
	Current assets	Non-current assets	Current liabilities	Non-current liabilities	Revenues	Net income (loss)	OCI	allocated to others with non-controlling interests	to others with non-controlling interests	allocated to others with non-controlling interests
Business services	\$ 3,876	\$ 24,038	\$ 4,050	\$ 18,496	\$ 6,545	\$ (763)	\$ (213)	\$ (631)	\$ (422)	\$ 3,651
Infrastructure services	3,511	13,482	3,630	9,469	3,742	(325)	(138)	(211)	(3)	2,465
Industrials	6,106	19,664	3,258	15,529	14,405	1,552	(527)	1,180	(19)	4,943
Total	<u>\$13,493</u>	<u>\$57,184</u>	<u>\$ 10,938</u>	<u>\$ 43,494</u>	<u>\$ 24,692</u>	<u>\$ 464</u>	<u>\$ (878)</u>	<u>\$ 338</u>	<u>\$ (444)</u>	<u>\$ 11,059</u>

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(US\$ MILLIONS)	Year ended December 31, 2023					
	Total			Profit/(loss) allocated to others with non- controlling interests	Distributions to others with non- controlling interests	Equity allocated to others with non- controlling interests
	Revenues	Net income (loss)	OCI			
Business services	\$ 29,225	\$ 611	\$ 25	\$ 333	\$ (1,853)	\$ 5,148
Infrastructure services	7,448	3,618	(4)	1,995	(1,839)	2,773
Industrials	14,801	(8)	214	8	(41)	4,137
Total	<u>\$ 51,474</u>	<u>\$ 4,221</u>	<u>\$ 235</u>	<u>\$ 2,336</u>	<u>\$ (3,733)</u>	<u>\$ 12,058</u>

The following table outlines the composition of accumulated non-controlling interests related to the interest of others presented in the partnership's consolidated statements of financial position as at December 31, 2025 and 2024:

(US\$ MILLIONS)	2025	2024
Non-controlling interests related to material non-wholly owned subsidiaries		
Business services	\$ 3,709	\$ 3,651
Infrastructure services	2,213	2,465
Industrials	3,090	4,943
Total non-controlling interests in material non-wholly owned subsidiaries	\$ 9,012	\$ 11,059
Total individually immaterial non-controlling interests balance	108	392
Total non-controlling interests	\$ 9,120	\$ 11,451

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NOTE 11. PROPERTY, PLANT AND EQUIPMENT

(US\$ MILLIONS)	Land	Buildings	Machinery and equipment	Vessels	Other	Right-of- use assets	Total
Gross carrying amount							
Balance at January 1, 2024	\$ 283	\$ 4,233	\$ 9,159	\$ 4,643	\$ 2,020	\$ 2,054	\$ 22,392
Additions (cash and non-cash)	2	358	1,317	1,302	30	271	3,280
Dispositions	(37)	(67)	(1,280)	(337)	(69)	(819)	(2,609)
Acquisitions through business combinations	—	3	2	—	—	5	10
Transfers and assets reclassified as held for sale	—	—	(3)	(2,678)	—	—	(2,681)
Foreign currency translation and other	(11)	(245)	(786)	—	(142)	(90)	(1,274)
Balance at December 31, 2024	<u>\$ 237</u>	<u>\$ 4,282</u>	<u>\$ 8,409</u>	<u>\$ 2,930</u>	<u>\$ 1,839</u>	<u>\$ 1,421</u>	<u>\$ 19,118</u>
Additions (cash and non-cash)	18	364	1,382	832	46	270	2,912
Dispositions ^{(1) (2)}	(6)	(1,969)	(1,466)	(1,419)	(382)	(344)	(5,586)
Acquisitions through business combinations	22	38	35	—	1	20	116
Assets reclassified as held for sale	—	(68)	(180)	—	(6)	(79)	(333)
Foreign currency translation and other	18	146	723	—	128	81	1,096
Balances at December 31, 2025	<u>\$ 289</u>	<u>\$ 2,793</u>	<u>\$ 8,903</u>	<u>\$ 2,343</u>	<u>\$ 1,626</u>	<u>\$ 1,369</u>	<u>\$ 17,323</u>
Accumulated depreciation and impairment							
Balance at January 1, 2024	\$ —	\$ (589)	\$ (2,767)	\$ (1,650)	\$ (904)	\$ (758)	\$ (6,668)
Depreciation/depletion/impairment expense	—	(141)	(889)	(236)	(284)	(259)	(1,809)
Dispositions	—	14	505	173	22	438	1,152
Transfers and assets reclassified as held for sale	—	—	1	1,155	—	—	1,156
Foreign currency translation and other	—	36	137	—	78	32	283
Balance at December 31, 2024	<u>\$ —</u>	<u>\$ (680)</u>	<u>\$ (3,013)</u>	<u>\$ (558)</u>	<u>\$ (1,088)</u>	<u>\$ (547)</u>	<u>\$ (5,886)</u>
Depreciation/depletion/impairment expense	—	(155)	(913)	(51)	(93)	(233)	(1,445)
Dispositions ^{(1) (2)}	—	306	477	150	105	153	1,191
Assets reclassified as held for sale	—	39	57	—	—	46	142
Foreign currency translation and other	—	(37)	(194)	—	(60)	(21)	(312)
Balance at December 31, 2025	<u>\$ —</u>	<u>\$ (527)</u>	<u>\$ (3,586)</u>	<u>\$ (459)</u>	<u>\$ (1,136)</u>	<u>\$ (602)</u>	<u>\$ (6,310)</u>
Net book value							
December 31, 2024	<u>\$ 237</u>	<u>\$ 3,602</u>	<u>\$ 5,396</u>	<u>\$ 2,372</u>	<u>\$ 751</u>	<u>\$ 874</u>	<u>\$ 13,232</u>
December 31, 2025	<u>\$ 289</u>	<u>\$ 2,266</u>	<u>\$ 5,317</u>	<u>\$ 1,884</u>	<u>\$ 490</u>	<u>\$ 767</u>	<u>\$ 11,013</u>

(1) Includes the deconsolidation of the partnership's healthcare services operation. See Note 17(b)(i) for additional information.

(2) Includes reclassification of \$1,419 million from property, plant and equipment into finance lease receivables related to vessels at the partnership's offshore oil services.

During the year ended December 31, 2024, the partnership's natural gas production included in the industrials segment recorded impairment on oil and gas related equipment and mining property of \$168 million as a result of a change in the estimate of forecast future natural gas prices.

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The carrying value and depreciation/impairment expense of right-of-use assets along with the carrying value of assets subject to operating leases in which the partnership is a lessor as at December 31, 2025 and 2024 are outlined below, by class of underlying asset:

Year ended December 31, 2025						
(US\$ MILLIONS)	Machinery and equipment					
	Land	Buildings	Vessels	Other	Total	
Lessee						
Right-of-use assets	\$ 47	\$ 528	\$ 167	\$ —	\$ 25	\$ 767
Depreciation/impairment expense	(7)	(124)	(93)	—	(9)	(233)
Lessor						
Assets subject to operating leases	—	16	1,764	1,886	—	3,666

Year ended December 31, 2024						
(US\$ MILLIONS)	Machinery and equipment					
	Land	Buildings	Vessels	Other	Total	
Lessee						
Right-of-use assets	\$ 51	\$ 623	\$ 174	\$ —	\$ 26	\$ 874
Depreciation/impairment expense	(6)	(137)	(107)	—	(9)	(259)
Lessor						
Assets subject to operating leases	—	15	2,587	2,374	—	4,976

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NOTE 12. INTANGIBLE ASSETS

(US\$ MILLIONS)	Water and sewage concession agreements	Customer relationships	Computer software and proprietary technology	Brands and trademarks ⁽¹⁾	Other ⁽¹⁾	Total
Gross carrying amount						
Balance at January 1, 2024	\$ 2,880	\$ 15,091	\$ 3,074	\$ 3,070	\$ 1,127	\$ 25,242
Additions	113	—	183	10	67	373
Acquisitions through business combinations	—	9	11	1	—	21
Dispositions	(1)	(255)	(153)	(69)	(118)	(596)
Foreign currency translation	(734)	(303)	(118)	(114)	(22)	(1,291)
Balance at December 31, 2024	\$ 2,258	\$ 14,542	\$ 2,997	\$ 2,898	\$ 1,054	\$ 23,749
Additions	131	—	154	9	75	369
Acquisitions through business combinations ⁽²⁾	—	504	103	199	1	807
Dispositions ⁽³⁾	(1)	(2)	(32)	(1)	(159)	(195)
Assets reclassified as held for sale	—	(96)	(22)	(124)	(6)	(248)
Foreign currency translation	283	463	127	168	88	1,129
Balance at December 31, 2025	\$ 2,671	\$ 15,411	\$ 3,327	\$ 3,149	\$ 1,053	\$ 25,611
Accumulated amortization and impairment						
Balance at January 1, 2024	\$ (469)	\$ (2,720)	\$ (881)	\$ (207)	\$ (119)	\$ (4,396)
Amortization and impairment expense	(108)	(949)	(391)	(73)	(69)	(1,590)
Dispositions	1	141	77	41	29	289
Foreign currency translation	123	85	39	8	10	265
Balances at December 31, 2024	\$ (453)	\$ (3,443)	\$ (1,156)	\$ (231)	\$ (149)	\$ (5,432)
Amortization and impairment expense	(109)	(1,004)	(386)	(62)	(47)	(1,608)
Dispositions ⁽³⁾	1	—	27	1	79	108
Assets reclassified as held for sale	—	34	17	47	4	102
Foreign currency translation	(57)	(130)	(56)	(14)	(11)	(268)
Balance at December 31, 2025	\$ (618)	\$ (4,543)	\$ (1,554)	\$ (259)	\$ (124)	\$ (7,098)
Net book value						
December 31, 2024	\$ 1,805	\$ 11,099	\$ 1,841	\$ 2,667	\$ 905	\$ 18,317
December 31, 2025	\$ 2,053	\$ 10,868	\$ 1,773	\$ 2,890	\$ 929	\$ 18,513

(1) Brands and trademarks include indefinite life intangible assets with a carrying value of \$2,401 million (2024: \$2,071 million) primarily in the partnership's infrastructure services and industrials segments. Other includes indefinite life intangible assets with a carrying value of \$331 million (2024: \$307 million) associated with the partnership's contractual rights to manage certain perpetual open-ended investment funds within the partnership's Australian asset manager and lender.

(2) See Note 3 for additional information.

(3) Includes the deconsolidation of the partnership's healthcare services operation. See Note 17(b)(i) for additional information.

The terms and conditions of the water and sewage concession agreements, including fees that can be charged to the users and the duties to be performed by the operator, are regulated by various grantors, the majority of which are municipal governments across Brazil. The concession agreements provide the operator the right to charge fees to users using the services of the operator over the term of the concessions in exchange for water treatment services, ongoing and regular maintenance work on water distributions assets and improvements to the water treatment and distribution system. Fees are revised annually for inflation in Brazil. The concession arrangements have an average remaining term of 23 years at which point the underlying concession assets will be returned to the various grantors.

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The proprietary technology within the partnership pertains to the combination of processes, tools, techniques and developed systems for exclusive use and benefit within the partnership's operations that have the potential to provide competitive advantage and product differentiation. This relates to technology within the partnership's advanced energy storage operation, engineered components manufacturing operation, dealer software and technology services operation, lottery services operation and electric heat tracing systems manufacturer assessed to have estimated useful lives ranging between 5 to 15 years. These intangible assets were valued at the date of acquisition using the relief from royalty method.

The brand names and trademarks acquired by the partnership through acquisitions pertain to trade names which carry strong reputations in their respective industries and positive brand recognition. These relate to brand names and trademarks from the acquisitions of the partnership's lottery services operation, modular building leasing services, advanced energy storage operation, electric heat tracing systems manufacturer, dealer software and technology services operation and engineered components manufacturing operation. The brand names were valued at the date of acquisition using the relief from royalty method. As at December 31, 2025, \$2,401 million (2024: \$2,071 million) of the partnership's brand names and trademarks have indefinite useful lives, and the remainder were assessed to have estimated useful lives ranging between 10 to 40 years.

Customer relationships pertain to strong and continuing relationships with many of the partnership's customers which contribute to the revenues and cash flows generated by the partnership's respective operations. The partnership has recognized customer relationships from the acquisitions of the partnership's advanced energy storage operation, dealer software and technology services operation, lottery services operation, engineered components manufacturing operation, modular building leasing services and electric heat tracing systems manufacturer. These customer relationships were valued at the date of acquisition using a multi-period excess earnings approach. The customer relationships acquired were assessed to have estimated useful lives ranging between 10 to 20 years.

NOTE 13. GOODWILL

(US\$ MILLIONS)	2025	2024
Balance at beginning of year	\$ 12,239	\$ 14,129
Acquisitions through business combinations ⁽¹⁾	736	50
Impairment ⁽²⁾	(85)	(793)
Dispositions ⁽³⁾	(157)	(638)
Assets reclassified as held for sale	—	14
Foreign currency translation	577	(523)
Balance at end of year	\$ 13,310	\$ 12,239

⁽¹⁾ See Note 3 for additional information.

⁽²⁾ Includes a goodwill impairment of \$71 million at the partnership's solar power solutions for the year ended December 31, 2025 (2024: \$661 million at the partnership's healthcare services).

⁽³⁾ See Note 8 and Note 14 for additional information.

The partnership evaluates goodwill for impairment on an annual basis, or more often if events or circumstances indicate there may be an impairment. To determine whether goodwill is impaired, the partnership compares the carrying amount of its cash-generating units to which goodwill has been allocated to their recoverable amounts, determined as the higher of the estimated fair value less costs of disposal or the value in use. For calculating the value in use at each cash-generating unit, this involves estimating expected future cash flows based on forecasted revenues and margins, determining an appropriate discount rate and aggregating discounted expected cash flows to arrive at value in use. The most significant assumptions used in this determination are revenue growth rates, discount rates and perpetuity growth rates which individually range from 3.8% to 16.2%, 8.7% to 12.0% and 1.0% to 3.0%, respectively (2024: 4.6% to 12.1%, 8.7% to 11.9%, and 0.8% to 3.0%, respectively). These assumptions and inputs are forecasted over a period of 5 years except for cases where a longer period can be justified for certain cash-generating units and are based on market information and internal management forecasts, reflective of historical experience and macroeconomic expectations. The most significant assumption used in the estimation of fair value less costs of disposal is the terminal value multiple which range from 8.0x to 12.0x.

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During the year ended December 31, 2025, the partnership recorded a goodwill impairment loss of \$71 million on a cash-generating unit within the industrials segment. The impairment is related to the partnership's investment in solar power solutions due to revised expectations of cash flows as a result of increased competition and continued challenging market conditions. The recoverable amount calculated to assess goodwill impairment was based on an estimate of value in use using a discounted cash flow analysis incorporating unobservable inputs.

As at December 31, 2025, the recoverable amounts of the partnership's remaining cash-generating units with material goodwill balances were greater than their carrying values with significant headroom.

Goodwill, net of accumulated impairment losses, is allocated to the following cash-generating units as at December 31, 2025 and 2024:

(US\$ MILLIONS)	2025	2024
Dealer software and technology services operation	\$ 4,448	\$ 4,448
Modular building leasing services	1,961	1,797
Engineered components manufacturing operation	1,884	1,785
Advanced energy storage operation	1,845	1,639
Lottery services operation	1,237	1,192
Electric heat tracing systems manufacturer	680	—
Other operations	1,255	1,378
Total	\$ 13,310	\$ 12,239

NOTE 14. EQUITY ACCOUNTED INVESTMENTS

The following table presents the economic interest, voting interest and carrying value of the partnership's equity accounted investments as at December 31, 2025 and 2024:

(US\$ MILLIONS, except as noted)	Economic interest (%)		Voting interest (%)		Carrying value	
	2025	2024	2025	2024	2025	2024
Business services	11% - 50%	11% - 50%	11% - 50%	11% - 50%	\$ 881	\$ 717
Infrastructure services	13% - 50%	17% - 50%	13% - 50%	17% - 50%	675	969
Industrials	23% - 54%	13% - 54%	23% - 67%	13% - 50%	938	639
Total					\$ 2,494	\$ 2,325

The following table presents the change in the equity accounted investments balance for the years ended December 31, 2025 and 2024:

(US\$ MILLIONS)	2025	2024
Balance at beginning of year	\$ 2,325	\$ 2,154
Additions (cash and non-cash)	653	372
Dispositions	(159)	(29)
Share of net income (loss)	42	90
Share of other comprehensive income (loss)	12	(13)
Distributions received	(409)	(206)
Foreign currency translation and other	30	(43)
Balance at end of year	\$ 2,494	\$ 2,325

On May 27, 2025, the partnership invested \$168 million of equity in Antylia Scientific, a leading specialty consumables and equipment manufacturer, for a 26% economic interest.

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On July 1, 2025, the partnership completed the merger of its returnable plastic packaging operation with a North American packaging solutions provider. As a result, the partnership deconsolidated the net assets of its returnable plastic packaging operation and recognized an equity accounted investment of \$180 million representing 45% in the merged business, of which the partnership's economic interest is 10%.

On October 22, 2025, the partnership invested \$146 million of equity in First National, a leading publicly-listed Canadian residential and multi-family mortgage lender, for an 11% economic interest.

The following tables present the gross assets and liabilities of the partnership's equity accounted investments as at December 31, 2025 and 2024:

(US\$ MILLIONS)	Year ended December 31, 2025						
	Total						
	Current assets	Non-current assets	Total assets	Current liabilities	Non-current liabilities	Total liabilities	Total net assets
Business services ⁽¹⁾	\$ 5,096	\$ 45,777	\$ 50,873	\$ 2,156	\$ 44,400	\$ 46,556	\$ 4,317
Infrastructure services	2,302	7,352	9,654	1,599	4,635	6,234	3,420
Industrials	1,490	4,255	5,745	950	2,025	2,975	2,770
Total	\$ 8,888	\$ 57,384	\$ 66,272	\$ 4,705	\$ 51,060	\$ 55,765	\$ 10,507

⁽¹⁾ Includes mortgage receivables and debt related to securitized mortgages at the partnership's Canadian residential and multi-family mortgage lender.

(US\$ MILLIONS)	Year ended December 31, 2024						
	Total						
	Current assets	Non-current assets	Total assets	Current liabilities	Non-current liabilities	Total liabilities	Total net assets
Business services	\$ 1,629	\$ 6,977	\$ 8,606	\$ 1,853	\$ 4,580	\$ 6,433	\$ 2,173
Infrastructure services	2,350	7,708	10,058	1,452	4,565	6,017	4,041
Industrials	1,257	1,649	2,906	564	1,041	1,605	1,301
Total	\$ 5,236	\$ 16,334	\$ 21,570	\$ 3,869	\$ 10,186	\$ 14,055	\$ 7,515

Certain of the partnership's equity accounted investments are subject to restrictions over the extent to which they can remit funds to the partnership in the form of cash dividends, or repayments of loans and advances as a result of borrowing arrangements, regulatory restrictions and other contractual requirements.

The following tables summarize the gross amounts of revenues, net income and other comprehensive income from the partnership's equity accounted investments for the years ended December 31, 2025, 2024 and 2023:

(US\$ MILLIONS)	Year ended December 31, 2025			
	Total			
	Revenues	Net income	OCI	Total comprehensive income
Business services	\$ 2,688	\$ 101	\$ (3)	\$ 98
Infrastructure services	6,618	(77)	89	12
Industrials	3,455	(34)	(7)	(41)
Total	\$ 12,761	\$ (10)	\$ 79	\$ 69

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Year ended December 31, 2024				
Total				
(US\$ MILLIONS)	Revenues	Net income	OCI	Total comprehensive income
Business services	\$ 1,345	\$ (79)	\$ (2)	\$ (81)
Infrastructure services	6,037	(24)	(77)	(101)
Industrials	2,388	130	1	131
Total	<u>\$ 9,770</u>	<u>\$ 27</u>	<u>\$ (78)</u>	<u>\$ (51)</u>

Year ended December 31, 2023				
Total				
(US\$ MILLIONS)	Revenues	Net income	OCI	Total comprehensive income
Business services	\$ 731	\$ 115	\$ —	\$ 115
Infrastructure services	6,249	100	6	106
Industrials	2,690	71	(5)	66
Total	<u>\$ 9,670</u>	<u>\$ 286</u>	<u>\$ 1</u>	<u>\$ 287</u>

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NOTE 15. ACCOUNTS PAYABLE AND OTHER

(US\$ MILLIONS)	2025	2024
Current		
Accounts payable	\$ 3,456	\$ 3,250
Accrued and other liabilities ^{(1) (2)}	2,683	3,405
Lease liabilities	213	199
Financial liabilities	163	371
Insurance liabilities	443	398
Work in progress ⁽³⁾	359	382
Provisions and decommissioning liabilities ⁽⁴⁾	303	835
Liabilities associated with assets held for sale ⁽⁵⁾	10	1,710
Total current ⁽⁶⁾	\$ 7,630	\$ 10,550
Non-current		
Accounts payable	\$ 110	\$ 87
Accrued and other liabilities ⁽²⁾	3,536	1,973
Lease liabilities	611	729
Financial liabilities	127	1,321
Insurance liabilities	1,669	1,427
Work in progress ⁽³⁾	33	36
Provisions and decommissioning liabilities ⁽⁴⁾	472	568
Total non-current ⁽⁶⁾	\$ 6,558	\$ 6,141

⁽¹⁾ Includes bank overdrafts of \$nil as at December 31, 2025 (2024: \$19 million).

⁽²⁾ Includes post-employment benefits of \$194 million (\$8 million current and \$186 million non-current) as at December 31, 2025 and \$204 million (\$6 million current and \$198 million non-current) as at December 31, 2024.

⁽³⁾ See Note 16 for additional information.

⁽⁴⁾ Includes decommissioning liabilities of \$216 million (2024: \$158 million) primarily from the partnership's natural gas production and advanced energy storage operation. The liabilities were determined using a discount rate between 3.5% and 8.3% (2024: 3.5% and 8.5%) and an inflation rate between 2.0% and 2.3% (2024: 2.0% and 2.3%), determined as appropriate for the underlying assets.

⁽⁵⁾ Liabilities associated with assets held for sale as at December 31, 2024 included the partnership's offshore oil services' shuttle tanker operation, which was disposed in January 2025. See Note 8 for additional information.

⁽⁶⁾ Reflects the deconsolidation of the partnership's healthcare services operation. See Note 17(b)(i) for additional information.

Included within accounts payable and other at December 31, 2025 was \$824 million of lease liabilities (2024: \$928 million). Interest expense on lease liabilities was \$50 million for the year ended December 31, 2025 (2024: \$63 million).

The partnership's exposure to currency and liquidity risk related to accounts payable and other is disclosed in Note 27.

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The following table presents the change in the provision balances for the years ended December 31, 2025 and 2024 :

(US\$ MILLIONS)	Decommissioning liability	Warranties and provisions for defects	Legal and other	Total provisions
Balance at January 1, 2024	\$ 170	\$ 209	\$ 785	\$ 1,164
Additional provisions recognized	—	311	592	903
Reduction arising from payments/derecognition	(11)	(326)	(270)	(607)
Accretion expenses	5	—	—	5
Change in discount rate	10	—	—	10
Change in other estimates	(4)	(1)	—	(5)
Transfers to held for sale	(4)	—	(1)	(5)
Foreign currency translation	(8)	(8)	(46)	(62)
Balance at December 31, 2024	<u>\$ 158</u>	<u>\$ 185</u>	<u>\$ 1,060</u>	<u>\$ 1,403</u>
Additional provisions recognized	50	341	170	561
Reduction arising from payments/derecognition	(4)	(326)	(608)	(938)
Accretion expenses	10	—	5	15
Change in other estimates	(5)	2	—	(3)
Dispositions/transfers to held for sale	—	(1)	(302)	(303)
Foreign currency translation	7	10	23	40
Balance at December 31, 2025	<u>\$ 216</u>	<u>\$ 211</u>	<u>\$ 348</u>	<u>\$ 775</u>

NOTE 16. CONTRACTS IN PROGRESS

(US\$ MILLIONS)	2025	2024	2023
Contract costs incurred to date	\$ 12,361	\$ 11,241	\$ 13,519
Profit recognized to date	524	203	170
	<u>12,885</u>	<u>11,444</u>	<u>13,689</u>
Less: progress billings	(13,159)	(11,692)	(13,990)
Contract work in progress (liability)	<u>\$ (274)</u>	<u>\$ (248)</u>	<u>\$ (301)</u>
Comprising:			
Amounts due from customers — work in progress ⁽¹⁾	\$ 118	\$ 170	\$ 200
Amounts due to customers — creditors ⁽²⁾	(392)	(418)	(501)
Net work in progress	<u>\$ (274)</u>	<u>\$ (248)</u>	<u>\$ (301)</u>

⁽¹⁾ The change in the balance from December 31, 2024 was due to billed amounts of \$2,134 million, additions to work in progress of \$2,182 million, dispositions of \$115 million and an increase of \$15 million from other changes.

⁽²⁾ The change in the balance from December 31, 2024 was due to recognized revenue of \$347 million, additions to work in progress of \$291 million and an increase of \$30 million from other changes.

BROOKFIELD BUSINESS PARTNERS L.P.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

As at December 31, 2025 and 2024 and for the years ended December 31, 2025, 2024 and 2023

NOTE 17. BORROWINGS

Principal repayments on total borrowings due over the next five years and thereafter are as follows:

(US\$ MILLIONS)	Business services	Infrastructure services	Industrials	Corporate	Total borrowings
2026	\$ 1,121	\$ 73	\$ 174	\$ —	\$ 1,368
2027	3,229	807	356	—	4,392
2028	1,675	1,328	3,376	—	6,379
2029	6,087	3,023	1,288	—	10,398
2030	194	825	4,257	1,330	6,606
Thereafter	2,848	2,735	9,566	—	15,149
Total - principal repayments	\$ 15,154	\$ 8,791	\$ 19,017	\$ 1,330	\$ 44,292
Deferred financing costs and other accounting adjustments	(195)	(121)	(222)	(5)	(543)
Total - December 31, 2025	\$ 14,959	\$ 8,670	\$ 18,795	\$ 1,325	\$ 43,749
Total - December 31, 2024	\$ 15,800	\$ 7,736	\$ 13,184	\$ 2,142	\$ 38,862

(a) Corporate borrowings

The partnership has bilateral credit facilities backed by large global banks. The credit facilities are available in Euros, British pounds, Australian dollars, U.S. dollars and Canadian dollars. Advances under the credit facilities bear interest at the specified SOFR, SONIA, EURIBOR, CORRA or BBSY rate plus 2.50%, or the specified base rate or prime rate plus 1.50%. The credit facilities require the partnership to maintain a minimum tangible net worth and deconsolidated debt to capitalization ratio at the corporate level. The total capacity on the bilateral credit facilities is \$2,350 million with a maturity date of June 29, 2030. The balance drawn on the bilateral credit facility, net of deferred financing costs, as at December 31, 2025 was \$1,325 million (2024: \$2,142 million).

The partnership had \$1 billion available on its revolving acquisition credit facility with Brookfield (the “Brookfield Credit Agreement”) as at December 31, 2025. The credit facility is guaranteed by the partnership, the Holding LP and certain of the partnership’s subsidiaries. The credit facility is available in U.S. dollars or Canadian dollars and advances are made by way of SOFR, CORRA, base rate or prime rate loans. The credit facility bears interest at the specified SOFR or CORRA rate plus 3.45%, or the specified base rate or prime rate plus 2.45%. The credit facility requires the partnership to maintain a minimum deconsolidated net worth and contains restrictions on the ability of the borrowers and the guarantors to, among other things, incur certain liens or enter into speculative hedging arrangements. The maturity date of the credit facility is April 27, 2030, subject to automatic one year extensions occurring on April 27 of each year unless Brookfield provides written notice of its intention not to further extend their prevailing maturity date. The total available amount on the credit facility will decrease to \$500 million on April 27, 2026. As at December 31, 2025, the credit facility remained undrawn.

The partnership is currently in compliance with covenant requirements of its corporate borrowings and continues to monitor performance against such covenant requirements.

As at December 31, 2025, there were no funds on deposit from Brookfield (2024: \$nil). Refer to Note 25 for further details on the Deposit Agreements (defined therein) with Brookfield.

(b) Non-recourse subsidiary borrowings of the partnership

Current and non-current non-recourse borrowings in subsidiaries of the partnership as at December 31, 2025, net of deferred financing costs, premiums and discounts were \$1,352 million and \$41,072 million, respectively (2024: \$1,616 million and \$35,104 million, respectively). Non-recourse borrowings in subsidiaries of the partnership include borrowings made under subscription facilities of Brookfield-sponsored private equity funds.

Some of the partnership’s operations have credit facilities in which they borrow and repay on a short-term basis. This movement has been shown on a net basis in the partnership’s consolidated statements of cash flow.

BROOKFIELD BUSINESS PARTNERS L.P.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

As at December 31, 2025 and 2024 and for the years ended December 31, 2025, 2024 and 2023

The partnership has financing arrangements within its operating businesses that trade in public markets or are held at major financial institutions. The financing arrangements primarily comprise term loans, securitization programs, credit facilities and notes and debentures which are subject to fixed or floating interest rates. Most of these borrowings are not subject to financial maintenance covenants, however, some are subject to fixed charge coverage, leverage ratios and minimum equity or liquidity covenants.

The partnership principally finances assets at the subsidiary level with debt that is non-recourse to both the partnership and to its other subsidiaries and is generally secured against assets within the respective subsidiaries. Moreover, debt instruments at the partnership's subsidiaries do not cross-accelerate or cross-default to debt at other subsidiaries. As at December 31, 2025, the partnership's subsidiaries were in compliance with all material covenant requirements and the partnership continues to work with its businesses to monitor performance against such covenant requirements.

(i) Healthcare services operation

On May 26, 2025, the partnership's healthcare services operation entered receivership due to an event of default under its credit agreement after unsuccessful efforts to negotiate with key stakeholders on a sustainable long-term solution for the business. Following the appointment of a receiver and transition of oversight of the operations, the partnership ceased to have control of the business and therefore, deconsolidated the net liabilities of the business, and recorded a pre-tax net gain of \$236 million in the consolidated statements of operating results, included in other income (expense). Upon deconsolidation, the partnership derecognized property, plant and equipment of \$2,361 million, accounts payable and other liabilities of \$2,008 million, non-recourse borrowings of \$950 million, accounts receivable of \$171 million and other net assets of \$237 million related to its healthcare services operation. The results of the healthcare services operation are included in the partnership's consolidated statement of operating results up until the partnership lost control of the business on May 26, 2025.

The following table summarizes the weighted average interest rates and terms of non-recourse borrowings in subsidiaries of the partnership as at December 31, 2025 and 2024:

(US\$ MILLIONS, except as noted)	Weighted average rate (%)		Weighted average term (years)		Consolidated	
	2025	2024	2025	2024	2025	2024
Business services	8.0 %	8.1 %	7.0	8.5	\$ 14,959	\$ 15,805
Industrials	7.3 %	8.0 %	5.4	4.8	18,795	13,179
Infrastructure services	6.5 %	7.0 %	4.3	4.4	8,670	7,736
Total	7.4 %	7.8 %	5.8	6.3	\$ 42,424	\$ 36,720

BROOKFIELD BUSINESS PARTNERS L.P.

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The partnership enters into interest rate derivatives to mitigate the risk of interest rate movements on its floating rate debt instruments. Refer to Note 26 and Note 27 for additional information on the partnership's interest rate derivatives and financial risk management. As at December 31, 2025, the weighted average interest rate of the partnership's total non-recourse borrowings including the effect of interest rate derivatives was 7.3%.

The following table summarizes the non-recourse borrowings in subsidiaries of the partnership by currency as at December 31, 2025 and 2024:

(US\$ MILLIONS, except as noted)	2025	Local currency	2024	Local currency
U.S. dollars	\$ 21,813	\$ 21,813	\$ 17,633	\$ 17,633
Euros	8,533	€ 7,264	6,653	€ 6,426
Australian dollars	5,586	A\$ 8,371	6,350	A\$ 10,261
Brazilian reais	4,512	R\$ 24,832	3,896	R\$ 24,123
Canadian dollars	897	C\$ 1,231	899	C\$ 1,294
Indian rupees	543	INR 48,894	809	INR 69,184
Other	540		480	
Total	\$ 42,424		\$ 36,720	

BROOKFIELD BUSINESS PARTNERS L.P.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

As at December 31, 2025 and 2024 and for the years ended December 31, 2025, 2024 and 2023

NOTE 18. INCOME TAXES

Income tax expense is recognized for the amount of taxes payable by the partnership's consolidated subsidiaries and for the impact of deferred income tax assets and liabilities related to such subsidiaries.

The major components of income tax expense (recovery) include the following for the years ended December 31, 2025, 2024 and 2023:

(US\$ MILLIONS)	Year ended December 31,		
	2025	2024	2023
Current income tax expense (recovery)	\$ 583	\$ 646	\$ 775
Deferred income tax expense (recovery):			
Origination and reversal of temporary differences	(434)	(933)	(712)
Recovery arising from previously unrecognized tax assets	(29)	(14)	(121)
Change of tax rates and imposition of new legislations	(27)	—	3
Deferred income tax expense (recovery)	(490)	(947)	(830)
Total income tax expense (recovery)	\$ 93	\$ (301)	\$ (55)

The below reconciliation has been prepared using a composite statutory-rate for jurisdictions where the partnership's subsidiaries operate.

The partnership's effective income tax rate is different from the partnership's composite income tax rate due to the following differences set out below:

(%)	2025	2024	2023
Composite income tax rate	27 %	27 %	27 %
Increase (reduction) in rate resulting from:			
Portion of gains subject to different tax rates	(19)	(31)	(12)
International operations subject to different tax rates	(3)	(14)	—
Taxable income attributable to non-controlling interests	10	(7)	(20)
Recognition of deferred tax assets	(1)	(64)	(9)
Non-recognition of the benefit of current year's tax losses	50	21	3
Change in tax rates and imposition of new legislation	(9)	—	—
Non-deductible expenses and other	(34)	18	10
Effective income tax rate	21 %	(50)%	(1)%

BROOKFIELD BUSINESS PARTNERS L.P.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

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Deferred income tax assets and liabilities as at December 31, 2025 and 2024 relate to the following:

(US\$ MILLIONS)	2025	2024
Losses (Canada)	\$ 320	\$ 248
Losses (U.S.)	88	76
Losses (International)	574	589
Difference in basis	(1,412)	(1,782)
Total net deferred tax (liability) asset	\$ (430)	\$ (869)
Reflected in the statement of financial position as follows:		
Deferred income tax assets	\$ 2,083	\$ 1,744
Deferred income tax liabilities	(2,513)	(2,613)
Total net deferred tax (liability) asset	\$ (430)	\$ (869)

The deferred income tax movements are as follows:

(US\$ MILLIONS)	2025	2024
Opening net deferred tax (liability) asset	\$ (869)	\$ (2,006)
Recognized in income	490	947
Recognized in other comprehensive income	34	(28)
Other ⁽¹⁾	(85)	218
Net deferred tax (liability) asset	\$ (430)	\$ (869)

- ⁽¹⁾ The other category primarily relates to acquisitions and dispositions and the foreign exchange impact of the deferred tax asset and liability calculated in the functional currency of the operating entities.

The following table details the expiry date, if applicable, of the unrecognized deferred tax assets as at December 31, 2025 and 2024:

(US\$ MILLIONS)	2025	2024
One year from reporting date	\$ 5	\$ 5
Two years from reporting date	7	—
Three years from reporting date	38	7
After three years from reporting date	36	108
No expiry	1,213	1,366
Total	\$ 1,299	\$ 1,486

BROOKFIELD BUSINESS PARTNERS L.P.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

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The components of the income taxes in other comprehensive income for the years ended December 31, 2025, 2024 and 2023 are set out below:

(US\$ MILLIONS)	Year ended December 31,		
	2025	2024	2023
Fair value through other comprehensive income	\$ 18	\$ 36	\$ 37
Net investment hedges	(21)	30	(17)
Cash flow hedges	(17)	(10)	(26)
Equity accounted investments	—	1	—
Insurance finance reserve	(5)	(8)	(10)
Pension plan actuarial changes	8	7	10
Total tax expense (recovery) in other comprehensive income	\$ (17)	\$ 56	\$ (6)

The unrecognized taxable temporary difference attributable to the partnership's interest in its subsidiaries, branches, associates, and joint ventures is \$2,862 million (2024: \$2,523 million).

NOTE 19. EQUITY

The partnership's consolidated equity interests include LP Units held by the public and Brookfield Holders, GP Units held by Brookfield, Redemption-Exchange Units held by Brookfield Holders, Special LP Units held by Brookfield and BBUC exchangeable shares held by the public and Brookfield Holders, collectively, "Units" or "Unitholders" as described in Note 1, and \$740 million of preferred securities held by Brookfield. As at December 31, 2025, Brookfield Holders owned approximately 68% of the partnership on a fully exchanged basis, assuming the exchange of all of the Redemption-Exchange Units and BBUC exchangeable shares. The partnership's sole direct investment consists of 87,720,682 Managing General Partner Units of the Holding LP (2024: 74,281,771), through which the partnership holds all of its interests in its operating businesses.

For the year ended December 31, 2025, the partnership made distributions on the LP Units, GP Units, Redemption-Exchange Units and BBUC exchangeable shares of \$53 million, or \$0.25 per Unit (2024: \$54 million). For the year ended December 31, 2025, the partnership made distributions and capital repayments to others who have interests in operating subsidiaries of \$4,065 million (2024: \$741 million), primarily related to a distribution to owners from the partnership's advanced energy storage operation. During the fourth quarter of 2025, the special limited partner was entitled to an incentive distribution of \$95 million (2024: \$nil) as the volume-weighted average price per LP Unit exceeded the previous incentive distribution threshold of \$31.53 per LP Unit.

(a) GP and LP Units

LP Units entitle the holder to their proportionate share of distributions. GP Units entitle the holder the right to govern the financial and operating policies of Brookfield Business Partners L.P. The GP Units are not quantitatively material to the consolidated financial statements and therefore have not been separately presented on the consolidated statements of financial position.

BROOKFIELD BUSINESS PARTNERS L.P.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

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The following table provides a continuity of GP Units and LP Units outstanding for the years ended December 31, 2025 and 2024:

UNITS	GP Units		LP Units ⁽¹⁾		Total	
	2025	2024	2025	2024	2025	2024
Authorized and issued						
Opening balance	4	4	74,281,767	74,281,763	74,281,771	74,281,767
Repurchased and canceled	—	—	(4,667,060)	—	(4,667,060)	—
Conversion from BBUC exchangeable shares	—	—	190	4	190	4
Conversion from Redemption-Exchange Units ⁽²⁾	—	—	18,105,781	—	18,105,781	—
Issued as at December 31, 2025	4	4	87,720,678	74,281,767	87,720,682	74,281,771

⁽¹⁾ Included in the LP Units that Brookfield Holders beneficially own as of December 31, 2025 are 43,333,752 LP Units (December 31, 2024: 25,227,971 LP units) held by subsidiaries of Brookfield Wealth Solutions.

⁽²⁾ In February 2025, Brookfield Wealth Solutions converted 18,105,781 Redemption-Exchange Units held with a carrying value of approximately \$433 million into an equivalent amount of LP Units.

The weighted average number of LP Units outstanding for the year ended December 31, 2025 was 86.5 million (2024: 74.3 million).

During the year ended December 31, 2025, the partnership repurchased 4,667,060 LP Units under the partnership's normal course issuer bid ("NCIB") (2024: nil).

During the year ended December 31, 2025, Brookfield Corporation did not purchase any LP Units under the partnership's NCIB (December 31, 2024: 443,722).

Managing General Partner Units of the Holding LP are repurchased and canceled in connection with the repurchase and cancellation of LP Units. During the year ended December 31, 2025, 4,667,060 Managing General Partner Units (2024: nil) were repurchased and canceled in connection with repurchase and cancellation of 4,667,060 LP Units (2024: nil).

Net income (loss) attributable to limited partners was \$(26) million for the year ended December 31, 2025 (2024: net loss of \$37 million).

(b) Redemption-Exchange Units held by Brookfield Holders

UNITS	Redemption-Exchange Units held by Brookfield Holders	
	2025	2024
Authorized and issued		
Opening balance	69,705,497	69,705,497
Converted to LP Units ⁽¹⁾	(18,105,781)	—
Balance as at December 31, 2025	51,599,716	69,705,497

⁽¹⁾ In February 2025, Brookfield Wealth Solutions converted 18,105,781 Redemption-Exchange Units held with a carrying value of approximately \$433 million into an equivalent amount of LP Units.

The weighted average number of Redemption-Exchange Units outstanding for the year ended December 31, 2025 was 54.4 million (2024: 69.7 million).

As at December 31, 2025, the Holding LP had issued 51.6 million Redemption-Exchange Units to Brookfield. Both the LP Units and GP Units issued by Brookfield Business Partners L.P. and the Redemption-Exchange Units issued by the Holding LP have the same economic attributes in all respects, except as noted below.

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The Redemption-Exchange Units may, at the request of Brookfield thereof, be redeemed in whole or in part, for cash in an amount equal to the market value of one of the partnership's LP Units multiplied by the number of units to be redeemed (subject to certain customary adjustments). This right is subject to the partnership's right, at its sole discretion, to elect to acquire any unit presented for redemption in exchange for one of the partnership's LP Units (subject to certain customary adjustments). If the partnership elects not to exchange the Redemption-Exchange Units for LP Units, the Redemption-Exchange Units are required to be redeemed for cash. The Redemption-Exchange Units are presented as non-controlling interests since they relate to equity in a subsidiary that is not attributable, directly or indirectly, to Brookfield Business Partners L.P. Since this redemption right is subject to the partnership's right, at its sole discretion, to satisfy the redemption request with LP Units of Brookfield Business Partners L.P. on a one-for-one basis, the Redemption-Exchange Units are classified as equity instruments in accordance with IAS 32, *Financial Instruments: Presentation* ("IAS 32").

(c) BBUC exchangeable shares

SHARES	BBUC exchangeable shares ⁽¹⁾	
	2025	2024
Opening balance	72,954,446	72,954,450
Repurchased and canceled	(3,876,525)	—
Converted to LP Units	(190)	(4)
Balance as at December 31	69,077,731	72,954,446

- ⁽¹⁾ Included in the BBUC exchangeable shares that Brookfield Holders beneficially own as of December 31, 2025 is 10,317,747 BBUC exchangeable shares held by subsidiaries of Brookfield Wealth Solutions. Brookfield and Brookfield Wealth Solutions have agreed that all decisions to be made by subsidiaries of Brookfield Wealth Solutions with respect to the voting of the securities held by subsidiaries of Brookfield Wealth Solutions will be made jointly by mutual agreement of the applicable Brookfield Wealth Solutions subsidiary and Brookfield Corporation.

The weighted average number of BBUC exchangeable shares outstanding for the year ended December 31, 2025 was 70.7 million (2024: 73.0 million).

During the year ended December 31, 2025, 190 BBUC exchangeable shares were exchanged into LP Units (2024: 4).

An additional Managing General Partner Unit is issued to the partnership each time an LP Unit is issued, including when a BBUC exchangeable Share is exchanged by the holder thereof for an LP Unit. During the year ended December 31, 2025, 190 Managing General Partner Units (2024: 4) were issued to the partnership in connection with the exchange of 190 BBUC exchangeable shares into LP units (2024: 4).

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(d) Special limited partner units held by Brookfield

<u>UNITS</u>	Special limited partner units held by Brookfield	
	2025	2024
Authorized and issued		
Opening balance	4	4
Balance as at December 31	4	4

The weighted average number of special limited partner units outstanding for the year ended December 31, 2025 was 4 (2024: 4).

In its capacity as the holder of the Special LP Units of the Holding LP, the special limited partner is entitled to incentive distributions which are calculated quarterly as 20% of the increase in the market value of the LP Units on a fully exchanged basis (assuming the exchange of all of the Redemption-Exchange Units and BBUC exchangeable shares) over an initial threshold based on the volume-weighted average price of the LP Units, subject to a high-water mark. During the fourth quarter of 2025, the volume-weighted average price per LP Unit was \$33.81 and above the previous incentive distribution threshold of \$31.53 per LP Unit. This resulted in a total incentive distribution of \$95 million (2024: \$nil). The incentive distribution threshold as at December 31, 2025 was \$33.81 per LP Unit.

(e) Preferred securities held by Brookfield

<u>(\$US MILLIONS)</u>	Preferred securities held by Brookfield	
	2025	2024
Authorized and issued		
Opening balance	\$ 740	\$ 740
Balance as at December 31	\$ 740	\$ 740

Brookfield has subscribed for an aggregate of \$15 million of preferred shares of three subsidiaries of the partnership. The preferred shares are entitled to receive a cumulative preferential cash dividend equal to 5% of their redemption value per annum as and when declared by the Board of Directors of the applicable entity and are redeemable at the option of the applicable entity at any time after the twentieth anniversary of their issuance. The partnership is not obligated to redeem the preferred shares and accordingly, the preferred shares have been determined to be equity instruments of the applicable entities and are reflected as a component of non-controlling interests in the consolidated statements of financial position and changes in equity.

Brookfield entered into a commitment agreement with the partnership in 2022 to subscribe for up to \$1.5 billion of perpetual preferred equity securities of subsidiaries of the partnership. The preferred securities are redeemable at the option of Brookfield to the extent the partnership completes asset sales, financings or equity issuances. These perpetual preferred securities are presented as equity instruments in accordance with IAS 32, and accordingly the partnership has classified them as a component of non-controlling interests in the consolidated statements of financial position and changes in equity. As at December 31, 2025, the amount subscribed from subsidiaries of the partnership was \$725 million (2024: \$725 million) with an annual dividend of 7%. The remaining capacity available on the commitment agreement with Brookfield is \$25 million, expiring December 31, 2026.

BROOKFIELD BUSINESS PARTNERS L.P.

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NOTE 20. ACCUMULATED OTHER COMPREHENSIVE INCOME (LOSS)

Attributable to Limited Partners

The following tables present the changes in accumulated other comprehensive income (loss) reserves attributable to limited partners for the years ended December 31, 2025, 2024 and 2023:

(US\$ MILLIONS)	Foreign currency translation	FVOCI	Other ⁽¹⁾	Accumulated other comprehensive income (loss)
Balance as at January 1, 2025	\$ (337)	\$ 21	\$ 92	\$ (224)
Other comprehensive income (loss)	134	90	(35)	189
Balance as at December 31, 2025	<u>\$ (203)</u>	<u>\$ 111</u>	<u>\$ 57</u>	<u>\$ (35)</u>

⁽¹⁾ Represents net investment hedges, cash flow hedges and other reserves.

(US\$ MILLIONS)	Foreign currency translation	FVOCI	Other ⁽¹⁾	Accumulated other comprehensive income (loss)
Balance as at January 1, 2024	\$ (189)	\$ 5	\$ 54	\$ (130)
Other comprehensive income (loss)	(150)	16	38	(96)
Ownership changes	2	—	—	2
Balance as at December 31, 2024	<u>\$ (337)</u>	<u>\$ 21</u>	<u>\$ 92</u>	<u>\$ (224)</u>

⁽¹⁾ Represents net investment hedges, cash flow hedges and other reserves.

(US\$ MILLIONS)	Foreign currency translation	FVOCI	Other ⁽¹⁾	Accumulated other comprehensive income (loss)
Balance as at January 1, 2023	\$ (247)	\$ (8)	\$ 112	\$ (143)
Other comprehensive income (loss)	51	13	(48)	16
Ownership changes	7	—	(10)	(3)
Balance as at December 31, 2023	<u>\$ (189)</u>	<u>\$ 5</u>	<u>\$ 54</u>	<u>\$ (130)</u>

⁽¹⁾ Represents net investment hedges, cash flow hedges and other reserves.

NOTE 21. DIRECT OPERATING COSTS

The partnership has no key employees or directors and does not remunerate key management personnel. Key decision makers of the partnership are all employees of Brookfield or its subsidiaries, which provide management services under the Master Services Agreement with Brookfield. Refer to Note 25.

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Direct operating costs are costs incurred to earn revenues and include all attributable expenses. The following table presents direct operating costs by nature for the years ended December 31, 2025, 2024 and 2023:

(US\$ MILLIONS)	Year ended December 31,		
	2025	2024	2023
Inventory costs	\$ 9,257	\$ 20,640	\$ 33,450
Subcontractor and consultant costs	3,248	3,562	3,059
Concession construction materials and labor costs	204	163	299
Depreciation and amortization expense	3,030	3,204	3,592
Compensation	3,299	3,854	5,827
Other direct costs	3,113	3,460	3,794
Total	\$ 22,151	\$ 34,883	\$ 50,021

Other direct costs include freight, cost of construction expensed and expected credit loss provisions on financial assets.

During the year ended December 31, 2025, the partnership recorded a reduction in inventory costs of \$1,071 million (2024: \$1,341 million) related to tax benefits recognized. Refer to Note 2(ad)(i) for additional details.

The decrease in inventory costs for the year ended December 31, 2025 compared to the years ended December 31, 2024 and 2023 is primarily due to the disposition of the partnership's road fuels operation in the third quarter of 2024.

Total lease expenses relating to short-term and low-value leases included in other direct costs for the year ended December 31, 2025 were \$29 million (2024: \$33 million, 2023: \$37 million) and \$8 million (2024: \$10 million, 2023: \$18 million), respectively.

NOTE 22. GUARANTEES AND CONTINGENCIES

In the normal course of operations, the partnership's operating subsidiaries have bank guarantees, insurance bonds, and letters of credit outstanding to third parties. As at December 31, 2025, the total outstanding amount was approximately \$2.1 billion (2024: approximately \$2.0 billion). The partnership does not conduct its operations, other than those of equity accounted investments, through entities that are not consolidated in these consolidated financial statements, and has not guaranteed or otherwise contractually committed to support any material financial obligations not reflected in these consolidated financial statements.

The partnership is contingently liable with respect to litigation and claims that arise in the normal course of operations. It is not expected that any of the ongoing litigation and claims as at December 31, 2025 could result in a material settlement liability to the partnership.

NOTE 23. CONTRACTUAL COMMITMENTS

(a) Commitments

Within the partnership's infrastructure services segment, the partnership had \$424 million in contractual commitments for capital expenditures over the next year in the form of shipbuilding contracts at the partnership's offshore oil services as at December 31, 2025. The capital expenditures relate to a customer contract and will be funded by proceeds to be contractually received from the customer.

BROOKFIELD BUSINESS PARTNERS L.P.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

As at December 31, 2025 and 2024 and for the years ended December 31, 2025, 2024 and 2023

(b) Lease liabilities

The following table summarizes the partnership's undiscounted maturity schedule for lease obligations as at December 31, 2025 and 2024:

(US\$ MILLIONS)	2025	2024
Lease obligations		
Less than 1 year	\$ 241	\$ 223
1 to 5 years	465	547
5+ years	251	502
Total	\$ 957	\$ 1,272

NOTE 24. REVENUES

(a) Revenues by type

The tables below summarize the partnership's segment revenues by type of revenue for the years ended December 31, 2025, 2024 and 2023:

(US\$ MILLIONS)	Year ended December 31, 2025			
	Business services	Infrastructure services	Industrials	Total
Revenues by type				
Revenues from contracts with customers	\$ 7,664	\$ 2,058	\$ 14,928	\$ 24,650
Other revenues	1,704	1,095	8	2,807
Total revenues	\$ 9,368	\$ 3,153	\$ 14,936	\$ 27,457

(US\$ MILLIONS)	Year ended December 31, 2024			
	Business services	Infrastructure services	Industrials	Total
Revenues by type				
Revenues from contracts with customers	\$ 20,621	\$ 2,342	\$ 14,418	\$ 37,381
Other revenues	1,828	1,397	14	3,239
Total revenues	\$ 22,449	\$ 3,739	\$ 14,432	\$ 40,620

(US\$ MILLIONS)	Year ended December 31, 2023			
	Business services	Infrastructure services	Industrials	Total
Revenues by type				
Revenues from contracts with customers	\$ 30,873	\$ 6,046	\$ 15,180	\$ 52,099
Other revenues	1,537	1,411	21	2,969
Total revenues	\$ 32,410	\$ 7,457	\$ 15,201	\$ 55,068

The change in revenues in the partnership's business services segment for the year ended December 31, 2025 compared to the years ended December 31, 2024 and 2023 is primarily due to the disposition of the partnership's road fuels operation in the third quarter of 2024 and the deconsolidation of the partnership's healthcare services operation in the second quarter of 2025.

BROOKFIELD BUSINESS PARTNERS L.P.

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As at December 31, 2025 and 2024 and for the years ended December 31, 2025, 2024 and 2023

(b) Timing of recognition of revenues from contracts with customers

The tables below summarize the partnership's segment revenues by timing of revenue recognition for total revenues from contracts with customers for the years ended December 31, 2025, 2024 and 2023:

(US\$ MILLIONS)	Year ended December 31, 2025			
	Business services	Infrastructure services	Industrials	Total
Timing of revenue recognition				
Goods and services provided at a point in time	\$ 1,415	\$ 738	\$ 14,477	\$ 16,630
Services transferred over a period of time	6,249	1,320	451	8,020
Total revenues from contracts with customers	\$ 7,664	\$ 2,058	\$ 14,928	\$ 24,650

(US\$ MILLIONS)	Year ended December 31, 2024			
	Business services	Infrastructure services	Industrials	Total
Timing of revenue recognition				
Goods and services provided at a point in time	\$ 14,775	\$ 814	\$ 14,185	\$ 29,774
Services transferred over a period of time	5,846	1,528	233	7,607
Total revenues from contracts with customers	\$ 20,621	\$ 2,342	\$ 14,418	\$ 37,381

(US\$ MILLIONS)	Year ended December 31, 2023			
	Business services	Infrastructure services	Industrials	Total
Timing of revenue recognition				
Goods and services provided at a point in time	\$ 25,075	\$ 2,070	\$ 14,874	\$ 42,019
Services transferred over a period of time	5,798	3,976	306	10,080
Total revenues from contracts with customers	\$ 30,873	\$ 6,046	\$ 15,180	\$ 52,099

(c) Revenues by geography

The table below summarizes the partnership's total revenues by geography for the years ended December 31, 2025, 2024 and 2023:

(US\$ MILLIONS)	2025	2024	2023
United States	\$ 8,797	\$ 8,202	\$ 11,676
Europe	4,846	6,361	8,017
Australia	4,130	5,683	4,962
Brazil	2,605	2,698	2,838
United Kingdom	2,149	11,583	19,524
Canada	1,754	2,301	3,954
Mexico	1,278	1,305	1,202
Other	1,898	2,487	2,895
Total revenues	\$ 27,457	\$ 40,620	\$ 55,068

BROOKFIELD BUSINESS PARTNERS L.P.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

As at December 31, 2025 and 2024 and for the years ended December 31, 2025, 2024 and 2023

The tables below summarize the partnership's segment revenues by geography for the years ended December 31, 2025, 2024 and 2023:

(US\$ MILLIONS)	Year ended December 31, 2025			
	Business services	Infrastructure services	Industrials	Total
United States	\$ 1,598	\$ 762	\$ 6,426	\$ 8,786
Europe	—	552	3,550	4,102
Australia	3,355	210	116	3,681
Brazil	1,012	21	1,262	2,295
United Kingdom	1,320	341	294	1,955
Mexico	—	—	1,278	1,278
Canada	357	47	515	919
Other	22	125	1,487	1,634
Total revenues from contracts with customers	\$ 7,664	\$ 2,058	\$ 14,928	\$ 24,650
Other revenues	\$ 1,704	\$ 1,095	\$ 8	\$ 2,807
Total revenues	\$ 9,368	\$ 3,153	\$ 14,936	\$ 27,457

(US\$ MILLIONS)	Year ended December 31, 2024			
	Business services	Infrastructure services	Industrials	Total
United States	\$ 1,527	\$ 803	\$ 5,873	\$ 8,203
Europe	1,112	781	3,569	5,462
Australia	4,803	172	128	5,103
Brazil	956	82	1,281	2,319
United Kingdom	10,756	303	315	11,374
Mexico	1	—	1,305	1,306
Canada	816	100	458	1,374
Other	650	101	1,489	2,240
Total revenues from contracts with customers	\$ 20,621	\$ 2,342	\$ 14,418	\$ 37,381
Other revenues	\$ 1,828	\$ 1,397	\$ 14	\$ 3,239
Total revenues	\$ 22,449	\$ 3,739	\$ 14,432	\$ 40,620

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(US\$ MILLIONS)	Year ended December 31, 2023			
	Business services	Infrastructure services	Industrials	Total
United States	\$ 2,148	\$ 3,180	\$ 6,334	\$ 11,662
Europe	2,073	1,558	3,482	7,113
Australia	4,100	224	134	4,458
Brazil	863	96	1,555	2,514
United Kingdom	18,391	577	342	19,310
Mexico	—	—	1,202	1,202
Canada	2,347	166	606	3,119
Other	951	245	1,525	2,721
Total revenues from contracts with customers	\$ 30,873	\$ 6,046	\$ 15,180	\$ 52,099
Other revenues	\$ 1,537	\$ 1,411	\$ 21	\$ 2,969
Total revenues	\$ 32,410	\$ 7,457	\$ 15,201	\$ 55,068

(d) Lease income

Total lease income from operating leases totaled \$1,400 million for the year ended December 31, 2025 (2024: \$1,694 million). The following table presents the undiscounted contractual earnings receivable of the partnership's leases by expected period of receipt as at December 31, 2025 and 2024:

(US\$ MILLIONS)	2025	2024
Lease earnings receivable		
Less than 1 year	\$ 918	\$ 964
2 to 5 years	1,013	954
5+ years	771	195
Total	\$ 2,702	\$ 2,113

(e) Remaining performance obligations

Business services

In the partnership's construction operation, backlog is defined as revenue yet to be delivered (i.e. remaining performance obligations) on construction projects that have been secured via an executed contract or work order. As at December 31, 2025, the partnership's backlog of construction projects was approximately \$5.5 billion (2024: \$5.7 billion). The partnership expects to recognize most of this amount within the next 2 years and the remainder in the next 5 years.

The partnership's dealer software and technology services operation had remaining performance obligations related to its long-term software and maintenance and support contracts of approximately \$3.3 billion (2024: \$3.0 billion). The partnership expects to recognize most of this amount within the next 2 years and the remainder in the next 5 years. The remaining performance obligations exclude future transaction revenue where revenue is recognized as the services are rendered and in the amount to which the partnership has the right to invoice.

Industrials

The partnership's Brazilian water and wastewater operation business is party to certain remaining performance obligations which have a duration of more than one year. As at December 31, 2025, the remaining performance obligations were approximately \$8.9 billion (2024: \$8.3 billion), with the most significant relating to the service concession arrangements with various municipalities which have an average remaining term of 23 years.

BROOKFIELD BUSINESS PARTNERS L.P.**NOTES TO CONSOLIDATED FINANCIAL STATEMENTS****As at December 31, 2025 and 2024 and for the years ended December 31, 2025, 2024 and 2023****NOTE 25. RELATED PARTY TRANSACTIONS**

In the normal course of operations, the partnership entered into the transactions below with related parties. These transactions have been measured at fair value and are recognized in the consolidated financial statements. The ultimate parent of the partnership is Brookfield Corporation. Other related parties of the partnership include Brookfield Corporation's subsidiaries, affiliates, and operating entities.

(a) Transactions with Brookfield

As at December 31, 2025, the partnership had \$1 billion available on its revolving acquisition credit facility with Brookfield and \$nil was drawn (2024: \$nil). Refer to Note 17 for further details.

From time to time, each of Brookfield and the partnership may place funds on deposit with the other, on terms approved by the independent directors of the partnership's General Partner, pursuant to deposit agreements entered into between Brookfield and the partnership (the "Deposit Agreements"). Interest earned or incurred on such deposits is at market terms. As at December 31, 2025, the net deposit from Brookfield was \$nil (2024: \$nil) and the partnership incurred interest income (expense) of \$nil for the year ended December 31, 2025 (2024: \$nil, 2023: \$nil) on these deposits.

Pursuant to the Master Services Agreement ("Master Services Agreement"), the partnership and other service recipients (the "Service Recipients" as defined in the Master Services Agreement) pay a base management fee, referred to as the Base Management Fee, to certain service providers (the "Service Providers" as defined in the Master Services Agreement) which are wholly-owned subsidiaries of Brookfield Asset Management, equal to 0.3125% per quarter (1.25% annually) of the total capitalization of the partnership, which is reflected within general and administrative expenses. For purposes of calculating the Base Management Fee, the total capitalization of the partnership is equal to the quarterly volume-weighted average trading price of an LP Unit on the principal stock exchange for the LP Units (based on trading volumes) multiplied by the number of LP Units outstanding at the end of the quarter (assuming full conversion of the Redemption-Exchange Units into LP Units of Brookfield Business Partners L.P.), plus the value of securities of the other Service Recipients (including the BBUC exchangeable shares) that are not held by the partnership, plus all outstanding debt with recourse to a Service Recipient, less all cash held by such entities. The Base Management Fee for the year ended December 31, 2025 was \$97 million (2024: \$92 million, 2023: \$87 million).

In its capacity as the holder of the Special LP Units, Brookfield is entitled to incentive distribution rights. The total incentive distribution for the year ended December 31, 2025 was \$95 million (2024: \$nil, 2023: \$nil). Refer to Note 19 for further details.

An integral part of the partnership's strategy is to participate alongside institutional investors in Brookfield-sponsored private equity funds that target acquisitions that suit the partnership's investment mandate. In the normal course of business, the partnership and institutional investors have made commitments to Brookfield-sponsored private equity funds, and in connection therewith, the partnership, together with institutional investors, has access to short-term financing using the private equity funds' credit facilities to facilitate investments that Brookfield has determined to be in the partnership's best interests.

BROOKFIELD BUSINESS PARTNERS L.P.

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In addition, at the time of spin-off of the partnership from Brookfield in 2016, the partnership entered into indemnity agreements with Brookfield that relate to certain contracts that were in place prior to the spin-off. Under these indemnity agreements, Brookfield has agreed to indemnify the partnership for payments relating to such contracts.

(i) Sale of interests into new evergreen private equity fund

On July 4, 2025, the partnership completed the sale of a partial interest in three businesses to a new evergreen private equity fund, managed by Brookfield Asset Management. The transferred interests included 12% of the partnership's engineered components manufacturing operation, 7% of the partnership's dealer software and technology services operation, and 5% of the partnership's work access services operation. In exchange, the partnership received units of the new evergreen private equity fund with an initial redemption value of \$688 million, representing an 8.6% discount to the net asset value of the interests sold. In the 18-month period following the initial closing of the evergreen private equity fund, the units are redeemable for cash at an 8.6% discount to their net asset value at the time of redemption. Any remaining units still outstanding after this 18-month period will be redeemable at their net asset value.

The partnership recorded a loss of \$14 million in the consolidated statements of operating results, included in other income (expense), relating to the partial sale of an interest in its equity-accounted work access services operation, which continues to be equity-accounted by the partnership following the transaction. Furthermore, the partnership recorded a gain of \$280 million in the consolidated statements of changes in equity, included in ownership changes and other, relating to its engineered components manufacturing operation and dealer software and technology services operation, which continue to be consolidated subsidiaries of the partnership.

The units of the new evergreen private equity fund received represent an investment in an equity instrument of the fund and are accounted for as a financial asset measured at FVOCI. For the year ended December 31, 2025, the new evergreen private equity fund partially redeemed 13% of the units held by the partnership for proceeds of \$87 million. The fair value of the units remaining as at December 31, 2025 was \$584 million.

(b) Other

In the normal course of operations, the partnership's residential mortgage insurer provides insurance policies to borrowers of the partnership's Canadian residential and multi-family mortgage lender at market rates. The partnership's residential mortgage insurer has provided the partnership's Canadian residential and multi-family mortgage lender with bulk insurance at market premiums. For the year ended December 31, 2025, the total bulk insurance premiums received by the partnership's residential mortgage insurer were not material.

The following table summarizes revenues the partnership has earned from transactions with related parties for the years ended December 31, 2025, 2024 and 2023:

(US\$ MILLIONS)	Related Parties	Year ended December 31,		
		2025	2024	2023
Revenues				
	Brookfield Corporation ⁽¹⁾	\$ 170	\$ 236	\$ 116
	Equity accounted investments of operating subsidiaries ⁽²⁾	816	786	756
	Associates of operating subsidiaries ⁽³⁾	285	235	219
	Other	53	63	51
		\$ 1,324	\$ 1,320	\$ 1,142

⁽¹⁾ Includes revenues earned by the partnership's construction services from an affiliate of Brookfield Corporation.

⁽²⁾ Includes revenues earned by the partnership's advanced energy storage operation from an associate.

⁽³⁾ The partnership corrected its comparative period disclosure for 2024 and 2023 to include revenue earned by the partnership's Australian asset manager and lender from an associate.

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The following table summarizes balances with related parties as at December 31, 2025 and 2024:

(US\$ MILLIONS)	Related Parties	2025	2024
Financial assets			
	Brookfield Corporation ⁽¹⁾	\$ 584	\$ —
	Associates of operating subsidiaries	63	—
		\$ 647	\$ —
Accounts and other receivable, net			
	Brookfield Corporation	\$ 445	\$ 447
	Equity accounted investments of operating subsidiaries	89	64
	Associates of operating subsidiaries ⁽²⁾	63	32
	Other	58	10
		\$ 655	\$ 553
Accounts payable and other			
	Brookfield Corporation ⁽³⁾	\$ 330	\$ 398
	Other	—	31
		\$ 330	\$ 429
Non-recourse borrowings in subsidiaries of the partnership			
	Brookfield Wealth Solutions	\$ 84	\$ 143
	Associates of operating subsidiaries ⁽²⁾	348	280
		\$ 432	\$ 423
Interest of others in operating subsidiaries			
	Brookfield Wealth Solutions	\$ 4	\$ 4

⁽¹⁾ Includes the fair value of units in a new evergreen private equity fund managed by Brookfield Asset Management.

⁽²⁾ The partnership corrected its comparative period disclosure for 2024 to include balances between the partnership's Australian asset manager and lender and an associate.

⁽³⁾ Includes \$170 million related to a tax receivable agreement due to an affiliate of Brookfield Corporation by the partnership's advanced energy storage operation (2024: \$268 million).

NOTE 26. DERIVATIVE FINANCIAL INSTRUMENTS

The partnership's activities expose it to a variety of financial risks, including market risk (currency risk, interest rate risk, commodity risk and other price risks), credit risk and liquidity risk. The partnership selectively uses derivative financial instruments principally to manage these risks.

BROOKFIELD BUSINESS PARTNERS L.P.

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The following tables summarize the aggregate notional amounts of the partnership's derivative positions as at December 31, 2025 and 2024:

(US\$ MILLIONS, except as noted)	2025	2024
Interest rate derivatives	\$ 14,808	\$ 13,611
Foreign exchange contracts	4,603	4,868
Currency option contracts	2,933	—
Cross currency swaps	725	668
Total	\$ 23,069	\$ 19,147
Total current	\$ 10,094	\$ 7,358
Total non-current	\$ 12,975	\$ 11,789

Commodity instruments	2025	2024
Natural gas (MMBtu - millions)	148.83	69.08
Lead (metric tons)	38,175	74,193
Tin (metric tons)	1,561	1,908
Polypropylene (metric tons)	41,440	22,214

Foreign exchange contracts

The following table presents the notional amounts and average exchange rates for foreign exchange contracts held by the partnership as at December 31, 2025 and 2024. The notional amounts as at December 31, 2025 and 2024 include both buy and sell contracts.

(US\$ MILLIONS, except as noted)	Notional amount		Average exchange rate	
	2025	2024	2025	2024
Foreign exchange contracts				
Canadian dollars	\$ 2,670	\$ 2,633	1.36	1.39
Australian dollars	1,138	760	1.52	1.51
Euros	234	324	0.87	0.98
Indian rupees	190	383	90.08	86.98
Brazilian reais	27	478	5.64	5.64
British pounds	24	12	1.01	0.80
Other	320	278		
	\$ 4,603	\$ 4,868		

BROOKFIELD BUSINESS PARTNERS L.P.

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Other Information Regarding Derivative Financial Instruments

The following table presents the notional amounts underlying the partnership's derivative instruments by term to maturity as at December 31, 2025 and the comparative notional amounts as at December 31, 2024, for both derivatives that are classified as FVTPL and derivatives that qualify for hedge accounting:

(US\$ MILLIONS)	2025			2024	
	< 1 Year	1-5 Years	5+ Years	Total notional amount	Total notional amount
Fair value through profit or loss					
Foreign exchange contracts	\$ 2,234	\$ 122	\$ 33	\$ 2,389	\$ 2,147
Cross currency swaps	24	23	108	155	176
Interest rate derivatives	—	—	—	—	3,129
Designated for hedge accounting					
Foreign exchange contracts	991	1,223	—	2,214	2,721
Cross currency swaps	99	471	—	570	492
Interest rate derivatives	3,954	9,327	1,527	14,808	10,482
Option contracts	2,792	141	—	2,933	—
	<u>\$ 10,094</u>	<u>\$ 11,307</u>	<u>\$ 1,668</u>	<u>\$ 23,069</u>	<u>\$ 19,147</u>

NOTE 27. FINANCIAL RISK MANAGEMENT

Capital Management

The capital structure of the partnership consists of corporate borrowings and non-recourse borrowings in subsidiaries of the partnership, offset by cash and cash equivalents and equity.

(US\$ MILLIONS, except as noted)	2025	2024
Corporate borrowings	\$ 1,325	\$ 2,142
Non-recourse borrowings in subsidiaries of the partnership	42,424	36,720
Cash and cash equivalents	(3,546)	(3,239)
Net debt	40,203	35,623
Total equity	15,311	17,308
Total capital	<u>\$ 55,514</u>	<u>\$ 52,931</u>
Net debt-to-capital ratio	72 %	67 %

The partnership manages its debt exposure by financing its operations with non-recourse borrowings in subsidiaries of the partnership, ensuring a diversity of funding sources as well as managing its maturity profile. The partnership also borrows in the currencies where its subsidiaries operate, where possible, in order to mitigate currency risk.

The partnership's financing plan is to fund its recurring growth capital expenditures with cash flows generated by operations after maintenance capital expenditures, as well as debt financing that is sized to maintain its credit profile. To fund large-scale development projects and acquisitions, the partnership evaluates a variety of capital sources including proceeds from selling non-core and mature assets, equity and debt financing. The partnership seeks to raise additional equity if the partnership believes it can earn returns on these investments in excess of the cost of the incremental capital.

As disclosed within Note 17, the partnership has various credit facilities in place. In certain cases, the facilities may have financial covenants which are generally in the form of interest coverage ratios and leverage ratios. The partnership does not have any market capitalization covenants attached to any of its borrowings and the partnership is in compliance with its material covenant requirements.

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Risk Management

The partnership recognizes that risk management is an integral part of good management practice.

As a result of holding financial instruments, the partnership is exposed to the following risks: liquidity risk, market risk (i.e. interest rate risk, foreign currency risk, commodity price risk and other price risk), credit risk and insurance risk. The following is a description of these risks and how they are managed:

(a) Liquidity risk

The partnership maintains sufficient financial liquidity to be able to meet ongoing operating requirements and to be able to fund acquisitions. Principal liquidity needs for the next year include funding recurring expenses, meeting scheduled debt repayments and payment of debt service obligations, funding required capital expenditures and funding acquisitions as they arise. The operating subsidiaries of the partnership also generate liquidity by accessing capital markets on an opportunistic basis.

The following tables detail the contractual maturities for the partnership's financial liabilities as at December 31, 2025 and 2024. The tables reflect the undiscounted future cash flows of financial liabilities based on the earliest date on which the partnership can be required to repay. The tables include both interest and principal cash flows:

(US\$ MILLIONS)	2025				Total contractual cash flows
	< 1 Year	1-2 Years	2-5 Years	5+ Years	
Non-derivative financial liabilities					
Accounts payable and other ⁽¹⁾	\$ 5,825	\$ 409	\$ 432	\$ 658	\$ 7,324
Interest-bearing liabilities	4,261	7,065	28,913	19,595	59,834
Lease liabilities	241	200	265	251	957

⁽¹⁾ Excludes decommissioning liabilities, other provisions, post-employment benefits, liability for remaining coverage, deferred revenue, liabilities associated with assets held for sale, work in progress liabilities and related party loans and notes payable of \$5,680 million.

(US\$ MILLIONS)	2024				Total contractual cash flows
	< 1 Year	1-2 Years	2-5 Years	5+ Years	
Non-derivative financial liabilities					
Accounts payable and other ⁽¹⁾	\$ 5,977	\$ 408	\$ 501	\$ 1,751	\$ 8,637
Interest-bearing liabilities	4,262	6,287	29,907	12,632	53,088
Lease liabilities	223	215	332	502	1,272

⁽¹⁾ Excludes decommissioning liabilities, other provisions, post-employment benefits, liability for remaining coverage, deferred revenue, liabilities associated with assets held for sale, work in progress liabilities and related party loans and notes payable of \$7,835 million.

(b) Market risk

Market risk is defined for these purposes as the risk that the fair value or future cash flows of a financial instrument held by the partnership will fluctuate because of changes in market factors. Market risk includes the risk of changes in interest rates, foreign currency exchange rates, equity prices and commodity prices.

Financial instruments held by the partnership that are subject to market risk include loans and notes receivable, other financial assets, borrowings, derivative contracts, such as interest rate and foreign currency contracts, and marketable securities.

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Interest rate risk

The observable impacts on the fair values and future cash flows of financial instruments that can be directly attributable to interest rate risk include changes in net income from financial instruments whose cash flows are determined with reference to floating interest rates and changes in the fair values of financial instruments whose cash flows are fixed in nature. The partnership monitors interest rate fluctuations and may enter into interest rate derivative contracts to mitigate the impact from interest rate movements.

As at December 31, 2025 and 2024, a 50 basis point increase or decrease in interest rates would have the following impact on the partnership's profit measures on a pre-tax basis, assuming all other variables were held constant:

(US\$ MILLIONS)	Net income (loss)		Other comprehensive income (loss)	
	50 bps decrease	50 bps increase	50 bps decrease	50 bps increase
December 31, 2025	\$ 47	\$ (47)	\$ (2)	\$ 2
December 31, 2024	\$ 35	\$ (35)	\$ (30)	\$ 30

Foreign currency risk

Changes in currency rates will impact the carrying value of financial instruments and the partnership's net investment and cash flows denominated in currencies other than the U.S. dollar. The partnership enters into foreign exchange contracts designated as net investment hedges to mitigate the impact from movements in foreign exchange rates against the U.S. dollar.

The following tables summarize the partnership's currency exposure as at December 31, 2025 and 2024:

(US\$ MILLIONS)	2025								
	USD	AUD	GBP	CAD	EUR	BRL	INR	Other	Total
Assets									
Current assets	\$ 7,119	\$ 969	\$ 542	\$ 1,411	\$ 1,718	\$ 1,828	\$ 401	\$ 1,055	\$ 15,043
Non-current assets	28,001	7,271	2,195	5,079	8,978	6,292	776	2,126	60,718
	<u>\$ 35,120</u>	<u>\$ 8,240</u>	<u>\$ 2,737</u>	<u>\$ 6,490</u>	<u>\$ 10,696</u>	<u>\$ 8,120</u>	<u>\$ 1,177</u>	<u>\$ 3,181</u>	<u>\$ 75,761</u>
Liabilities									
Current liabilities	\$ 3,216	\$ 1,072	\$ 575	\$ 701	\$ 1,386	\$ 1,200	\$ 382	\$ 450	\$ 8,982
Non-current liabilities	30,440	5,587	714	2,966	6,007	5,363	252	139	51,468
	<u>\$ 33,656</u>	<u>\$ 6,659</u>	<u>\$ 1,289</u>	<u>\$ 3,667</u>	<u>\$ 7,393</u>	<u>\$ 6,563</u>	<u>\$ 634</u>	<u>\$ 589</u>	<u>\$ 60,450</u>
Interest of others in operating subsidiaries	343	768	884	1,366	2,379	1,102	393	1,885	9,120
Preferred securities	740	—	—	—	—	—	—	—	740
Unitholder equity	<u>\$ 381</u>	<u>\$ 813</u>	<u>\$ 564</u>	<u>\$ 1,457</u>	<u>\$ 924</u>	<u>\$ 455</u>	<u>\$ 150</u>	<u>\$ 707</u>	<u>\$ 5,451</u>

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(US\$ MILLIONS)	2024								
	USD	AUD	GBP	CAD	EUR	BRL	INR	Other	Total
Assets									
Current assets	\$ 7,505	\$ 1,111	\$ 637	\$ 1,199	\$ 1,620	\$ 1,575	\$ 740	\$ 952	\$ 15,339
Non-current assets	27,132	9,426	2,197	4,750	8,019	5,681	902	2,028	60,135
	<u>\$ 34,637</u>	<u>\$ 10,537</u>	<u>\$ 2,834</u>	<u>\$ 5,949</u>	<u>\$ 9,639</u>	<u>\$ 7,256</u>	<u>\$ 1,642</u>	<u>\$ 2,980</u>	<u>\$ 75,474</u>
Liabilities									
Current liabilities	\$ 5,716	\$ 1,839	\$ 507	\$ 715	\$ 1,288	\$ 909	\$ 752	\$ 440	\$ 12,166
Non-current liabilities	23,152	7,634	738	4,061	5,357	4,583	354	121	46,000
	<u>\$ 28,868</u>	<u>\$ 9,473</u>	<u>\$ 1,245</u>	<u>\$ 4,776</u>	<u>\$ 6,645</u>	<u>\$ 5,492</u>	<u>\$ 1,106</u>	<u>\$ 561</u>	<u>\$ 58,166</u>
Interest of others in operating subsidiaries									
	3,834	588	1,136	530	2,030	1,249	342	1,742	11,451
Preferred securities	740	—	—	—	—	—	—	—	740
Unitholder equity	<u>\$ 1,195</u>	<u>\$ 476</u>	<u>\$ 453</u>	<u>\$ 643</u>	<u>\$ 964</u>	<u>\$ 515</u>	<u>\$ 194</u>	<u>\$ 677</u>	<u>\$ 5,117</u>

The impact of currency risk on net income associated with foreign currency denominated financial instruments is limited as the partnership's financial assets and liabilities are generally denominated in the functional currency of the subsidiary that holds the financial instrument. However, the partnership is exposed to foreign currency risk on the net assets of its foreign currency denominated operations. The following tables summarize the partnership's exposures to foreign currencies and the sensitivity of net income and other comprehensive income, on a pre-tax basis, to a 10% change in the exchange rates relative to the U.S. dollar for the years ended December 31, 2025, 2024 and 2023:

December 31, 2025

(US\$ MILLIONS)	OCI attributable to Unitholders, before taxes			
	Pre-tax net income			
	10% decrease	10% increase	10% decrease	10% increase
Australian dollar	\$ (4)	\$ 4	\$ (41)	\$ 41
Canadian dollar	(3)	3	(86)	86
Brazilian real	(40)	40	(59)	59
Euro	92	(92)	(89)	89
Other	(64)	64	(136)	136

December 31, 2024

(US\$ MILLIONS)	OCI attributable to Unitholders, before taxes			
	Pre-tax net income			
	10% decrease	10% increase	10% decrease	10% increase
Australian dollar	\$ 14	\$ (14)	\$ (33)	\$ 33
Canadian dollar	(9)	9	(5)	5
Brazilian real	(6)	6	(37)	37
Euro	72	(72)	(89)	89
Other	(187)	187	(122)	122

BROOKFIELD BUSINESS PARTNERS L.P.
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(US\$ MILLIONS)	December 31, 2023			
	Pre-tax net income		OCI attributable to Unitholders, before taxes	
	10% decrease	10% increase	10% decrease	10% increase
Australian dollar	\$ —	\$ —	\$ (84)	\$ 84
Canadian dollar	(10)	10	(115)	115
Brazilian real	1	(1)	(23)	23
Euro	19	(19)	(109)	109
Other	(59)	59	(111)	111

Commodity price risk

As certain of the partnership's operating subsidiaries are exposed to commodity price risk, the fair value of financial instruments will fluctuate as a result of changes in commodity prices. A 10 basis point increase or decrease in commodity prices, as it relates to financial instruments, is not expected to have a material impact on the partnership's net income and other comprehensive income.

Other price risk

As at December 31, 2025, the partnership is exposed to other price risk arising from marketable securities and other financial assets, with a balance of \$5,721 million (2024: \$5,492 million). A 10% change in the fair value of these assets would impact the consolidated statements of comprehensive income by \$572 million (2024: \$549 million).

(c) Credit risk

Credit risk is the risk of loss due to the failure of a borrower or counterparty to fulfill its contractual obligations.

The partnership assesses the creditworthiness of each counterparty before entering into contracts and ensures that counterparties meet minimum credit quality requirements. The partnership also evaluates and monitors counterparty credit risk for derivative financial instruments and endeavors to minimize counterparty credit risk through diversification, collateral arrangements and other credit risk mitigation techniques. All of the partnership's derivative financial instruments involve either counterparties that are banks or other financial institutions. The partnership does not have any significant credit risk exposure to any single counterparty.

Credit quality of the bonds and debentures held by the partnership is assessed based on ratings supplied by rating agencies. As at December 31, 2025, the partnership held \$3,876 million of bonds and debentures (2024: \$3,667 million), of which \$1,333 million were rated AAA (2024: \$1,337 million) and \$1,680 million were rated AA or A (2024: \$1,498 million) and \$863 million were rated BBB or BB (2024: \$832 million).

The partnership recognizes ECL allowance on financial assets including loans receivable and debt securities measured at amortized cost, debt securities measured at FVOCI, undrawn loan commitments, trade receivables and contract assets.

The partnership held a significant debt securities portfolio through its residential mortgage insurer in Canada which is measured at amortized cost and FVOCI. The gross carrying amount of the debt securities measured at amortized cost and FVOCI at December 31, 2025 were \$125 million and \$3,845 million, respectively (2024: \$106 million and \$3,637 million, respectively). The ECL allowance as at December 31, 2025 was \$12 million (2024: \$9 million).

The partnership held a significant loans receivable portfolio through its Indian non-bank financial services operation and its Australian residential mortgage lender, which are measured at amortized cost. There are comprehensive credit policies and credit approval processes in place for these portfolios. The appraisal process includes detailed risk assessments of the borrowers and there is a monitoring process in place to identify credit portfolio trends and early warning signals, enabling the implementation of necessary actions to mitigate credit losses. The partnership organizes its loans receivable and ECL allowance into three stages based on varying degrees of credit risk as described in Note 2.

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The following table shows changes in the gross carrying amount of the partnership's significant loans receivable portfolio for the years ended December 31, 2025 and 2024:

(US\$ MILLIONS)	Stage 1	Stage 2	Stage 3	Total
Gross carrying amount				
Balance at January 1, 2024	\$ 6,233	\$ 563	\$ 153	\$ 6,949
New assets originated or purchased	2,441	168	19	2,628
Assets derecognized (excluding write-offs)	(2,137)	(216)	(94)	(2,447)
Transfers to stage 1	83	(76)	(7)	—
Transfers to stage 2	(577)	599	(22)	—
Transfers to stage 3	(57)	(91)	148	—
Amounts written-off (net of recovery)	(1)	(1)	(8)	(10)
Other	(266)	(38)	(13)	(317)
Foreign currency translation	(446)	(68)	(12)	(526)
Balance at December 31, 2024	\$ 5,273	\$ 840	\$ 164	\$ 6,277
New assets originated or purchased	2,158	106	9	2,273
Assets derecognized (excluding write-offs)	(2,217)	(339)	(89)	(2,645)
Transfers to stage 1	98	(92)	(6)	—
Transfers to stage 2	(338)	360	(22)	—
Transfers to stage 3	(39)	(91)	130	—
Amounts written-off (net of recovery)	(3)	(7)	(31)	(41)
Other	(69)	(31)	(33)	(133)
Foreign currency translation	283	54	7	344
Balance at December 31, 2025	\$ 5,146	\$ 800	\$ 129	\$ 6,075

The ECL allowance of the partnership's significant loans receivable portfolio as at December 31, 2025 was \$10 million for Stage 1 assets (2024: \$11 million), \$7 million for Stage 2 assets (2024: \$9 million) and \$25 million for Stage 3 assets (2024: \$27 million). The impact on ECL allowance for exposures transferred between stages during the year was not significant.

(d) Insurance risk

The partnership's residential mortgage insurer is exposed to insurance risk from underwriting of mortgage insurance contracts. Mortgage insurance contracts transfer risk to the partnership by indemnifying lending institutions against credit losses arising from borrower mortgage default. Under a mortgage insurance policy, a lending institution is insured against risk of loss for the entire unpaid principal balance of a loan plus interest, customary mortgage enforcement and property management costs and expenses related to the sale of the underlying property. Insurance risk impacts the amount, timing and certainty of cash flows arising from insurance contracts.

The partnership has identified pricing risk, underwriting risk, claims management risk, loss reserving risk and insurance portfolio concentration risk as its most significant sources of insurance risk. Each of these risks is described separately below.

(i) Pricing risk

Pricing risk arises when actual claims experience differs from the assumptions included in the determination of premium rates. Premium rates vary with the perceived risk of a claim on an insured loan, which takes into account the long-term historical loss experience on loans with similar loan-to-value ratios, terms and types of mortgages, borrower credit histories and capital required to support the product.

Before a new mortgage insurance product is introduced, the partnership establishes specific performance targets, including delinquency rates and loss ratios, which the partnership monitors frequently to identify any deviations from expected performance so that it can take corrective action when necessary. These performance targets are adjusted periodically to ensure they reflect the current environment.

BROOKFIELD BUSINESS PARTNERS L.P.**NOTES TO CONSOLIDATED FINANCIAL STATEMENTS****As at December 31, 2025 and 2024 and for the years ended December 31, 2025, 2024 and 2023***(ii) Underwriting risk*

Underwriting risk is the risk that the underwriting function will underwrite mortgage insurance under terms that do not comply with pre-established risk guidelines, resulting in inappropriate risk acceptance by the partnership.

The underwriting results of the residential mortgage insurer can fluctuate significantly due to the cyclical nature of the Canadian mortgage market. The mortgage market is affected primarily by housing supply and demand, interest rates and general economic factors including unemployment rates.

The partnership's risk management function establishes risk guidelines based on its underwriting goals. Underwriter performance is reviewed to facilitate continuous improvement or remedial action where necessary.

(iii) Claims management risk

The partnership enforces a policy of actively managing and promptly settling claims in order to reduce exposure to unpredictable future developments that can adversely impact losses using loss mitigation programs. These programs allow for better control of the property marketing process, potential reduction of carrying costs and potential of realization of a higher property sales price.

In addition to its current loss mitigation programs in place, under its agreement with lending institutions, the partnership has the right to recover losses from borrowers once a claim has been paid. The partnership actively pursues such recoveries.

(iv) Loss reserving risk

Loss reserving risk is the risk that the liability of incurred claims differs significantly from the ultimate amount paid to settle claims, principally due to additional information received and external factors that influence claim frequency and severity (including performance of the Canadian housing market). The partnership reviews its liability for incurred claims and reserving assumptions on an ongoing basis and updates the liability of incurred claims as appropriate.

(v) Insurance portfolio concentration risk

Insurance portfolio concentration risk is the risk that losses increase disproportionately where portfolio concentrations exist. This is mitigated by a portfolio that is diversified across geographic regions. Additional scrutiny is given to geographic regions where property values are particularly sensitive to an economic downturn.

NOTE 28. SEGMENT INFORMATION

The partnership's operations are organized into four operating segments which are regularly reviewed by the CODM for the purpose of allocating resources to the segment and to assess its performance. The CODM uses adjusted earnings from operations ("Adjusted EFO") to assess performance and make resource allocation decisions. Adjusted EFO allows the CODM to evaluate the partnership's segments on the basis of return on invested capital generated by its operations and to evaluate the performance of its segments on a levered basis. Adjusted EFO is calculated as net income and equity accounted income at the partnership's economic ownership interest in consolidated subsidiaries and equity accounted investments, respectively, excluding the impact of depreciation and amortization expense, deferred income taxes, transaction costs, restructuring charges, unrealized revaluation gains or losses, impairment expenses or reversals and other income or expense items that are not directly related to revenue generating activities. The partnership's economic ownership interest in consolidated subsidiaries excludes amounts attributable to non-controlling interests consistent with how the partnership determines net income attributable to non-controlling interests in its consolidated statements of operating results. In order to provide additional insight regarding the partnership's operating performance over the lifecycle of an investment, Adjusted EFO includes the impact of preferred equity distributions and realized disposition gains or losses recorded in net income, other comprehensive income, or directly in equity, such as ownership changes. Adjusted EFO does not include legal and other provisions that may occur from time to time in the partnership's operations and that are one-time or non-recurring and not directly tied to the partnership's operations, such as those for litigation or contingencies. Adjusted EFO includes expected credit losses and bad debt allowances recorded in the normal course of the partnership's operations.

BROOKFIELD BUSINESS PARTNERS L.P.**NOTES TO CONSOLIDATED FINANCIAL STATEMENTS****As at December 31, 2025 and 2024 and for the years ended December 31, 2025, 2024 and 2023**

Other income (expense), net in the partnership's consolidated statements of operating results includes amounts that are not related to revenue generating activities, and are not normal, recurring operating income and expenses necessary for business operations. These include revaluation gains and losses, transaction costs, restructuring charges, stand-up costs and business separation expenses, gains or losses on debt extinguishments or modifications, gains or losses on dispositions of property, plant and equipment, employee incentive payments linked to the realization of value at the partnership's operations, non-recurring and one-time provisions that may occur from time to time at one of the partnership's operations that are not reflective of normal operations, and other items. Other income (expense), net included within Adjusted EFO in the tables below corresponds to items of other income (expense), net at the partnership's economic ownership interest that are considered by the partnership when evaluating operating performance and returns on invested capital generated by its businesses and may include realized revaluation gains and losses, realized gains or losses on the disposition of property, plant and equipment, and other items. Refer to the footnotes to the tables below for additional details on items included therein.

Gain (loss) on dispositions, net in Adjusted EFO reflects the partnership's economic ownership interest in the gains or losses on acquisitions/dispositions recognized during the period in the consolidated statements of operating results that are considered by the partnership when evaluating the performance and returns on invested capital generated by its businesses.

Gain (loss) on dispositions, net recorded in equity in Adjusted EFO corresponds to the partnership's economic ownership interest in gains and losses recorded in the consolidated statements of changes in equity that have been realized through a completed disposition, including material realized disposition gains or losses that may be recorded in equity on the partial disposition of a subsidiary where the partnership retains control and through the sale of an investment in securities accounted for as financial assets measured at fair value with changes in fair value recorded in other comprehensive income.

The following tables provide each segment's results at the partnership's economic ownership interest, in the format that the CODM organizes reporting segments to make resource allocation decisions and assess performance. Amounts attributable to non-controlling interests are calculated based on the economic ownership interests held by non-controlling interests in consolidated subsidiaries. The tables below reconcile the partnership's economic ownership interest in its consolidated results to the partnership's consolidated statements of operating results.

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	Year ended December 31, 2025					Attributable to non- controlling interests	As per Financials
	Total attributable to Unitholders						
(US\$ MILLIONS)	Business services	Infrastructure services	Industrials	Corporate	Total ⁽¹⁾		
Revenues	\$ 5,557	\$ 984	\$ 4,068	\$ —	\$10,609	\$ 16,848	\$ 27,457
Direct operating costs ⁽²⁾	(4,736)	(619)	(2,756)	(9)	(8,120)	(11,001)	(19,121)
General and administrative expenses	(114)	(77)	(116)	(122)	(429)	(722)	(1,151)
Gain (loss) on dispositions, net ⁽³⁾	42	112	17	—	171	189	360
Gain (loss) on dispositions, net recorded in equity	(4)	—	—	(2)	(6)	(14)	(20)
Other income (expense), net ⁽⁴⁾	10	26	(60)	(1)	(25)	(41)	(66)
Interest income (expense), net	(258)	(188)	(415)	(87)	(948)	(2,191)	(3,139)
Current income tax (expense) recovery	(68)	(21)	(119)	—	(208)	(375)	(583)
Preferred equity distributions	—	—	—	(52)	(52)	52	—
Equity accounted Adjusted EFO ⁽⁵⁾	63	78	46	—	187	167	354
Adjusted EFO	492	295	665	(273)	1,179		
Depreciation and amortization expense ^{(2) (6)}					(881)	(2,149)	(3,030)
Impairment reversal (expense), net					(30)	(58)	(88)
Gain (loss) on dispositions, net ⁽³⁾					(35)	—	(35)
Gain (loss) on dispositions, net recorded in equity					6	14	20
Other income (expense), net ⁽⁴⁾					(185)	(564)	(749)
Deferred income tax (expense) recovery					185	305	490
Non-cash items attributable to equity accounted investments ⁽⁵⁾					(196)	(116)	(312)
Net income (loss)					\$ 43	\$ 344	\$ 387

(1) Adjusted EFO and net income (loss) attributable to Unitholders include Adjusted EFO and net income (loss) attributable to limited partnership unitholders, general partnership unitholders, redemption-exchange unitholders, special limited partnership unitholders and BBUC exchangeable shareholders.

(2) The sum of these amounts equates to direct operating costs of \$22,151 million as per the consolidated statements of operating results.

(3) Gain (loss) on dispositions, net recorded in Adjusted EFO of \$171 million primarily represents the partnership's economic ownership interest in net gains of \$114 million related to the disposition of the partnership's offshore oil services' shuttle tanker operation, net gains of \$22 million related to the disposition of the partnership's Indian non-bank financial services' non-core home financing operation in July 2025, and net gains of \$35 million related to the redemption of units received following the partial sale of three businesses to a Brookfield-managed evergreen fund. See Note 8 for further information.

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- (4) The sum of these amounts equates to other income (expense), net of \$(815) million as per the consolidated statements of operating results. Other income (expense), net at the partnership's economic ownership interest that is included in Adjusted EFO of \$(25) million includes \$35 million of expense related to the write-down of an earn-out associated with the sale of the partnership's automotive aftermarket parts remanufacturer, \$19 million of realized gain relating to upgrades completed for customers on certain vessels at the partnership's offshore oil services, \$16 million of expenses related to employee incentive payments linked to the realization of value at the partnership's advanced energy storage operation, \$4 million of realized net revaluation gains, and \$3 million of other income. Other income (expense), net at the partnership's economic ownership interest that is excluded from Adjusted EFO of \$(185) million includes \$115 million of expenses related to expected employee incentive payments linked to the eventual realization of value at the partnership's operations, \$76 million of net gain recognized upon deconsolidation of the partnership's healthcare services operation, \$66 million of business separation expenses, stand-up costs and restructuring charges, \$48 million of unrealized gains recorded on reclassification of property, plant and equipment to finance leases at the partnership's offshore oil services, \$47 million of unrealized net revaluation losses, \$34 million of net losses on debt modification and extinguishment, \$14 million of unrealized loss recognized on the partial sale of an interest in the partnership's work access services operation to a Brookfield-managed evergreen fund, \$12 million of transaction costs and \$21 million of other expenses.
- (5) The sum of these amounts equates to equity accounted income (loss), net of \$42 million as per the consolidated statements of operating results.
- (6) For the year ended December 31, 2025, depreciation and amortization expense by segment is as follows: business services \$806 million, infrastructure services \$715 million, industrials \$1,509 million and corporate \$nil.

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	Year ended December 31, 2024					Attributable to non- controlling interests	As per Financials
	Total attributable to Unitholders						
(US\$ MILLIONS)	Business services	Infrastructure services	Industrials	Corporate and other	Total ⁽¹⁾		
Revenues	\$ 8,154	\$ 1,284	\$ 4,033	\$ —	\$13,471	\$ 27,149	\$ 40,620
Direct operating costs ⁽²⁾	(7,256)	(770)	(2,727)	(11)	(10,764)	(20,915)	(31,679)
General and administrative expenses	(145)	(76)	(120)	(109)	(450)	(817)	(1,267)
Gain (loss) on dispositions, net ⁽³⁾	142	—	81	—	223	469	692
Gain (loss) on dispositions, net recorded in equity ⁽⁴⁾	10	—	73	—	83	14	97
Other income (expense), net ⁽⁵⁾	75	15	4	—	94	105	199
Interest income (expense), net	(286)	(240)	(353)	(152)	(1,031)	(2,073)	(3,104)
Current income tax (expense) recovery	(89)	(16)	(96)	(7)	(208)	(438)	(646)
Preferred equity distributions	—	—	—	(52)	(52)	52	—
Equity accounted Adjusted EFO ⁽⁶⁾	36	90	40	—	166	151	317
Adjusted EFO	641	287	935	(331)	1,532		
Depreciation and amortization expense ^{(2) (7)}					(1,002)	(2,202)	(3,204)
Impairment reversal (expense), net					(311)	(670)	(981)
Gain (loss) on dispositions, net recorded in equity ⁽⁴⁾					(83)	(14)	(97)
Other income (expense), net ⁽⁵⁾					(407)	(365)	(772)
Deferred income tax (expense) recovery					327	620	947
Non-cash items attributable to equity accounted investments ⁽⁶⁾					(165)	(62)	(227)
Net income (loss)					\$ (109)	\$ 1,004	\$ 895

⁽¹⁾ Adjusted EFO and net income (loss) attributable to Unitholders include Adjusted EFO and net income (loss) attributable to limited partnership unitholders, general partnership unitholders, redemption-exchange unitholders, special limited partnership unitholders and BBUC exchangeable shareholders.

⁽²⁾ The sum of these amounts equates to direct operating costs of \$34,883 million as per the consolidated statements of operating results.

⁽³⁾ Gain (loss) on dispositions, net in Adjusted EFO of \$223 million represents the partnership's economic ownership interest in gains of \$87 million from the disposition of the partnership's road fuels operation, \$81 million from the disposition of the partnership's Canadian aggregates production operation, \$40 million from the deconsolidation of the partnership's payment processing services operation, and \$15 million from the disposition of the partnership's real estate services operation. See Note 8 for further information.

⁽⁴⁾ Gain (loss) on dispositions, net recorded in equity in Adjusted EFO of \$83 million represents the partnership's economic ownership interest in gains of \$73 million related to the disposition of public securities and \$10 million from the redemption of a financial asset.

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- ⁽⁵⁾ The sum of these amounts equates to other income (expense), net of \$(573) million as per the consolidated statements of operating results. Other income (expense), net at the partnership's economic ownership interest that is included in Adjusted EFO of \$94 million includes \$50 million of other income related to a distribution at the partnership's entertainment operation, \$21 million of net gains on the sale of property, plant and equipment and other assets, \$18 million of net revaluation gains, and \$5 million of other income. Other income (expense), net at the partnership's economic ownership interest that is excluded from Adjusted EFO of \$(407) million includes \$251 million related to provisions recorded at the partnership's construction operation, \$105 million of provision for payment of a litigation settlement at the partnership's dealer software and technology services operation, \$49 million of business separation expenses, stand-up costs and restructuring charges, \$37 million of net unrealized revaluation gains, \$23 million of transaction costs, \$13 million of net gains on debt extinguishment/modification, \$4 million of expenses for employee incentive payments linked to the realization of value at the partnership's operations and \$25 million of other expenses.
- ⁽⁶⁾ The sum of these amounts equates to equity accounted income (loss), net of \$90 million as per the consolidated statements of operating results.
- ⁽⁷⁾ For the year ended December 31, 2024, depreciation and amortization expense by segment is as follows: business services \$961 million, infrastructure services \$888 million, industrials \$1,355 million and corporate \$nil.

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	Year ended December 31, 2023							
	Total attributable to Unitholders						Attributable to non-controlling interests	As per Financials
(US\$ MILLIONS)	Business services	Infrastructure services	Industrials	Corporate and other	Total ⁽¹⁾			
Revenues	\$ 9,261	\$ 2,916	\$ 4,458	\$ —	\$16,635	\$	38,433	\$ 55,068
Direct operating costs ⁽²⁾	(8,246)	(2,087)	(3,532)	(16)	(13,881)		(32,548)	(46,429)
General and administrative expenses	(176)	(159)	(134)	(101)	(570)		(968)	(1,538)
Gain (loss) on dispositions, net ⁽³⁾	155	1,717	42	—	1,914		2,390	4,304
Gain (loss) on dispositions, net recorded in equity ⁽⁴⁾	21	—	106	—	127		267	394
Other income (expense), net ⁽⁵⁾	—	16	3	—	19		32	51
Interest income (expense), net	(295)	(406)	(393)	(145)	(1,239)		(2,357)	(3,596)
Current income tax (expense) recovery	(127)	(36)	(98)	10	(251)		(524)	(775)
Preferred equity distribution	—	—	—	(83)	(83)		83	—
Equity accounted Adjusted EFO ⁽⁶⁾	43	109	40	—	192		150	342
Adjusted EFO	636	2,070	492	(335)	2,863			
Depreciation and amortization expense ^{(2) (7)}					(1,165)		(2,427)	(3,592)
Impairment reversal (expense), net					(268)		(563)	(831)
Gain (loss) on dispositions, net ⁽³⁾					150		232	382
Gain (loss) on dispositions, net recorded in equity ⁽⁴⁾					(127)		(267)	(394)
Other income (expense), net ⁽⁵⁾					(238)		9	(229)
Deferred income tax (expense) recovery					338		492	830
Non-cash items attributable to equity accounted investments ⁽⁶⁾					(148)		(62)	(210)
Net income (loss)					\$ 1,405	\$	2,372	\$ 3,777

(1) Adjusted EFO and net income (loss) attributable to Unitholders include Adjusted EFO and net income (loss) attributable to limited partnership unitholders, general partnership unitholders, redemption-exchange unitholders, special limited partnership unitholders and BBUC exchangeable shareholders.

(2) The sum of these amounts equates to direct operating costs of \$50,021 million as per the consolidated statements of operating results.

(3) The sum of these amounts equates to the gain (loss) on dispositions, net of \$4,686 million as per the consolidated statements of operating results. Gain (loss) on dispositions, net in Adjusted EFO of \$1,914 million represents the partnership's economic ownership interest in gains of \$1,711 million from the disposition of the partnership's nuclear technology services operation, \$67 million from the disposition of the partnership's residential property management operation, \$57 million from the partial disposition of the partnership's technology services operation, \$41 million from the disposition of the partnership's automotive aftermarket parts remanufacturing operation, and \$38 million related to other asset sales completed during the period. See Note 8 for further information.

(4) Gain (loss) on dispositions, net recorded in equity in Adjusted EFO of \$127 million represents the partnership's economic ownership interest in gains of \$114 million related to the partial disposition of public securities, \$15 million related to the sale of secured debentures, \$9 million related to the partial disposition of the partnership's graphite electrode operation and \$11 million of realized losses related to the disposition of a financial asset at the partnership's advance energy storage operation.

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- (5) The sum of these amounts equates to other income (expense), net of \$(178) million as per the consolidated statements of operating results. Other income (expense), net at the partnership's economic ownership interest that is excluded from Adjusted EFO of \$(238) million includes a \$247 million loss recognized on the derecognition and subsequent fair value measurement of the partnership's graphite electrode operation, \$161 million of net gains on debt extinguishment/modification, \$69 million of business separation expenses, stand-up costs and restructuring charges, \$53 million of transaction costs, \$14 million of net unrealized revaluation gains, \$10 million of expenses for employee incentive payments linked to the realization of value at the partnership's operations and \$34 million of other expenses.
- (6) The sum of these amounts equates to equity accounted income (loss), net of \$132 million as per the consolidated statements of operating results.
- (7) For the year ended December 31, 2023, depreciation and amortization expense by segment is as follows: business services \$1,045 million, infrastructure services \$1,174 million, industrials \$1,373 million and corporate \$nil.

Segment Assets

For the purpose of monitoring segment performance and allocating resources between segments, the CODM monitors the assets, including investments accounted for using the equity method, attributable to each segment.

The following table presents the partnership's total assets by reportable operating segment as at December 31, 2025 and 2024:

(US\$ MILLIONS)	2025	2024
Total assets		
Business services	\$ 28,578	\$ 31,583
Infrastructure services	16,270	17,489
Industrials	29,914	26,097
Corporate ⁽¹⁾	999	305
Total	\$ 75,761	\$ 75,474

- (1) As at December 31, 2025, corporate segment's assets included \$584 million of units in a new evergreen private equity fund managed by Brookfield Asset Management. Refer to Note 25(a)(i) for additional information.

The following table presents the partnership's total non-current assets by geography as at December 31, 2025 and 2024:

(US\$ MILLIONS)	2025	2024
United States	\$ 21,207	\$ 21,001
Europe	10,016	10,546
Australia	7,269	9,426
Brazil	6,356	6,358
Canada	6,307	5,653
Mexico	2,478	2,345
United Kingdom	2,393	2,394
Other	4,692	2,412
Total non-current assets	\$ 60,718	\$ 60,135

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NOTE 29. SUPPLEMENTAL CASH FLOW INFORMATION

(US\$ MILLIONS)	Year ended December 31		
	2025	2024	2023
Net interest paid (received)	\$ 2,703	\$ 2,883	\$ 3,164
Net income taxes paid (received)	537	1,412	534

Amounts paid and received for interest were reflected as operating cash flows in the consolidated statements of cash flow.

Total cash outflows across the partnership's lease contracts for the year ended December 31, 2025 were \$346 million (2024: \$409 million).

Details of "Changes in non-cash working capital, net" on the consolidated statements of cash flow are as follows:

(US\$ MILLIONS)	Year ended December 31		
	2025	2024	2023
Accounts and other receivable	\$ (852)	\$ (1,566)	\$ (1,401)
Inventory	(38)	(7)	877
Other assets	(222)	18	(760)
Accounts payable and other	1,126	1,060	1,500
Changes in non-cash working capital, net	\$ 14	\$ (495)	\$ 216

The following table presents the change in the balance of borrowings arising from financing activities as at December 31, 2025 and 2024:

(US\$ MILLIONS)	2025	2024
Balance at beginning of year	\$ 38,862	\$ 42,249
Cash flows	3,920	687
Non-cash changes:		
Acquisitions / (dispositions) of subsidiaries	(1,071)	(448)
Foreign currency translation	1,959	(2,194)
Held for sale	(190)	(1,349)
Other changes	269	(83)
Balance at end of year	\$ 43,749	\$ 38,862

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NOTE 30. POST-EMPLOYMENT BENEFITS

The partnership maintains several defined benefit pension plans within its industrials and infrastructure services segments. These plans are administered in various countries, the most significant of which is in the United States. These benefits are provided through various financial institutions and the estimated net post-employment benefit costs are accrued during the employees' credited service periods. The obligations under these defined benefit pension plans are determined periodically through the preparation of actuarial valuations.

The following table summarizes the present value of the defined benefit pension plan obligation and the fair values of plan assets as at December 31, 2025 and 2024:

(US\$ MILLIONS)	2025	2024
Fair value of plan assets at end of year	\$ 472	\$ 419
Defined benefit obligation at end of year	(633)	(592)
Net liability at end of year ⁽¹⁾	\$ (161)	\$ (173)

- ⁽¹⁾ The net liabilities of \$161 million (2024: \$173 million) for the defined benefit pension plan, together with net liabilities for other post-employment benefits of \$33 million (2024: \$31 million) are recorded within Accounts payable and other, within the consolidated statements of financial position. See Note 15 for further information.

The defined benefit pension plans expose the partnership's subsidiaries to certain actuarial risks such as investment risk, interest rate risk and compensation risk. The present value of the defined benefit pension plan obligation is calculated using a discount rate. If the return on plan assets is below this rate, a plan deficit occurs. The partnership's subsidiaries mitigate this investment risk by establishing a sound investment policy to be followed by the investment manager. The investment policy requires plan assets to be invested in a diversified portfolio and is set based on both asset return and local statutory requirements. The most significant assumptions used in projecting the defined benefit obligation are the discount rate and rate of compensation which range from 1.8% to 10.6% and 1.0% to 5.0%, respectively (2024: 1.2% to 9.2% and 1.0% to 5.0%, respectively).

The benefit plans' assets primarily comprise debt and equity instruments among other investments held within investment funds valued by independent third-party fund administrators on a recurring basis. As at December 31, 2025, the fair value of the plan assets was \$472 million (2024: \$419 million), of which \$384 million related to plan assets classified as Level 2 on the fair value hierarchy (2024: \$362 million).

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NOTE 31. INSURANCE CONTRACTS

The following table shows the reconciliation from the opening to the closing balances of the insurance liabilities related to the partnership's insurance contracts from its residential mortgage insurer, reported by measurement components.

(US\$ MILLIONS)	Estimates of present value of future cash flows	Risk adjustment	Contractual service margin	Total
Insurance liabilities, as at January 1, 2025	\$ 381	\$ 446	\$ 998	\$ 1,825
Change during period:				
Changes that relate to current service:				
Contractual service margin recognized for services provided	—	—	(404)	(404)
Change in risk adjustment recognized for the risk expired	—	(67)	—	(67)
Experience adjustments	(9)	—	—	(9)
Changes that relate to future service:				
Contracts initially recognized in the period	(488)	165	323	—
Changes in estimates that adjust the contractual service margin	(29)	(38)	67	—
Changes that relate to past services:				
Adjustments to liabilities for incurred claims	(11)	—	—	(11)
Insurance finance (income)/expenses	28	31	43	102
Foreign currency translation	19	22	48	89
	(490)	113	77	(300)
Cash flows:				
Premiums received	703	—	—	703
Claims and other insurance service expenses paid	(41)	—	—	(41)
Insurance acquisition cash flows	(75)	—	—	(75)
Insurance liabilities, as at December 31, 2025	\$ 478	\$ 559	\$ 1,075	\$ 2,112

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(US\$ MILLIONS)	Estimates of present value of future cash flows	Risk adjustment	Contractual service margin	Total
Insurance liabilities as at January 1, 2024	\$ 385	\$ 479	\$ 1,070	\$ 1,934
Change during period:				
Changes that relate to current service:				
Contractual service margin recognized for services provided	—	—	(426)	(426)
Change in risk adjustment recognized for the risk expired	—	(68)	—	(68)
Experience adjustments	(6)	—	—	(6)
Changes that relate to future service:				
Contracts initially recognized in the period	(388)	135	253	—
Changes in estimates that adjust the contractual service margin	(52)	(96)	148	—
Changes that relate to past services:				
Adjustments to liabilities for incurred claims	(13)	—	—	(13)
Insurance finance (income)/expenses	29	34	36	99
Foreign currency translation	(32)	(38)	(83)	(153)
	(462)	(33)	(72)	(567)
Cash flows:				
Premiums received	565	—	—	565
Claims and other insurance service expenses paid	(41)	—	—	(41)
Insurance contract acquisition cash flows	(66)	—	—	(66)
Insurance liabilities, as at December 31, 2024	<u>\$ 381</u>	<u>\$ 446</u>	<u>\$ 998</u>	<u>\$ 1,825</u>

NOTE 32. SUBSEQUENT EVENTS
(a) Corporate reorganization

On January 13, 2026, in connection with its previously announced plans to simplify its corporate structure, the partnership held special meetings of unitholders and BBUC shareholders. At both meetings, the partnership and BBUC received the required securityholder approvals to proceed with the Arrangement. On January 16, 2026, the partnership and BBUC received final order of the Supreme Court of British Columbia in respect of the Arrangement. The Arrangement was completed on March 27, 2026.

On March 27, 2026, pursuant to the Arrangement, (i) holders of LP Units, BBUC exchangeable shares and Redemption-Exchange Units in Holding LP were exchanged on a one-for-one basis for newly issued class A subordinate voting shares (“Class A Shares”) of a publicly traded Canadian corporation (the “Corporation”), and (ii) the special limited partnership units (“Special LP Units”) in the Holding LP were exchanged on a one-for-one basis for non-voting special incentive shares of the Corporation (“Special Shares”). Following the Arrangement, BBUC was renamed to Brookfield Business Holdings Corporation (“BBHC”). BBU and BBHC became subsidiaries of the Corporation, will be delisted, and will cease to be reporting issuers, with the Corporation considered the successor to BBU, its predecessor.

(b) Distribution

On March 12, 2026, the Board of Directors declared a quarterly distribution in the amount of \$0.0625 per LP Unit, payable on March 31, 2026 to unitholders of record as at the close of business on March 23, 2026.

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(c) Tax benefits at advanced energy storage operation

On March 24, 2026, the partnership's advanced energy storage operation received a cash refund of \$1,044 million relating to tax benefits recorded in 2024 and 2025. During the years ended December 31, 2024 and December 31, 2025, the tax benefits were presented as a reduction in direct operating costs and the cumulative benefit was included in accounts and other receivable, net. Refer to Note 2(ad)(i) for additional details.