

MANAGEMENT'S DISCUSSION AND ANALYSIS

ORGANIZATION OF MANAGEMENT'S DISCUSSION AND ANALYSIS ("MD&A")

PART 1 – OUR BUSINESS AND STRATEGY		Renewable Power and Transition.....	41
Overview	13	Infrastructure	43
PART 2 – REVIEW OF CONSOLIDATED FINANCIAL RESULTS		Private Equity	45
Overview	16	Real Estate	47
Income Statement Analysis	17	Corporate Activities	48
Balance Sheet Analysis	24	PART 4 – CAPITALIZATION AND LIQUIDITY	
Foreign Currency Translation	28	Capitalization	49
Corporate Dividends	29	Liquidity	53
Summary of Quarterly Results	30	Review of Consolidated Statement of Cash Flows..	55
PART 3 – OPERATING SEGMENT RESULTS		PART 5 – ACCOUNTING POLICIES AND INTERNAL CONTROLS	
Basis of Presentation	32	Accounting Policies, Estimates and Judgments	56
Summary of Results by Operating Segment	33	Management Representations and Internal Controls	57
Asset Management	35	GLOSSARY OF TERMS	58
Wealth Solutions	40		

"Brookfield," the "company," "we," "us" or "our" refers to Brookfield Corporation and its consolidated subsidiaries. The "Corporation" is comprised of ownership interests in our Asset Management, Wealth Solutions and Operating Businesses. Our Asset Management business includes Brookfield Asset Management ULC ("BAM") and our direct investments into and alongside private funds managed by BAM. Our Wealth Solutions business is via our equity accounted investment in Brookfield Wealth Solutions Ltd. (previously known as "Brookfield Reinsurance Ltd."), a separate issuer. Our "Operating Businesses" include Brookfield Renewable Partners L.P., Brookfield Infrastructure Partners L.P. and Brookfield Business Partners L.P., which are separate issuers included within our Renewable Power and Transition, Infrastructure and Private Equity segments, respectively, and issuers in the Brookfield Property Group, which are included in our Real Estate segment. Additional discussion of their businesses and results can be found in their public filings. We use "private funds" to refer to the transition funds, infrastructure funds, private equity funds, real estate funds, and credit funds of our Asset Management business. Our other businesses include our corporate activities.

Please refer to the Glossary of Terms beginning on page 58 which defines our key performance measures that we use to measure our business.

Additional information about the company, including our Annual Information Form, is available on our website at www.brookfield.com, on the Canadian Securities Administrators' website at www.sedarplus.ca and on the EDGAR section of the U.S. Securities and Exchange Commission's ("SEC") website at www.sec.gov/edgar.

We are incorporated in Ontario, Canada, and qualify as an eligible Canadian issuer under the Multijurisdictional Disclosure System and as a "foreign private issuer" as such term is defined in Rule 405 under the U.S. Securities Act of 1933, as amended, and Rule 3b-4 under the U.S. Securities Exchange Act of 1934, as amended. As a result, we comply with U.S. continuous reporting requirements by filing our Canadian disclosure documents with the SEC; our annual report is filed under Form 40-F and we furnish our quarterly interim reports under Form 6-K.

Information contained in or otherwise accessible through the websites mentioned throughout this report does not form part of this report. All references in this report to websites are inactive textual references and are not incorporated by reference. Any other reports of the company referred to herein are not incorporated by reference unless explicitly stated otherwise.

CAUTIONARY STATEMENT REGARDING FORWARD-LOOKING STATEMENTS AND INFORMATION

This Report contains “forward-looking information” within the meaning of Canadian provincial securities laws and “forward-looking statements” within the meaning of the U.S. Securities Act of 1933, the U.S. Securities Exchange Act of 1934, “safe harbor” provisions of the United States Private Securities Litigation Reform Act of 1995 and in any applicable Canadian securities regulations (collectively, “forward-looking statements”). Forward-looking statements include statements that are predictive in nature, depend upon or refer to future results, events or conditions, and include, but are not limited to, statements which reflect management’s current estimates, beliefs and assumptions regarding the operations, business, financial condition, expected financial results, performance, prospects, opportunities, priorities, targets, goals, ongoing objectives, strategies, capital management and outlook of Brookfield Corporation, as well as the outlook for North American and international economies for the current fiscal year and subsequent periods, and which in turn are based on our experience and perception of historical trends, current conditions and expected future developments, as well as other factors management believes are appropriate in the circumstances. The estimates, beliefs and assumptions of Brookfield Corporation are inherently subject to significant business, economic, competitive and other uncertainties and contingencies regarding future events and as such, are subject to change. Forward-looking statements are typically identified by words such as “expect”, “anticipate”, “believe”, “foresee”, “could”, “estimate”, “goal”, “intend”, “plan”, “seek”, “strive”, “will”, “may” and “should” and similar expressions. In particular, the forward-looking statements contained in this Report include statements referring to future results, performance, achievements, prospects or opportunities of Brookfield Corporation or the Canadian, U.S. or international markets, the impact of current market or economic conditions on our businesses, the future state of the economy or the securities market, the anticipated allocation and deployment of our capital, our liquidity and ability to access and raise capital, our fundraising targets, our target growth objectives, our target carried interest, the impact of acquisitions and dispositions on our business, including the AEL and Castletlake acquisitions.

Although Brookfield Corporation believes that such forward-looking statements are based upon reasonable estimates, beliefs and assumptions, actual results may differ materially from the forward-looking statements. Factors that could cause actual results to differ materially from those contemplated or implied by forward-looking statements include, but are not limited to: (i) returns that are lower than target; (ii) the impact or unanticipated impact of general economic, political and market factors in the countries in which we do business; (iii) the behavior of financial markets, including fluctuations in interest and foreign exchange rates and heightened inflationary pressures; (iv) global equity and capital markets and the availability of equity and debt financing and refinancing within these markets; (v) strategic actions including acquisitions and dispositions; the ability to complete and effectively integrate acquisitions into existing operations and the ability to attain expected benefits; (vi) changes in accounting policies and methods used to report financial condition (including uncertainties associated with critical accounting assumptions and estimates); (vii) the ability to appropriately manage human capital; (viii) the effect of applying future accounting changes; (ix) business competition; (x) operational and reputational risks; (xi) technological change; (xii) changes in government regulation and legislation within the countries in which we operate; (xiii) governmental investigations and sanctions; (xiv) litigation; (xv) changes in tax laws; (xvi) ability to collect amounts owed; (xvii) catastrophic events, such as earthquakes, hurricanes and epidemics/pandemics; (xviii) the possible impact of international conflicts and other developments including terrorist acts and cyberterrorism; (xix) the introduction, withdrawal, success and timing of business initiatives and strategies; (xx) the failure of effective disclosure controls and procedures and internal controls over financial reporting and other risks; (xxi) health, safety and environmental risks; (xxii) the maintenance of adequate insurance coverage; (xxiii) the existence of information barriers between certain businesses within our asset management operations; (xxiv) risks specific to our business segments including Asset Management, Wealth Solutions, Renewable Power and Transition, Infrastructure, Private Equity, Real Estate and Corporate Activities; and (xxv) factors detailed from time to time in our documents filed with the securities regulators in Canada and the United States.

We caution that the foregoing list of important factors that may affect future results is not exhaustive and other factors could also adversely affect future results. Readers are urged to consider these risks, as well as other uncertainties, factors and assumptions carefully in evaluating the forward-looking statements and are cautioned not to place undue reliance on such forward-looking statements, which are based only on information available to us as of the date of this Report and such other date specified herein. Except as required by law, Brookfield Corporation undertakes no obligation to publicly update or revise any forward-looking statements, whether written or oral, that may be as a result of new information, future events or otherwise.

Past performance is not indicative nor a guarantee of future results. There can be no assurance that comparable results will be achieved in the future, that future investments will be similar to historic investments discussed herein, that targeted returns, growth objectives, diversification or asset allocations will be met or that an investment strategy or investment objectives will be achieved (because of economic conditions, the availability of appropriate opportunities or otherwise).

Target returns and growth objectives set forth in this Report are for illustrative and informational purposes only and have been presented based on various assumptions made by Brookfield Corporation in relation to the investment strategies being pursued, any of which may prove to be incorrect. There can be no assurance that targeted returns or growth objectives will be achieved. Due to various risks, uncertainties and changes (including changes in economic, operational, political or other circumstances) beyond Brookfield Corporation's control, the actual performance of the business could differ materially from the target returns and growth objectives set forth herein. In addition, industry experts may disagree with the assumptions used in presenting the target returns and growth objectives. No assurance, representation or warranty is made by any person that the target returns or growth objectives will be achieved, and undue reliance should not be put on them.

Certain of the information contained herein is based on or derived from information provided by independent third-party sources. While Brookfield Corporation believes that such information is accurate as of the date it was produced and that the sources from which such information has been obtained are reliable, Brookfield Corporation makes no representation or warranty, express or implied, with respect to the accuracy, reasonableness or completeness of any of the information or the assumptions on which such information is based, contained herein, including but not limited to, information obtained from third parties.

CAUTIONARY STATEMENT REGARDING THE USE OF NON-IFRS MEASURES

We disclose a number of financial measures in this Report that are calculated and presented using methodologies other than in accordance with International Financial Reporting Standards ("IFRS"), as issued by the International Accounting Standards Board ("IASB"). We use these measures in managing the business, including for performance measurement, capital allocation and valuation purposes and believe that providing these performance measures on a supplemental basis to our IFRS results is helpful to investors in assessing the overall performance of our businesses. These financial measures should not be considered as the sole measure of our performance and should not be considered in isolation from, or as a substitute for, similar financial measures calculated in accordance with IFRS. We caution readers that these non-IFRS financial measures or other financial metrics may differ from the calculations disclosed by other businesses and, as a result, may not be comparable to similar measures presented by other issuers and entities. Reconciliations of these non-IFRS financial measures to the most directly comparable financial measures calculated and presented in accordance with IFRS, where applicable, are included within this Report. Please refer to our Glossary of Terms beginning on page 58 for all non-IFRS measures.

PART 1

OUR BUSINESS AND STRATEGY

OVERVIEW

We are a leading global investment firm focused on building long-term wealth for institutions and individuals around the world. We have one of the largest pools of discretionary capital globally, which is deployed across our three core businesses—Asset Management, Wealth Solutions, and our Operating Businesses. Through our core businesses, we invest in real assets that form the backbone of the global economy to deliver strong risk-adjusted returns to our stakeholders. Over the long term, we are focused on delivering 15%+ annualized returns to shareholders.

With a 100+ year heritage as an owner and operator of real assets, we have a proven track record of deploying capital to build market leading businesses that generate attractive long-term total returns. The cash flows generated from our businesses are generally underpinned by stable, inflation-linked, largely contracted, and growing revenue streams with high cash margins. At the center of our success is the Brookfield Ecosystem, which is based on the fundamental principle that each group within Brookfield benefits from being part of the broader organization. We leverage our global presence, the synergies of our businesses and large-scale, flexible capital to achieve strong returns across market cycles.

As a proven value investor, we remain focused on allocating the distributions we receive from our businesses to enhance value for our shareholders. We will continue to deploy the substantial free cash flows we receive towards supporting the growth of our three businesses, new strategic opportunities, and share buybacks. Our conservatively managed balance sheet, extensive operational experience, and global sourcing networks allow us to consistently access unique opportunities.

Our scale, stability, and diversification create a differentiated business model, positioning us well as a partner of choice for the global buildout of infrastructure, the transition to a sustainable energy future, and take-private opportunities. We expect the flexibility of our capital and reputation as a good partner to create a significant proprietary pipeline of opportunities.

Sound sustainability principles are integral to building resilient businesses and creating long term value for our investors and other stakeholders. As a result, we embed these principles into all our activities—including our investment process—and conduct our business in a sustainable and ethical manner. An emphasis on diversity and inclusion reinforces our culture of collaboration. It strengthens our ability to develop our people and maintain an engaged workforce focused on serving as a trusted partner and first-choice provider of investment solutions.

✓ Investment Focus

We invest in a global and diverse portfolio of high-quality assets and businesses that are predominantly long-term or perpetual in nature and have the following attributes:

- stable, largely contracted or inflation-linked, and growing revenues
- ability to drive outsized financial returns through operational excellence
- highly cash-generative
- high barriers to entry with a market leading position
- offer continuous deployment opportunities

✓ Focused Investment Strategies

We invest where we can bring our competitive advantages to bear, leveraging our global presence, deep operating expertise, and large-scale, flexible capital to achieve strong returns across market cycles.

✓ Proven Capital Allocator

We are a value investor with a track record of delivering 15%+ annualized returns to shareholders for over 30 years, supported by our deep investment and operational expertise.

✓ Disciplined Financing Approach

We take a conservative approach to the use of leverage, ensuring that we can preserve capital across business cycles. Underlying investments are typically funded at investment-grade levels on a standalone and non-recourse basis, providing us with a stable capitalization. Only 6% of the total leverage¹ reported in our consolidated financial statements has recourse to the Corporation.

✓ Sustainability

We are committed to ensuring that the businesses we invest in are set up for long-term success, and we seek to have a positive impact on the environment and the communities in which we operate.

We calculate the value of Brookfield Corporation as the capital we have in our three core businesses—Asset Management, Wealth Solutions, and Operating Businesses. Our financial returns are represented by capital appreciation and distributions from our businesses. The primary performance measure that we use to evaluate the performance of our business is distributable earnings (“DE”)¹.

ASSET MANAGEMENT

Our **Asset Management business** is a leading global alternative asset manager, with over \$1 trillion of assets under management (“AUM”)¹ as at September 30, 2024 across renewable power and transition, infrastructure, private equity, real estate and credit. The business invests client capital for the long term with a focus on real assets and essential service businesses that form the backbone of the global economy. The business draws on our heritage as an owner and operator to invest for value and generate strong returns for clients, across economic cycles. Our clients include some of the world’s largest institutional investors, including sovereign wealth funds, pension plans, endowments, foundations, financial institutions, insurance companies, and individual investors.

Within each investment vertical, our business manages capital in a variety of products that broadly fall into one of three categories: i) long-term private funds, ii) perpetual strategies and iii) liquid strategies¹. Products within these three strategies have similar base management fee¹ and carried interest¹ or performance fee¹ drivers.

Our capital in this business is via our 73% ownership interest in Brookfield Asset Management ULC (“BAM”)¹ for which we receive quarterly distributions, our carried interest, as well as our direct investments into and alongside private funds managed by BAM. Our direct investments are primarily comprised of capital invested in flagship real estate private funds which own high-quality assets and portfolios with operational upside (“LP Investments”) across logistics, multifamily, hospitality, office, retail, triple net lease, self-storage, student housing and the manufactured housing sectors. We also invest directly in certain private equity and credit funds.

WEALTH SOLUTIONS

Our **Wealth Solutions business**, via our equity accounted investment in Brookfield Wealth Solutions Ltd. (“BWS”, previously known as “Brookfield Reinsurance Ltd.”)¹, is a leading wealth solutions provider focused on securing the financial futures of individuals and institutions through a range of wealth protection products, retirement services and tailored capital solutions.

As at September 30, 2024, insurance assets within our Wealth Solutions business grew to over \$115 billion with the origination of new annuities and pension risk transfer transactions during the quarter, and annualized earnings were \$1.5 billion. Spread earnings are expected to grow as we continue to reposition the investment portfolio over time.

Our Asset Management business acts as the investment manager of most of the assets of BWS.

1. See definition in Glossary of Terms beginning on page 58.

OPERATING BUSINESSES

We have approximately \$45 billion of capital on a blended basis in our Operating Businesses as a result of our history as an owner and operator of real assets. This capital generates attractive financial returns and provides important financial stability and flexibility to the Corporation.

Renewable Power and Transition, Infrastructure, and Private Equity

Our investments in Renewable Power and Transition, Infrastructure, and Private Equity serve as publicly listed permanent capital vehicles that also act as our primary vehicles for making commitments to the private funds of our asset management business, providing each with a strong pipeline for growth. Each of these businesses share key characteristics—highly diversified by sector and geography, generating stable and often inflation-linked revenue streams, high cash margins, market leading positions, high barriers to entry and opportunities to invest additional capital to enhance returns—all of which enable us to generate very attractive risk-adjusted returns on our capital.

Our **Renewable Power and Transition business** owns a diverse portfolio of high-quality assets across multiple continents and technologies including hydroelectric, wind, utility-scale solar, and distributed energy and sustainable solutions investments. Our capital in this business is primarily via our 46% ownership interest in Brookfield Renewable Partners (“BEP”)¹ for which we receive quarterly distributions. We also enter into energy contracts, which are our contractual arrangements with BEP to purchase power generated by certain North American hydro assets at a fixed price that is then resold on a contracted or uncontracted basis.

Our **Infrastructure business** is one of the world’s largest infrastructure investors, which owns and operates assets across the utilities, transport, midstream and data sectors. Our capital in this business is via our 26% ownership interest in Brookfield Infrastructure Partners (“BIP”)¹ for which we receive quarterly distributions.

Our **Private Equity business** is a leading global owner and operator of businesses that provide essential products and services in the business services and industrials sectors. Our capital in this business is via our 61% ownership interest in Brookfield Business Partners (“BBU”)¹ for which we receive quarterly distributions. The cash distributions reflect BBU’s policy of paying a modest distribution and reinvesting the majority of its FFO back into its businesses to further enhance value.

Real Estate

Our **Real Estate business** is a diversified global real estate business that owns and operates premier office, dominant retail, luxury urban retail and hotels, and multi & single family residential properties.

Our capital in this business is via our 100% ownership stake in Brookfield Property Group (“BPG”)¹, which today consists of an irreplaceable portfolio of premier properties in global gateway cities (“core”), and a portfolio designed to maximize returns through a development or buy-fix-sell strategy (“transitional and development”), including our capital invested in our North American residential business.

Refer to Parts 2 and 3 of this MD&A for more information on our operations and performance.

1. See definition in Glossary of Terms beginning on page 58.

PART 2

REVIEW OF CONSOLIDATED FINANCIAL RESULTS

The following section contains a discussion and analysis of line items presented within our consolidated financial statements. The financial data in this section has been prepared in accordance with International Financial Reporting Standards (“IFRS”) as issued by the International Accounting Standards Board (“IASB”). Starting on page 55 of our 2023 annual report, we provide an overview of our fair value accounting process and why we believe it provides useful information for investors about our performance. We also provide an overview of our application of the control-based model under IFRS used to determine whether or not an investment should be consolidated. Our fair value accounting process and application of the control-based model under IFRS in the period were consistent with those referenced in our 2023 annual report.

OVERVIEW

In the current quarter, net income was supported by continued fundraising momentum and capital deployment in our Asset Management business, recent acquisitions, organic growth, and strong investment performance in our Wealth Solutions business, and the stable and resilient cash flows of our Operating Businesses.

Net income was \$1.5 billion in the current quarter, with \$64 million attributable to common shareholders (\$0.01 per share) and the remaining income attributable to non-controlling interests.

The \$1.5 billion increase in net income over the prior year quarter was primarily attributable to:

- same-store¹ growth, primarily from inflation-linked revenues and organic growth initiatives in our Infrastructure and Renewable Power and Transition segments, increased demand for higher margin advanced batteries at our advanced energy storage operation in our Private Equity segment, as well as lease commencements and higher market rents in our core portfolio within our Real Estate segment;
- contributions from recent acquisitions, net of dispositions, over the last twelve months, mostly in our Infrastructure and Real Estate segments;
- the recognition of a benefit under the U.S. Inflation Reduction Act (“IRA”) at our advanced energy storage operation within our Private Equity segment; and
- an increase in other income and gains of \$330 million primarily due to higher disposition gains in our Private Equity segment; partially offset by
- a decrease in equity accounted income of \$625 million primarily due to mark-to-market changes related to insurance reserves within our Wealth Solutions business and the absence of mark-to-market gains on derivative contracts included in the prior year quarter within our Infrastructure segment;
- higher depreciation and amortization expense primarily as a result of recently completed acquisitions in our Infrastructure and Renewable Power and Transition segments; and
- an increase in interest expense of \$251 million, of which \$317 million related to asset-level upfinancings, \$113 million was due to incremental debt from recent acquisitions, net of dispositions, and \$26 million related to higher rates on corporate borrowings, partially offset by the impact of lower rates on variable rate debt obligations of \$205 million.

Our consolidated balance sheet increased as a result of assets acquired, net of liabilities. Further increases relate to capital commissioned into rate base primarily within our Infrastructure segment. These increases were partially offset by the impacts of depreciation and amortization, as well as foreign currency translation across our segments.

1. See definition in Glossary of Terms beginning on page 58.

INCOME STATEMENT ANALYSIS

The following table summarizes the financial results of the company for the three and nine months ended September 30, 2024 and 2023:

FOR THE PERIODS ENDED SEP. 30 (MILLIONS, EXCEPT PER SHARE AMOUNTS)	Three Months Ended			Nine Months Ended		
	2024	2023	Change	2024	2023	Change
Revenues	\$ 20,623	\$ 24,441	\$ (3,818)	\$ 66,580	\$ 71,406	\$ (4,826)
Direct costs ¹	(15,344)	(21,088)	5,744	(53,542)	(60,814)	7,272
Other income and gains	711	381	330	1,195	2,245	(1,050)
Equity accounted income	184	809	(625)	1,695	1,639	56
Expenses						
Interest						
Corporate borrowings	(190)	(164)	(26)	(544)	(454)	(90)
Non-recourse borrowings	(4,142)	(3,917)	(225)	(12,092)	(11,004)	(1,088)
Corporate costs	(20)	(16)	(4)	(56)	(53)	(3)
Fair value changes	(166)	(170)	4	(761)	(70)	(691)
Income tax expense	(138)	(241)	103	(723)	(924)	201
Net income	1,518	35	1,483	1,752	1,971	(219)
Non-controlling interests	(1,454)	195	(1,649)	(1,543)	(1,540)	(3)
Net income attributable to shareholders	\$ 64	\$ 230	\$ (166)	\$ 209	\$ 431	\$ (222)
Net income per share	\$ 0.01	\$ 0.12	\$ (0.11)	\$ 0.05	\$ 0.20	\$ (0.15)

1. Direct costs include \$2.4 billion and \$7.3 billion of depreciation and amortization expense for the three and nine months ended September 30, 2024 (2023 - \$2.2 billion and \$6.6 billion).

Three Months Ended September 30

Revenues for the quarter were \$20.6 billion, a decrease of \$3.8 billion or 16% compared to the prior year quarter, primarily due to:

- higher revenues from lease commencements and higher rents on core properties, within our Real Estate segment;
- increased contributions from our Infrastructure segment due to organic growth as a result of inflation indexation and rate base increases, and from our Renewable Power and Transition segment due to commissioning of recent development projects; and
- strong same-store results from our Private Equity segment due to increased demand for higher margin advanced batteries at our advanced energy storage operation; more than offset by
- the absence of contributions from net dispositions during the last twelve months, primarily within our Private Equity segment.

The impact on revenues and net income from recent acquisitions and dispositions can be found on page 19.

Direct costs of \$15.3 billion decreased by \$5.7 billion, primarily due to:

- the impact of the sale of our road fuels operation in the third quarter of 2024 and the deconsolidation of our nuclear technology services operation in the fourth quarter of 2023, as well as lower direct costs at our advanced energy storage operation due to the recognition of a benefit under the U.S. IRA, all within our Private Equity segment; partially offset by
- increased costs due to inflation and organic growth within our Infrastructure segment; and
- higher direct costs related to recent acquisitions primarily in our Renewable Power and Transition and Infrastructure segments.

Other income and gains increased by \$330 million from the prior year quarter mainly due to disposition gains on the sale of our road fuels operation and the deconsolidation of our payment processing services operation within our Private Equity segment.

Equity accounted income decreased by \$625 million primarily due to mark-to-market changes related to insurance reserves within our Wealth Solutions business and the absence of mark-to-market gains on derivative contracts included in the prior year quarter within our Infrastructure segment.

Interest expense of \$4.3 billion, of which \$4.1 billion relates to non-recourse financing, increased by \$251 million compared to the prior year quarter primarily due to incremental borrowings associated with acquisitions and refinancings primarily in our Infrastructure and Renewable Power and Transition segments, partially offset by the impact of lower interest rates on floating rate debt.

We recorded fair value decreases of \$166 million compared to \$170 million in the prior year quarter. Valuation increases at certain assets within our LP investments due to improved leasing assumptions and lower transaction and restructuring related expenses in our Private Equity segment were more than offset by the absence of mark-to-market gains on our investment in a U.S. department store chain included in the prior year quarter within our Real Estate segment, debt amortization costs at our global intermodal container logistics operation within our Infrastructure segment and mark-to-market decreases on interest rate contracts across our segments. Refer to pages 21 and 22 for a discussion on fair value changes.

We recorded an income tax expense of \$138 million for the quarter compared to \$241 million in the prior year quarter mainly due to higher deferred tax recoveries in the current quarter from the recognition of a benefit under the U.S. IRA at our advanced energy storage operation within our Private Equity segment.

Nine Months Ended September 30

Revenues and direct costs for the nine months ended September 30, 2024 decreased by \$4.8 billion and \$7.3 billion, respectively, compared to the same period in 2023 as organic growth at our Infrastructure and Renewable Power and Transition segments, increased demand for higher margin advanced batteries and lower costs at our advanced energy storage operation due to the recognition of a benefit under the U.S. IRA within our Private Equity segment, were more than offset by the absence of contributions from dispositions during the last twelve months, primarily within our Private Equity segment.

Other income and gains for the nine months ended September 30, 2024 was \$1.2 billion compared to \$2.2 billion in the prior year period. The decrease primarily related to higher disposition gains across our segments in the prior period, including a gain on disposition of our New Zealand data distribution business within our Infrastructure segment.

Equity accounted income for the nine months ended September 30, 2024 increased by \$56 million compared to the prior year period primarily due to contributions from the growth in our Wealth Solutions business, as well as our share of increases in the value of certain investment properties, partially offset by lower mark-to-market gains on derivatives and interest rate contracts in our Infrastructure segment.

Interest expense for the nine months ended September 30, 2024 was \$12.6 billion compared to \$11.5 billion in the prior year period. The increase primarily related to incremental non-recourse borrowings associated with acquisitions and refinancings primarily in our Infrastructure and Renewable Power and Transition segments.

We recorded fair value decreases of \$761 million for the nine months ended September 30, 2024, compared to \$70 million in the prior year period, primarily due to:

- a bargain purchase gain in our Infrastructure segment; and
- valuation increases at certain U.S. retail assets in our core portfolio within our Real Estate segment as a result of updated leasing assumptions; more than offset by

- valuation updates on the non-controlling interests' share of Australian senior living and India REIT valuation gains within our LP investments; and
- increased debt amortization costs at our global intermodal container logistics operation within our Infrastructure segment.

SIGNIFICANT ACQUISITIONS AND DISPOSITIONS

We have summarized below the impact of recent significant acquisitions and dispositions on our results for the three and nine months ended September 30, 2024:

FOR THE PERIODS ENDED SEP. 30, 2024 (MILLIONS)	Three Months Ended				Nine Months Ended			
	Acquisitions		Dispositions		Acquisitions		Dispositions	
	Revenue	Net Income (Loss)	Revenue	Net Income (Loss)	Revenue	Net Income (Loss)	Revenue	Net Income (Loss)
Renewable Power and Transition	\$ 227	\$ 22	\$ (5)	\$ 6	\$ 669	\$ (26)	\$ (14)	\$ (1)
Infrastructure	650	79	(48)	(4)	1,960	387	(148)	(52)
Private Equity	30	(2)	(5,215)	103	74	(1)	(8,488)	176
Real Estate and Other	106	89	(53)	(20)	151	137	(123)	(6)
	<u>\$ 1,013</u>	<u>\$ 188</u>	<u>\$ (5,321)</u>	<u>\$ 85</u>	<u>\$ 2,854</u>	<u>\$ 497</u>	<u>\$ (8,773)</u>	<u>\$ 117</u>

ACQUISITIONS

Recent acquisitions contributed incremental revenues of \$1.0 billion and net income of \$188 million in the current quarter.

Renewable Power and Transition

Within our Renewable Power and Transition segment, recent acquisitions contributed to incremental revenues of \$227 million and a net income of \$22 million. These contributions were primarily due to the acquisition of a U.S. renewable portfolio and an Indian renewable development platform, both acquired in the fourth quarter of 2023.

Infrastructure

Recent acquisitions contributed incremental revenues of \$650 million and net income of \$79 million. These contributions were primarily from our acquisitions of a global intermodal container logistics operation in the third quarter of 2023, a North American retail colocation data center business in the first quarter of 2024, and an Indian telecom tower operation in the third quarter of 2024.

Real Estate

Recent acquisitions contributed incremental revenues of \$106 million and net income of \$89 million, primarily from our acquisitions of a multifamily asset portfolio and a logistics portfolio in the U.S in the second and third quarters of 2024, respectively.

DISPOSITIONS

Recent asset sales reduced revenues by \$5.3 billion and increased net income by \$85 million in the current quarter. The transactions that most significantly impacted our results were the disposition of our road fuels operation in the third quarter of 2024 and the deconsolidation of our nuclear technology services operation in the fourth quarter of 2023, both within our Private Equity segment. Our nuclear technology services operation is now presented as an equity accounted investment based on our continued ownership interest through our Renewable Power and Transition business.

FAIR VALUE CHANGES

The following table disaggregates fair value changes into major components to facilitate analysis:

FOR THE PERIODS ENDED SEP. 30 (MILLIONS)	Three Months Ended			Nine Months Ended		
	2024	2023	Change	2024	2023	Change
Investment properties	\$ 412	\$ (633)	\$ 1,045	\$ 275	\$ 145	\$ 130
Transaction related expenses, net of income	(48)	(299)	251	243	(721)	964
Financial contracts	(22)	107	(129)	116	334	(218)
Impairment and provisions	(97)	(57)	(40)	(247)	(189)	(58)
Other fair value changes	(411)	712	(1,123)	(1,148)	361	(1,509)
Total fair value changes	\$ (166)	\$ (170)	\$ 4	\$ (761)	\$ (70)	\$ (691)

INVESTMENT PROPERTIES

Investment properties are recorded at fair value with changes recorded in net income. We present the investment properties based on our strategy to maintain an irreplaceable portfolio of premier properties in global gateway cities (“core”), maximize returns through a development or buy-fix-sell strategy (“transitional and development”), or recycle capital from the private funds of our Asset Management business (“LP investments”).

The table below disaggregates investment property fair value changes by asset type:

FOR THE PERIODS ENDED SEP. 30 (MILLIONS)	Three Months Ended			Nine Months Ended		
	2024	2023	Change	2024	2023	Change
Asset Management Direct Investments - Real Estate LP Investments	\$ 553	\$ (113)	\$ 666	\$ 716	\$ 1,147	\$ (431)
Real Estate - Core	12	26	(14)	152	20	132
Real Estate - Transitional and Development	(183)	(547)	364	(626)	(1,021)	395
Other investment properties	30	1	29	33	(1)	34
	\$ 412	\$ (633)	\$ 1,045	\$ 275	\$ 145	\$ 130

We discuss the key valuation inputs of our investment properties beginning on page 56.

Real Estate LP Investments

Valuation increases of \$553 million primarily relate to:

- higher valuations in our India office and REIT portfolios due to higher occupancy rates; and
- fair value uplifts in our Australian senior living portfolio due to higher unit prices; and
- higher valuations in our U.S. manufactured housing portfolio due to improved leasing assumptions; partially offset by
- valuation decreases at certain U.S. retail assets due to updated leasing assumptions.

In the prior year quarter, valuation decreases of \$113 million primarily relate to higher valuations in our Australian senior living portfolio due to unit price uplifts and higher cash flows at our South Korean mixed-use complex, more than offset by lower valuations at certain U.S. office assets due to updated leasing assumptions, and discount and capitalization rate expansion at a certain European office asset.

Valuation increases of \$716 million for the nine months ended September 30, 2024 are primarily driven by higher valuations in our India office and REIT portfolios due to higher occupancy rates as well as fair value uplifts in our Australian senior living portfolio due to higher unit prices, partially offset by lower valuations at certain U.S. retail assets due to updated leasing assumptions.

Core

Valuation gains of \$12 million and \$152 million for the three and nine months ended September 30, 2024 were primarily due to higher cashflows at certain U.S. retail assets as a result of updated leasing assumptions.

Valuation increases of \$26 million in the prior year quarter were mainly due to higher cash flows in our retail and Canadian office portfolios, partially offset by lower valuations at certain U.S. office assets due to updated leasing assumptions.

Transitional and Development

Valuation decreases at certain U.S. and Australian office assets were primarily due to updated leasing assumptions.

Lower valuations of \$547 million in the prior year quarter were mainly due to higher cash flows in our retail portfolio, more than offset by discount rate expansion and lower rental growth assumptions at certain U.S. office assets.

For the first nine months ended September 30, 2024, valuation decreases of \$626 million are primarily related to lower valuations at certain U.S. and Australian office assets as a result of updated leasing assumptions.

Transaction Related Expenses, Net of Income

Transaction related expenses, net of income, totaled \$48 million for the quarter. This is primarily due to transaction and restructuring costs on acquisitions, net of dispositions within our Private Equity segment.

The prior year quarter transaction related expenses, net of income, of \$299 million was mostly due to transaction and restructuring costs on acquired assets within our Private Equity and Infrastructure segments, and dispositions of certain properties within our LP investments.

Increases of \$243 million for the nine months ended September 30, 2024 were due to a bargain purchase gain on the acquisition of our North American retail colocation data center business within our Infrastructure segment, partially offset by transaction and restructuring costs on acquisitions and dispositions within our Private Equity segment and dispositions of certain properties within our LP investments.

Financial Contracts

Financial contracts include mark-to-market gains and losses related to foreign currency, interest rate and pricing exposures that are not designated as hedges.

The decrease this quarter of \$22 million is primarily attributable to mark-to-market decreases on interest rate contracts within our Real Estate, Infrastructure and Private Equity segments, partially offset by mark-to-market gains on power contracts within our Renewable Power and Transition segment.

The increase of \$107 million in the prior year quarter was primarily attributable to mark-to-market gains on energy derivatives and power contracts within our Renewable Power and Transition segment.

Financial contracts resulted in a \$116 million increase for the nine months ended September 30, 2024, mostly attributable to mark-to-market gains on tax equity liabilities, energy derivatives and power contracts within our Renewable Power and Transition segment, partially offset by mark-to-market decreases on financial assets investments and foreign currency derivatives within our Real Estate segment.

Impairment and Provisions

Impairment and provisions expense of \$97 million in the quarter primarily related to valuation decreases at a certain hospitality asset within our LP investments and various one-time charges across segments.

Impairment and provisions expense was \$57 million in the prior year quarter which related to the impairment of assets at our energy services operation, partially offset by a reversal of previously recorded impairment at our offshore oil services operation, both within our Private Equity segment.

Impairment and provisions expense was \$247 million for the nine months ended September 30, 2024 due to the impairment of our Brazil biomass asset within our Renewable Power and Transition segment, valuation decreases at a certain hospitality investment within our LP investments and various one-time charges across segments.

Other Fair Value Changes

Other fair value decreases of \$411 million in the quarter are primarily attributable to debt amortization costs at our global intermodal container logistics operation and U.S. semiconductor manufacturing facility both within our Infrastructure segment and non-controlling interests' share of Australia senior living and India REIT valuation gains within our LP investments.

Other fair value increases of \$712 million in the prior year quarter were primarily attributable to mark-to-market gains on our investment in a U.S. department store chain in our Real Estate segment. This was partially offset by the disposal of finance leases at our North American residential energy business within our Infrastructure segment.

Other fair value decreases of \$1.1 billion for the nine months ended September 30, 2024 are primarily attributable to the non-controlling interests' share of Australia senior living and India REIT valuation gains within our LP investments, as well as debt amortization costs at our global intermodal container logistics operation and U.S. semiconductor manufacturing facility, both within our Infrastructure segment.

INCOME TAXES

We recorded an aggregate income tax expense of \$138 million in the quarter (2023 – \$241 million), including current tax expenses of \$462 million (2023 – \$479 million) and a deferred tax recovery of \$324 million (2023 – \$238 million).

Our income tax provision does not include a number of non-income taxes paid that are recorded elsewhere in our consolidated financial statements. For example, a number of our operations in Brazil are required to pay non-recoverable taxes on revenue, which are included in direct costs as opposed to income taxes. In addition, we pay considerable property, payroll and other taxes that represent an important component of the tax base in the jurisdictions in which we operate, which are also predominantly recorded in direct costs.

Our effective income tax rate is different from the Canadian domestic statutory income tax rate due to the following differences:

FOR THE PERIODS ENDED SEP. 30	Three Months Ended			Nine Months Ended		
	2024	2023	Change	2024	2023	Change
Statutory income tax rate	26%	26%	—%	26%	26%	—%
(Reduction) increase in rate resulting from:						
Portion of gains subject to different tax rates	(4)	(34)	30	(9)	(8)	(1)
Taxable income attributed to non-controlling interests	5	69	(64)	19	3	16
Derecognition (recognition) of deferred tax assets	1	(34)	35	(4)	(11)	7
Non-recognition of the benefit of current quarter tax losses ...	6	17	(11)	13	7	6
Non-deductible expenses	3	8	(5)	5	5	—
International operations subject to different tax rates	3	29	(26)	4	6	(2)
Inflation Reduction Act credits	(35)	—	(35)	(30)	—	(30)
Other	3	4	(1)	5	4	1
Effective income tax rate	8%	85%	(77%)	29%	32%	(3%)

The effective tax rate for the three and nine months ended September 30, 2024 is 8% (2023 – 85%) and 29% (2023 – 32%), respectively.

Realized gains on dispositions may be subject to tax rates different from our statutory income tax rate. This contributed to a 4% and 9% reduction in our effective tax rate for the three and nine months ended September 30, 2024, respectively.

Many of our operations are held in partially owned “flow-through” entities, such as partnerships where the tax liability is incurred by the investors as opposed to the entity. As a result, while our consolidated earnings include losses attributable to non-controlling ownership interests in such entities, our consolidated tax provision includes only our proportionate share of the associated tax recovery. In other words, we are consolidating all of the income and losses in connection with these entities but only our share of the associated tax expense. This has increased our effective tax rate by 5% and 19% for the three and nine months ended September 30, 2024, respectively.

In the current quarter, we have recorded a deferred tax expense primarily in respect of previously recognized tax attributes in our Renewable Energy segment which increased our effective tax rate by 1%. For the nine months ended September 30, 2024, previously unrecognized tax attributes in our Infrastructure segment contributed to a 4% reduction in the effective tax rate.

Some of our operations generated tax losses in the period for which a tax benefit has not been recognized. This resulted in an increase to the effective tax rate by 6% and 13% for the three and nine months ended September 30, 2024, respectively.

Certain expenses incurred were not deductible for tax purposes, resulting in an increase to the effective tax rate by 3% and 5% for the three and nine months ended September 30, 2024, respectively.

We operate in countries with different tax rates, most of which vary from our domestic statutory rate, and we also benefit from tax incentives introduced in various countries to encourage economic activity. Differences in global tax rates increased our effective tax rate by 3% and 4% for the three and nine months ended September 30, 2024, respectively. The difference will vary from period to period depending on the relative proportion of income or loss earned in each country.

During the quarter, our advanced energy storage operation within our Private Equity segment recognized a deferred tax recovery and a reduction to direct costs in connection with a benefit under the U.S. IRA related to its 2023 and 2024 taxation years, respectively. This contributed to a 35% and 30% reduction in our effective tax rate for the three and nine months ended September 30, 2024, respectively.

BALANCE SHEET ANALYSIS

The following table summarizes the statements of financial position of the company as at September 30, 2024, and December 31, 2023:

AS AT SEP. 30, 2024 AND DEC. 31, 2023 (MILLIONS)	2024	2023	Change
Assets			
Property, plant and equipment	\$ 148,305	\$ 147,617	\$ 688
Investment properties	129,586	124,152	5,434
Equity accounted investments	65,101	59,124	5,977
Cash and cash equivalents	11,824	11,222	602
Accounts receivable and other	28,674	28,512	162
Intangible assets	37,420	38,994	(1,574)
Goodwill	34,812	34,911	(99)
Other assets	52,422	45,563	6,859
Total assets	\$ 508,144	\$ 490,095	\$ 18,049
Liabilities			
Corporate borrowings	\$ 14,898	\$ 12,160	\$ 2,738
Non-recourse borrowings of managed entities	232,195	221,550	10,645
Other non-current financial liabilities	31,570	29,624	1,946
Other liabilities	59,582	58,519	1,063
Equity			
Preferred equity	4,103	4,103	—
Non-controlling interests	123,428	122,465	963
Common equity	42,368	41,674	694
Total equity	169,899	168,242	1,657
	\$ 508,144	\$ 490,095	\$ 18,049

September 30, 2024 vs. December 31, 2023

Total assets increased by \$18.0 billion from December 31, 2023 to \$508.1 billion as at September 30, 2024. The increase is due to recently completed business combinations and asset acquisitions, net of dispositions, primarily in our Infrastructure and Real Estate segments. Increases in on our equity accounted investments, primarily related to recent acquisitions within our Wealth Solutions business and Infrastructure segment also contributed to the increase in total assets. This was partially offset by amortization and depreciation of our asset base and the impacts of foreign currency translation since the beginning of the year.

PP&E increased by \$688 million primarily as a result of:

- acquisitions and additions of \$13.5 billion, which includes the acquisition of a North American retail colocation data center business and an Indian telecom tower operation in our Infrastructure segment, as well as the investments in development projects within our Renewable Power and Transition segment; partially offset by
- dispositions and assets reclassified as held for sale of \$5.2 billion;
- depreciation of \$5.4 billion during the quarter; and
- the unfavorable impact of foreign currency translation and other items of \$2.2 billion due to appreciation of the U.S. dollar against most major currencies, primarily in our Renewable Power and Transition segment.

We provide a continuity of PP&E in Note 10 of the consolidated financial statements.

Investment properties predominantly consist of the company's real estate assets. The balance as at September 30, 2024 increased by \$5.4 billion from December 31, 2023, primarily due to:

- acquisitions and additions of \$8.8 billion, driven by the acquisitions of two multifamily asset portfolios and a logistics asset portfolio in the U.S. within our LP investments included in our Asset Management segment, as well as additions in our LP investments and Infrastructure business; partially offset by
- asset sales and the reclassification of certain assets to held for sale of \$3.9 billion, primarily related to the transfer of certain office, retail and logistics assets to held for sale within our Real Estate segment and LP investments.

We provide a continuity of investment properties in Note 9 of the consolidated financial statements.

Equity accounted investments increased by \$6.0 billion to \$65.1 billion, primarily due to:

- additions, net of disposals, of \$4.8 billion; and
- our proportionate share of comprehensive income of \$3.3 billion; partially offset by
- distributions received and return of capital of \$1.9 billion; and
- the unfavorable impact of foreign currency translation and other items of \$135 million due to appreciation of the U.S. dollar against most major currencies.

We provide a continuity of equity accounted investments in Note 8 of the consolidated financial statements.

Cash and cash equivalents increased by \$602 million. For further information, refer to our Consolidated Statements of Cash Flows and to the Review of Consolidated Statements of Cash Flows within Part 4 – Capitalization and Liquidity.

Our intangible assets decreased by \$1.6 billion as the acquisition of a North American retail colocation data center business and an Indian telecom tower operation in our Infrastructure segment was more than offset by the unfavorable impact of amortization and foreign currency translation within our Private Equity and Infrastructure segments.

Our goodwill decreased by \$99 million as the acquisition of a North American retail colocation data center business and an Indian telecom tower operation in our Infrastructure segment was more than offset by the disposition of our road fuels operation and deconsolidation of our payment processing services operation within our Private Equity segment.

Other assets are comprised of inventory, deferred income tax assets, assets classified as held for sale and other financial assets. The increase of \$6.9 billion is mainly a result of:

- an increase in assets held for sale of \$4.8 billion largely attributable to the classification to held for sale of a Spanish and Portuguese wind portfolio asset within our Renewable Power and Transition segment and certain office, retail and logistics assets within our Real Estate segment and LP investments;
- an increase in other financial assets of \$1.8 billion primarily related to proceeds from a refinancing at our U.S. semiconductor manufacturing facility within our Infrastructure segment; and
- an increase in deferred income tax assets of \$675 million driven by the recognition of a benefit under the U.S. IRA at our advanced energy storage operation within our Private Equity segment; partially offset by
- a decrease in inventory of \$381 million driven by the disposition of our road fuels operation within our Private Equity segment.

Corporate borrowings increased by \$2.7 billion primarily from the issuance of a \$750 million 30-year bond in March 2024, the issuance of \$450 million of 10-year bonds and the re-opening of \$200 million of 30-year bonds in June 2024, as well as commercial paper issuances throughout the last nine months, partially offset by the repayment of maturing term notes.

Non-recourse borrowings of managed entities increased by \$10.6 billion net of borrowings reclassified to held for sale, primarily due to recent acquisitions and upfinancings in our Infrastructure segment.

Other non-current financial liabilities consist of our subsidiary equity obligations, non-current accounts payable and other long-term financial liabilities that are due in more than one year's time. The increase of \$1.9 billion was primarily due to an increase in subsidiary equity obligations at our Indian telecom towers operation within our Infrastructure segment and an increase in the non-current portion of accounts payable and other.

Other liabilities increased by \$1.1 billion primarily as the classification to held for sale of a Spanish and Portuguese wind portfolio asset within our Renewable Power and Transition segment was partially offset by a decrease in the current portion of accounts payable and other.

EQUITY

The significant variances in common equity and non-controlling interests are discussed below. Preferred equity is discussed in Part 4 – Capitalization and Liquidity.

COMMON EQUITY

The following table presents the major contributors to the period-over-period variances for common equity:

AS AT AND FOR THE NINE MONTHS ENDED SEP. 30, 2024
(MILLIONS)

Common equity, beginning of period	\$ 41,674
Changes in period	
Net income attributable to shareholders	209
Other comprehensive income	1,161
Common dividends	(372)
Preferred dividends	(127)
Repurchases, net of equity issuances	(732)
Ownership changes and other	555
	694
Common equity, end of period	<u>\$ 42,368</u>

Common equity increased by \$694 million to \$42.4 billion in the nine months ended September 30, 2024, primarily due to:

- net income attributable to common shareholders of \$209 million;
- other comprehensive income of \$1.2 billion. This is primarily related to unrealized mark-to-market movements on our investment portfolio in our wealth solutions business due to the decrease in interest rates and unrealized mark-to-market movements on commodity hedges and financial assets across our businesses; and
- ownership changes and other of \$555 million, primarily related to a gain on the sale of a portion of our interest in BAM, which was contributed to our Wealth Solutions business as a part of the consideration for the acquisition of AEL; partially offset by
- distributions of \$499 million to shareholders as common and preferred share dividends; and
- share repurchases, net of issuances, of \$732 million, mainly related to the repurchase of over 21 million Class A Limited Voting Shares ("Class A shares") during the nine months ended September 30, 2024.

NON-CONTROLLING INTERESTS

Non-controlling interests in our consolidated results primarily consist of third-party interests in BAM, BEP, BIP, BBU, BPG and their consolidated entities as well as co-investors and other participating interests in our consolidated investments as follows:

AS AT SEP. 30, 2024 AND DEC. 31, 2023
(MILLIONS)

	2024	2023
Brookfield Asset Management	\$ 2,298	\$ 2,247
Brookfield Renewable	24,522	25,677
Brookfield Infrastructure	27,332	31,479
Brookfield Business Partners	16,096	15,241
Brookfield Property Group	35,972	35,314
Other participating interests	17,208	12,507
	<u>\$123,428</u>	<u>\$122,465</u>

Non-controlling interests increased by \$963 million during the nine months ended September 30, 2024, primarily due to:

- equity issuances, net of distributions, of \$1.4 billion; partially offset by
- ownership changes of \$368 million.

FOREIGN CURRENCY TRANSLATION

Approximately half of our capital is invested in non-U.S. dollar currencies and the cash flows generated from these businesses, as well as our equity, are subject to changes in foreign currency exchange rates. From time to time, we utilize financial contracts to adjust these exposures. The most significant currency exchange rates that impact our business are shown in the following table:

AS AT SEP. 30, 2024 AND DEC. 31, 2023 AND FOR THE PERIODS ENDED SEP. 30	Average Rate								
	Period-End Spot Rate			Three Months Ended			Nine Months Ended		
	2024	2023	Change ¹	2024	2023	Change ¹	2024	2023	Change ¹
Australian dollar	0.6913	0.6812	1%	0.6699	0.6545	2%	0.6623	0.6688	(1%)
Brazilian real ²	5.4466	4.8403	(11%)	5.5463	4.8804	(12%)	5.2369	5.0087	(4%)
British pound	1.3375	1.2731	5%	1.3004	1.2660	3%	1.2771	1.2446	3%
Canadian dollar	0.7394	0.7547	(2%)	0.7331	0.7455	(2%)	0.7353	0.7433	(1%)
Colombian peso ²	4,206.9	3,854.9	(8%)	4,097.2	4,040.8	(1%)	3,981.9	4,403.1	11%
Euro	1.1135	1.1039	1%	1.0987	1.0880	1%	1.0871	1.0833	—%

1. Change represents appreciation/depreciation relative to the U.S. dollar.

2. Using Brazilian real and Colombian peso as the price currency.

Currency exchange rates relative to the U.S. dollar at the end of the current quarter were lower than December 31, 2023 for most of our significant non-U.S. dollar investments. As at September 30, 2024, our common equity of \$42.4 billion was invested in the following currencies: U.S. dollars – 59% (December 31, 2023 – 52%), British pounds – 12% (December 31, 2023 – 12%), Australian dollars – 3% (December 31, 2023 – 6%), Canadian dollars – 3% (December 31, 2023 – 5%), Brazilian reais – 5% (December 31, 2023 – 7%), Euro – 10% (December 31, 2023 – 7%), and other currencies – 8% (December 31, 2023 – 11%).

The following table disaggregates the impact of foreign currency translation on our equity by the most significant non-U.S. dollar currencies:

FOR THE PERIODS ENDED SEP. 30 (MILLIONS)	Three Months Ended		Nine Months Ended	
	2024	2023	2024	2023
Australian dollar	\$ 285	\$ (250)	\$ 120	\$ (502)
Brazilian real	185	(443)	(1,372)	505
British pound	661	(532)	569	127
Canadian dollar	127	(299)	(231)	8
Colombian peso	(30)	182	(482)	888
Euro	846	(640)	237	(307)
Other	298	(245)	(80)	(352)
Total cumulative translation adjustments	2,372	(2,227)	(1,239)	367
Currency hedges ¹	(1,302)	895	21	(184)
Total cumulative translation adjustments net of currency hedges	\$ 1,070	\$ (1,332)	\$ (1,218)	\$ 183
Attributable to:				
Shareholders	\$ 324	\$ (465)	\$ (147)	\$ (85)
Non-controlling interests	746	(867)	(1,071)	268
	\$ 1,070	\$ (1,332)	\$ (1,218)	\$ 183

1. Includes deferred income tax recovery of \$35 million (2023 – expense of \$12 million) and an expense of \$3 million (2023 – recovery of \$13 million) for the three and nine months ended September 30, 2024, respectively.

The foreign currency translation of our equity, net of currency hedges, increased consolidated equity by \$1.1 billion for the three months ended September 30, 2024 and decreased common equity by \$1.2 billion for the nine months ended September 30, 2024. This was attributable to higher period-end rates compared to the prior quarter-end and lower period-end rates compared to year-end across most currencies relative to the U.S. dollar.

We seek to hedge foreign currency exposure where the cost of doing so is reasonable. Due to the high historical costs associated with hedging the Brazilian real, Colombian peso and other emerging market currencies, hedge levels against those currencies were lower as at September 30, 2024.

CORPORATE DIVIDENDS

The dividends paid by Brookfield on outstanding securities during the first nine months of 2024, 2023 and 2022, are summarized in the following table.

	Distribution per Security		
	2024	2023	2022
Class A and B ¹ Limited Voting Shares ("Class A and B shares") ²	\$ 0.24	\$ 0.21	\$ 0.42
Class A Preferred Shares			
Series 2	0.68	0.66	0.33
Series 4	0.68	0.66	0.33
Series 8 ³	—	—	0.47
Series 9 ⁴	—	—	0.40
Series 13	0.68	0.66	0.33
Series 15 ⁵	—	—	0.25
Series 17	0.65	0.66	0.69
Series 18	0.65	0.66	0.69
Series 24	0.45	0.45	0.47
Series 26 ⁶	0.53	0.54	0.54
Series 28 ⁷	0.63	0.64	0.49
Series 30 ⁸	0.84	0.85	0.68
Series 32 ⁹	0.93	0.71	0.74
Series 34 ¹⁰	0.77	0.62	0.65
Series 36	0.67	0.68	0.71
Series 37	0.68	0.68	0.72
Series 38	0.49	0.50	0.52
Series 40	0.56	0.56	0.59
Series 42	0.45	0.45	0.48
Series 44	0.69	0.70	0.73
Series 46 ¹¹	0.74	0.75	0.76
Series 48 ¹²	0.86	0.87	0.69
Series 51 ³	0.86	0.83	—
Series 52 ⁴	0.33	0.34	—

1. Class B Limited Voting Shares ("Class B shares").

2. Combined, the Corporation's and Brookfield Asset Management Ltd.'s 2024 quarterly dividend would equate to \$0.175 per Class A share held prior to the special distribution; representing a 17% increase compared to 2023, assuming that shareholders retained the Brookfield Asset Management Ltd. shares received upon completion of the special distribution in December 2022.

3. All Series 8 shares were converted to Series 51 shares as part of the special distribution of the asset management business in December 2022.

4. All Series 9 shares were converted to Series 52 shares as part of the special distribution of the asset management business in December 2022.

5. All Series 15 shares were fully redeemed and cancelled as at March 31, 2023.

6. Dividend rate reset commenced March 31, 2022.

7. Dividend rate reset commenced June 30, 2022.

8. Dividend rate reset commenced December 31, 2022.

9. Dividend rate reset commenced October 1, 2023.

10. Dividend rate reset commenced April 1, 2024.

11. Dividend rate reset commenced March 31, 2022.

12. Dividend rate reset commenced December 31, 2022.

Dividends on the Class A and B shares are declared in U.S. dollars whereas Class A Preferred share dividends are declared in Canadian dollars.

SUMMARY OF QUARTERLY RESULTS

The quarterly variances in revenues over the past two years are due primarily to acquisitions and dispositions. Variances in net income to shareholders relate primarily to the timing and amount of non-cash fair value changes and deferred tax provisions, as well as seasonality and cyclical influences in certain businesses. Changes in ownership have resulted in the consolidation and deconsolidation of revenues from some of our assets, particularly in our Real Estate, Infrastructure and Private Equity businesses. Other factors include the impact of foreign currency on non-U.S. revenues and net income attributable to non-controlling interests.

Our Real Estate business typically generates consistent same-store net operating income on a quarterly basis due to the long-term nature of contractual lease arrangements subject to the intermittent recognition of disposition and lease termination gains. Our retail properties typically experience seasonally higher retail sales during the fourth quarter, and our resort hotels tend to experience higher revenues and costs as a result of increased visits during the first quarter. We fair value our real estate assets on a quarterly basis which results in variations in net income based on changes in the value.

Renewable power hydroelectric operations are seasonal in nature. Generation tends to be higher during the winter rainy season in Brazil and spring thaws in North America; however, this is mitigated to an extent by prices, which tend not to be as strong as they are in the summer and winter seasons due to the more moderate weather conditions and reductions in demand for electricity. Water and wind conditions may also vary from year to year. Our Infrastructure operations are generally stable in nature as a result of regulation or long-term sales contracts with our investors, certain of which guarantee minimum volumes.

Revenues and direct costs in our Private Equity operations vary from quarter to quarter primarily due to acquisitions and dispositions of businesses, fluctuations in foreign exchange rates, business and economic cycles, and weather and seasonality in underlying operations. Broader economic factors and commodity market volatility may have a significant impact on a number of our businesses, in particular within our industrials portfolio. Within our infrastructure services, our work access services is subject to potential seasonal fluctuations in the demand for services. Some of our business services operations will typically have stronger performance in the latter half of the year whereas others, such as our residential mortgage insurer, fluctuate based on seasonality and macroeconomic conditions affecting the Canadian housing market. Net income is impacted by periodic gains and losses on acquisitions, monetization and impairments.

Our condensed statements of operations for the eight most recent quarters are as follows:

FOR THE PERIODS ENDED (MILLIONS, EXCEPT PER SHARE AMOUNT)	2024			2023			2022	
	Q3	Q2	Q1	Q4	Q3	Q2	Q1	Q4
Revenues	\$20,623	\$23,050	\$22,907	\$24,518	\$24,441	\$23,668	\$23,297	\$24,213
Net income (loss)	1,518	(285)	519	3,134	35	1,512	424	44
Net income (loss) to shareholders	64	43	102	699	230	81	120	(316)
Per share								
- diluted	\$ 0.01	\$ 0.00	\$ 0.04	\$ 0.42	\$ 0.12	\$ 0.03	\$ 0.05	\$ (0.23)
- basic	0.01	0.00	0.04	0.43	0.12	0.03	0.05	(0.23)

The following table shows fair value changes and income taxes for the last eight quarters, as well as their combined impact on net income:

FOR THE PERIODS ENDED (MILLIONS)	2024			2023			2022	
	Q3	Q2	Q1	Q4	Q3	Q2	Q1	Q4
Fair value changes	\$ (166)	\$ (753)	\$ 158	\$ (1,326)	\$ (170)	\$ 62	\$ 38	\$ (1,811)
Income taxes	(138)	(304)	(281)	(87)	(241)	(409)	(274)	(95)
Net impact	\$ (304)	\$ (1,057)	\$ (123)	\$ (1,413)	\$ (411)	\$ (347)	\$ (236)	\$ (1,906)

Over the last eight quarters, the factors discussed below caused variations in revenues and net income to shareholders on a quarterly basis:

- In the third quarter of 2024, revenues decreased in comparison to the prior quarter primarily due to decreased contributions from our Private Equity segment from the disposition of our road fuels operation, partially offset by increased contributions from our Infrastructure segment due to inflation indexation and rate base increases. Net income increased primarily from the recognition of a benefit under the U.S. IRA at our advanced energy storage operation and gains associated with the disposition of our road fuels operation, both within our Private Equity segment, partially offset by mark-to-market decreases related to insurance reserves within our Wealth Solutions business.
- In the second quarter of 2024, revenues increased in comparison to the prior quarter primarily due to lease commencements and higher rents at certain properties within our Real Estate segment and our real estate LP investments within our Asset Management segment. Net income decreased from the prior quarter as contributions from the close of AEL were more than offset by fair value decreases at certain U.S. transitional and development properties within our Real Estate segment, and as the prior quarter included a bargain purchase gain on the acquisition of our North American retail colocation data center business within our Infrastructure segment.
- In the first quarter of 2024, revenues decreased in comparison to the prior quarter primarily due to decreased contributions from our Private Equity segment from the deconsolidation of our nuclear technology services operation and lower volumes at our engineered components manufacturing operation, partially offset by increased contributions in our Renewable Power and Transition segment from the acquisition of a U.S. renewable portfolio. The lower net income in the quarter was primarily due to lower disposition gains compared to the prior quarter.
- In the fourth quarter of 2023, revenues were consistent with the prior quarter. Net income increased compared to the prior quarter due to gains associated with the disposition of our nuclear technology services operation, which was partially offset by fair value decreases in our Real Estate segment.
- In the third quarter of 2023, revenues increased in comparison to the prior quarter mainly due to contributions from recent acquisitions, primarily in our Infrastructure segment. Net income is absent one time disposition gains recognized in the prior quarter in our Infrastructure segment, and reflects fair value decreases on our transitional and development properties within our Real Estate segment.
- In the second quarter of 2023, revenues increased in comparison to the prior quarter primarily due to same-store growth across our operating businesses and recent acquisitions. The increased net income in the quarter compared to the prior quarter is primarily a result of disposition gains from our Infrastructure segment.
- In the first quarter of 2023, revenues decreased in comparison to the prior quarter primarily due to decreased contributions from our Private Equity segment due to the impact of volume, partially offset by contributions from recent acquisitions and organic growth initiatives in our Infrastructure and Renewable Power and Transition segments. The increase in net income was primarily due to fair value decreases recorded on investment properties in the prior quarter.
- In the fourth quarter of 2022, revenues increased in comparison to the prior quarter mainly due to contributions from recent acquisitions across our operating segments, primarily in our Private Equity segment. The lower net income in the quarter is primarily attributable to fair value decreases on our transitional and development properties within our Real Estate segment.

PART 3

OPERATING SEGMENT RESULTS

BASIS OF PRESENTATION

HOW WE MEASURE AND REPORT OUR OPERATING SEGMENTS

Our operations are organized into our Asset Management business, our Wealth Solutions business, our four primary Operating Businesses and our Corporate Activities, which collectively represent seven operating segments for internal and external reporting purposes.

For our Asset Management and Wealth Solutions segments, we primarily measure operating performance using DE¹. To further assess operating performance for the Asset Management segment, we also provide unrealized carried interest¹ which represents carried interest generated on unrealized changes in the fair value of our private fund investment portfolios, net of realized carried interest¹. Net operating income (“NOI”)¹ is the key performance metric for our Real Estate segment, and Funds from Operations (“FFO”)¹ is used for our other operating segments. We also provide the amount of capital invested by the Corporation in each segment using common equity. Common equity relates to invested capital¹ allocated to a particular business segment, which we use interchangeably with segment common equity.

Our operating segments are global in scope and are as follows:

- i. The *Asset Management* business includes managing long-term private funds, perpetual strategies and liquid strategies on behalf of our investors and ourselves. We generate contractual base management fees for these activities as well as incentive distributions¹ and performance income, including performance fees¹, transaction fees and carried interest¹. The Asset Management business also includes our direct investments into and alongside private funds managed by BAM.
- ii. The *Wealth Solutions* business includes our equity accounted interest in BWS, a leading wealth solutions provider focused on securing the financial futures of individuals and institutions through a range of wealth protection products, retirement services and tailored capital solutions.

Operating Businesses

- iii. The *Renewable Power and Transition* business includes the ownership, operation and development of hydroelectric, wind, utility-scale solar power generating assets, distributed energy, and sustainable solutions.
- iv. The *Infrastructure* business includes the ownership, operation and development of utilities, transport, midstream, and data assets.
- v. The *Private Equity* business includes a broad range of industries, and is mostly focused on ownership and operations in the business services and industrials sectors.
- vi. The *Real Estate* business includes the ownership, operation and development of core and transitional and development investments (including residential development properties).
- vii. *Corporate Activities* include the investment of cash and financial assets, as well as the management of our corporate leverage, including corporate borrowings and preferred equity, which fund a portion of the capital invested in our other operations. Certain corporate costs such as technology and operations are incurred on behalf of our operating segments and allocated to each operating segment based on an internal pricing framework.

1. See definition in Glossary of Terms beginning on page 58.

In assessing operating performance and capital allocation, we separately identify the portion of DE, NOI, or FFO and common equity that relate to each segment, where applicable. We believe that identifying the key operating metrics attributable to each segment enables investors to understand how the results of these entities are integrated into our financial results and is helpful in analyzing variances between reporting periods. Additional information with respect to our listed affiliates (BEP, BIP, BBU) is available in their public filings. We also separately identify the components of realized carried interest, net¹, and realized disposition gains¹ included within the DE and FFO of each segment in order to facilitate analysis of variances between reporting periods.

SUMMARY OF RESULTS BY OPERATING SEGMENT

The following table presents DE, FFO, NOI and common equity by segment, where applicable, on a period-over-period basis for comparative purposes:

AS AT SEP. 30, 2024 AND DEC. 31, 2023 AND FOR THE THREE MONTHS ENDED SEP. 30 (MILLIONS)	DE ^{1,2}			FFO ^{1,2} / NOI ^{1,2}			Common Equity		
	2024	2023	Change	2024	2023	Change	2024	2023	Change
Asset Management	\$ 758	\$ 728	\$ 30				\$18,042	\$19,484	\$ (1,442)
Wealth Solutions ³	364	182	182				9,354	6,144	3,210
Operating Businesses									
Renewable Power and Transition				\$ 102	\$ 97	\$ 5	3,984	4,887	(903)
Infrastructure				136	134	2	2,175	2,537	(362)
Private Equity				382	188	194	3,265	3,291	(26)
Real Estate ⁴				768	804	(36)	23,667	22,413	1,254
Corporate Activities				(139)	(107)	(32)	(18,119)	(17,082)	(1,037)
Total	\$ 1,325	\$ 1,150	\$ 175				\$42,368	\$41,674	\$ 694

1. DE is the key performance metric for the Asset Management and Wealth Solutions segments. NOI is the key performance metric for the Real Estate segment only. FFO is the key performance metric for the Renewable Power and Transition, Infrastructure, Private Equity, and Corporate Activities segments.
2. See definition in Glossary of Terms beginning on page 58.
3. Our common equity in our Wealth Solutions business includes \$2.1 billion of distributable operating earnings retained in this business since inception.
4. For comparability, we have excluded property management and development fees of \$8 million for the three months ended September 30, 2023 as they are no longer recognized in NOI.

During the quarter, we generated strong results with DE¹ of \$1.3 billion. DE before realizations¹ were a record \$1.3 billion for the quarter, an increase of \$203 million or 19% over the prior year quarter. The increase in DE before realizations over the prior year quarter is primarily attributable to continued fundraising momentum and capital deployment in our Asset Management business, recent acquisitions, organic growth, and strong investment performance in our Wealth Solutions business, and the stable and resilient cash flows of our Operating Businesses, partially offset by increased interest expense on our corporate borrowings.

Our Asset Management business generated DE of \$758 million in the current quarter. BAM benefited from strong fundraising momentum in our flagship and complementary strategies, and from capital deployed in our long-term credit funds. Fee-bearing capital¹ increased by \$100 billion or 23% over the prior year quarter, supporting growth in fee-related earnings¹. Asset Management DE includes distributions from our direct investments of \$241 million in the current quarter.

Wealth Solutions' DE increased by \$182 million compared to prior year quarter, benefitting from the close of AEL in May 2024 and Argo in November 2023, organic growth, and strong investment performance.

Renewable Power and Transition's FFO increased by \$5 million as contributions from favourable pricing on our Spanish wind and solar assets and strong hydrology in Latin America were partially offset by net disposition activity and increased interest expense due to additional borrowings to finance ongoing capital projects.

1. See definition in Glossary of Terms beginning on page 58.

Infrastructure's FFO was in line with the prior year quarter. Excluding the impact of disposition gains, operating FFO increased by \$5 million due to net acquisition activity, inflation indexation on contracts, and volume growth across our business, partially offset by increased interest expense due to additional borrowings to finance ongoing capital projects, as well as the impact of foreign exchange.

Private Equity's FFO increased by \$194 million compared to the prior year quarter, primarily due to same-store growth from commercial execution, and business optimization initiatives across our business, recognition of a benefit under the U.S. IRA at our advanced energy storage operation, as well as disposition gains from the sale of our road fuels operation and deconsolidation of our payment processing services operation, partially offset by disposition activity in our infrastructure services operations.

Our Real Estate business continues to benefit from strong performance within our core Real Estate portfolio which drove same-store core NOI growth of 4% over the prior year quarter. NOI decreased by \$36 million compared to the prior year quarter, as same-store core NOI growth was more than offset by net disposition activity and lower lot sales from our North American residential business.

Common equity increased by \$694 million to \$42.4 billion in the nine months ended September 30, 2024. Net income attributable to shareholders and ownership changes were partially offset by share repurchases, net of issuances, the impact of foreign exchange, unrealized mark-to-market movements on hedges, and distributions to common and preferred shareholders. Ownership changes were primarily related to a \$954 million gain on the sale of a portion of our interest in BAM, which was contributed to our Wealth Solutions business as a part of the consideration for the acquisition of AEL. Refer to Part 2 – Review of Consolidated Financial Results for details.

1. See definition in Glossary of Terms beginning on page 58.

ASSET MANAGEMENT

Our Asset Management business includes our investment in BAM, a leading global alternative asset manager, with over \$1 trillion of assets under management across renewable power and transition, infrastructure, private equity, real estate and credit. We also include the discretionary capital that we invest directly into and alongside private funds managed by BAM and other investments within the results of our Asset Management business.

The following table disaggregates our share of DE and common equity of entities in our Asset Management segment. We have provided additional detail, where referenced, to explain significant variances in our operating results from the prior period.

AS AT SEP. 30, 2024 AND DEC. 31, 2023 AND FOR THE THREE MONTHS ENDED SEP. 30 (MILLIONS)	Ref.	DE		Common Equity	
		2024	2023	2024	2023
BAM	i	\$ 453	\$ 426	\$ 7,018	\$ 7,126
Realized carried interest	ii	61	94	—	—
Direct investments	iii	241	208	11,024	12,358
Realized disposition gains		3	—	—	—
		<u>\$ 758</u>	<u>\$ 728</u>	<u>\$18,042</u>	<u>\$19,484</u>
Generated carried interest					
Generated in period		\$ 723	\$ 619		
Foreign exchange		133	(98)		
		<u>856</u>	<u>521</u>		
Less: direct costs		(249)	(228)		
Generated carried interest, net	iv	607	293		
Less: generated carried interest not attributable to the Corporation		(117)	(66)		
Total generated carried interest, net		<u>\$ 490</u>	<u>\$ 227</u>		

FEE-BEARING CAPITAL

The following table summarizes fee-bearing capital:

AS AT SEP. 30, 2024 AND DEC. 31, 2023 (MILLIONS)	Long-Term Private Funds	Perpetual Strategies	Liquid Strategies	Total 2024	Total 2023
Renewable Power and Transition	\$ 31,708	\$ 26,348	\$ —	\$ 58,056	\$ 52,363
Infrastructure	45,590	53,634	—	99,224	94,635
Private Equity	36,502	7,216	—	43,718	38,849
Real Estate	69,326	24,466	—	93,792	93,444
Credit	75,788	99,417	69,446	244,651	177,707
September 30, 2024	<u>\$ 258,914</u>	<u>\$ 211,081</u>	<u>\$ 69,446</u>	<u>\$ 539,441</u>	n/a
December 31, 2023	<u>\$ 245,341</u>	<u>\$ 148,719</u>	<u>\$ 62,938</u>	n/a	\$ 456,998

We have approximately \$50 billion of uncalled fund commitments that do not currently earn fees but will generate approximately \$500 million in annual fees once deployed.

Fee-bearing capital increased by \$25.6 billion during the quarter. The changes are set out in the following table:

AS AT AND FOR THE THREE MONTHS ENDED SEP. 30, 2024 (MILLIONS)	Renewable Power and Transition	Infrastructure	Private Equity	Real Estate	Credit	Total
Balance, June 30, 2024	\$ 51,703	\$ 91,187	\$ 40,305	\$ 92,997	\$ 237,643	\$ 513,835
Inflows	767	1,904	870	2,756	13,029	19,326
Outflows	—	—	—	(160)	(8,036)	(8,196)
Distributions	(291)	(528)	(439)	(629)	(1,625)	(3,512)
Market valuation	2,123	6,659	244	(1,030)	7,466	15,462
Other	3,754	2	2,738	(142)	(3,826)	2,526
Change	6,353	8,037	3,413	795	7,008	25,606
Balance, September 30, 2024	\$ 58,056	\$ 99,224	\$ 43,718	\$ 93,792	\$ 244,651	\$ 539,441

Renewable power and transition fee-bearing capital increased by \$6.4 billion, due to:

- increase in market valuations as a result of the higher market capitalization of BEP; and
- inflows from capital raised for our second global transition fund strategy and capital deployed across our fund strategies; partially offset by
- distributions paid to BEP's unitholders and capital returned to investors across our long-term private funds.

Infrastructure fee-bearing capital increased by \$8.0 billion, due to:

- increase in market valuations as a result of the higher market capitalization of BIP; and
- inflows from capital deployed and valuation increases across our perpetual strategies; partially offset by
- distributions paid to BIP's unitholders and capital returned to investors across our long-term and perpetual private funds.

Private equity fee-bearing capital increased by \$3.4 billion, due to:

- inflows from the acquisition of SVB Capital and capital deployed in our complementary strategies; and
- increase in market valuations as a result of the higher market capitalization of BBU; partially offset by
- capital returned to investors from our long-term private funds.

Real estate fee-bearing capital increased by \$795 million, due to:

- capital raised from our fifth flagship real estate fund and capital deployed in our third flagship real estate fund; partially offset by
- distributions from our perpetual strategies, flagship, and other private funds; and
- lower market valuation of certain assets across our perpetual fund strategies.

Credit fee-bearing capital increased by \$7.0 billion, due to:

- increase in market valuations from our liquid and perpetual strategies;
- capital deployed across our liquid and perpetual strategies and long-term private funds (including our twelfth flagship opportunistic credit fund); and
- inflows from the acquisition of Castllake L.P. ("Castllake"); partially offset by
- outflows and redemptions from our liquid and perpetual strategies and long-term private funds; and
- distributions to unitholders across our Oaktree, infrastructure and real estate debt strategies.

CARRY ELIGIBLE CAPITAL

Carry eligible capital¹ increased by \$931 million during the quarter to \$233.2 billion as at September 30, 2024 (June 30, 2024 – \$232.3 billion), primarily related to our acquisition of Castlake, partially offset by distributions from our fourth flagship private equity fund and the return of capital in our closed-end credit funds.

As at September 30, 2024, \$165.2 billion of carry eligible capital was deployed (June 30, 2024 – \$164.1 billion). This capital is either currently earning carried interest or will begin earning carried interest once its related funds have reached their preferred return threshold. There is currently \$68.0 billion of uncalled fund commitments that will begin to earn carried interest once the capital is deployed and fund preferred returns are met (June 30, 2024 – \$68.2 billion).

OPERATING RESULTS

DE from our Asset Management business includes fee-related earnings, net of corporate costs, excluding equity-based compensation costs and realized carried interest earned by us in respect of capital managed for our investors. Fee-related earnings includes fees earned by BAM on the capital invested by us in the perpetual affiliates. This is representative of how we manage the business and measure the returns from our asset management activities. DE from our Asset Management business also includes operating earnings from our interests in direct investments. We also analyze unrealized carried interest, net, to provide insight into the value our investments have created in the period.

i. Distributable earnings from BAM

FOR THE THREE MONTHS ENDED SEP. 30 (MILLIONS)	2024	2023
Fee revenues ¹		
Base management fees	\$ 1,094	\$ 998
Incentive distributions	106	94
Transaction and advisory fees	10	17
	1,210	1,109
Less: direct costs	(538)	(511)
	672	598
Less: fee-related earnings not attributable to the Corporation	(28)	(33)
Fee-related earnings	644	565
Cash taxes	(84)	(46)
Other income	33	41
Add back: equity-based compensation costs	26	8
	619	568
Amounts not attributable to the Corporation	(166)	(142)
Distributable earnings from BAM	\$ 453	\$ 426

Fee-related earnings increased to \$644 million at our share, mainly due to higher base management fees driven by increased fee-bearing capital and growth in incentive distributions from BIP and BEP, partially offset by increased direct costs.

1. See definition in Glossary of Terms beginning on page 58.

Base management fees increased by \$96 million or 10% from the prior year quarter as a result of the following activity:

- \$70 million increase from our credit business due to the closing of the AEL mandate as well as capital deployed across our opportunistic credit flagship fund and other debt funds;
- \$23 million increase from our real estate business due to capital raised for our fifth opportunistic real estate fund strategy and higher valuations of certain assets across our perpetual fund strategies; and
- \$14 million increase from our renewable power and transition business as higher capitalization of BEP as a result of a higher trading price and capital raised for our second global transition fund were partially offset by the end of the investment period for our fourth infrastructure flagship fund¹; and
- Our infrastructure business was in line with the prior year quarter as higher capitalization of BIP as a result of a higher trading price and capital deployed in our supercore infrastructure strategy as well as capital raised in our infrastructure income strategy were offset by the end of the investment period for our fourth infrastructure flagship fund; partially offset by
- \$11 million decrease from our private equity business due to the end of the investment period for our fifth flagship private equity fund.

Incentive distributions across our perpetual affiliates increased by \$12 million to \$106 million, due to higher distributions paid by BIP and BEP compared to the prior year quarter.

The margin on our fee-related earnings was 58% in the current period (2023 – 56%). Our fee-related earnings margin, including 100% of Oaktree's fee-related earnings, was 56% in the current period (2023 – 54%). Our margins increased due to contributions from the AEL mandate, improvement in listed affiliate pricing and continued fundraising momentum.

Direct costs consist primarily of employee expenses and professional fees, as well as business related technology costs and other shared services. Direct costs increased by \$27 million from the prior year quarter as we continue to scale our asset management franchise, including enhancing our fundraising and client service capabilities and developing new complementary strategies.

Cash taxes and other income are comprised of investment income, interest income and expenses and other income in our asset management business. Amounts not attributable to the Corporation relate to non-controlling interest ("NCI") of our asset management business.

ii. Realized Carried Interest

We realize carried interest when a fund's cumulative returns are in excess of preferred returns and are no longer subject to future investment performance (e.g., subject to "clawback"). During the quarter, we realized \$61 million of carried interest, net of direct costs (2023 – \$94 million), which were primarily driven by realizations from our infrastructure funds.

We provide supplemental information and analysis below on the estimated amount of unrealized carried interest (see section iv) that has accumulated based on fund performance up to the date of the consolidated financial statements.

iii. Direct investments

DE before realizations from our direct investments of \$241 million was \$33 million higher than the prior year quarter. The increase is mainly attributable to strong investment performance and distributions from our opportunistic credit flagship fund.

1. Related to renewable power and transition assets.

iv. *Unrealized Carried Interest*

The amounts of accumulated unrealized carried interest¹ and associated costs are not included in our Consolidated Balance Sheets or Consolidated Statements of Operations as they are still subject to clawback. These amounts are shown in the following table:

FOR THE THREE MONTHS ENDED SEP. 30 (MILLIONS)	2024			2023		
	Carried Interest	Direct Costs	Net	Carried Interest	Direct Costs	Net
Accumulated unrealized, beginning of period	\$ 10,732	\$ (3,534)	\$ 7,198	\$ 9,464	\$ (3,056)	\$ 6,408
In-period change						
Generated in period	723	(214)	509	619	(260)	359
Foreign currency revaluation	133	(35)	98	(98)	32	(66)
	856	(249)	607	521	(228)	293
Less: realized	(74)	12	(62)	(131)	36	(95)
	782	(237)	545	390	(192)	198
Accumulated unrealized, end of period	11,514	(3,771)	7,743	9,854	(3,248)	6,606
Carried interest not attributable to the Corporation	(1,419)	671	(748)	(1,194)	576	(618)
Accumulated unrealized, end of period, net	\$ 10,095	\$ (3,100)	\$ 6,995	\$ 8,660	\$ (2,672)	\$ 5,988

Unrealized carried interest generated in the current quarter before foreign exchange and associated costs was \$723 million, primarily related to increased valuations in our infrastructure and credit funds.

Accumulated unrealized carried interest, at our share¹, totaled \$10.1 billion as at September 30, 2024. We estimate approximately \$3.1 billion in associated costs related to the future realization of the accumulated amounts to date, predominantly related to employee long-term incentive plans and taxes that will be incurred. We expect to recognize \$5.7 billion of this carry at our share, before costs, within the next three years; however, realization of this carried interest is dependent on future investment performance and the timing of monetizations.

1. See definition in Glossary of Terms beginning on page 58.

WEALTH SOLUTIONS

Our capital invested in our Wealth Solutions business is via our equity accounted investment in BWS.¹

BWS is a leading wealth solutions provider focused on securing the financial futures of individuals and institutions through a range of wealth protection products, retirement services and tailored capital solutions. Through operating subsidiaries, the business offers a broad range of products and services, including life insurance and annuities, and personal and commercial property and casualty insurance. The business seeks to generate attractive risk adjusted returns on equity over the long term by investing predominantly in credit products to earn an investment return that exceeds its cost of liabilities.

The business may seek to add duration and diversification to its investment portfolio by acquiring public and private real assets across many of the asset classes in which Brookfield has a long-dated track record of success, including real estate, royalties, or public securities (among other assets). These acquisitions could be made in the open market or from assets currently owned by the Corporation.

SUMMARY OF OPERATING RESULTS

Distributable operating earnings (“DOE”) is a key measure of our Wealth Solutions business’ financial performance and is equivalent to its DE. The following table disaggregates our Wealth Solutions segment’s DOE to facilitate analysis of the period-over-period variances:

FOR THE THREE MONTHS ENDED SEP. 30 (MILLIONS)	2024	2023
Net investment income	\$ 1,386	\$ 589
Cost of funds ²	(854)	(314)
Interest expense	(96)	(47)
Operating expenses and other ²	(66)	(46)
Distributable operating earnings	370	182
Less: amounts not attributable to the Corporation	(6)	—
Distributable operating earnings attributable to the Corporation	\$ 364	\$ 182

Our DOE from our Wealth Solutions business was \$364 million in the quarter, a \$182 million increase from the prior year quarter, benefitting from the close of AEL in May 2024 and Argo in November 2023, organic growth, and strong investment performance.

The business continues to benefit from the repositioning of our investment portfolio and the strength in our investment performance. As at September 30, 2024, insurance assets within our Wealth Solutions business were over \$115 billion, as we generated approximately \$4.5 billion of organic inflows in the quarter, primarily driven by retail and institutional annuity sales. Spread earnings on the investment portfolio were 1.8% for the quarter and are expected to grow as we continue to reposition the investment portfolio.

COMMON EQUITY

Common equity in our Wealth Solutions segment was \$9.4 billion³ as at September 30, 2024 (December 31, 2023 – \$6.1 billion). The increase is due to the contribution of approximately \$1 billion of BAM shares to our Wealth Solutions business as part of the consideration for the acquisition of AEL, and the reinvestment of DE to support the continued growth of this business.

1. We refer to BWS as a “paired entity” to the Corporation. Each BWS Class A exchangeable share has been structured with the intention of providing an economic return equivalent to one Brookfield Class A Share due to each exchangeable share (i) being exchangeable at the option of the holder for one Brookfield Class A Share or its cash equivalent (the form of payment to be determined at the election of the Corporation), subject to certain limitations, and (ii) receiving distributions at the same time and in the same amounts as dividends on the Brookfield Class A Shares. The Corporation owns 100% of the BWS Class C shares, which entitles the Corporation to the residual economic interest in BWS.
2. For comparability with peers, we have reclassified current income taxes of \$27 million for the three months ended September 30, 2023 from cost of funds to operating expenses and other.
3. Our common equity in our Wealth Solutions business includes \$2.1 billion of DOE retained in this business since inception.

RENEWABLE POWER AND TRANSITION

SUMMARY OF OPERATING RESULTS

The following table disaggregates our share of FFO and common equity of entities in our Renewable Power and Transition segment. In addition, we provide the cash distributions received. We have provided additional detail, where referenced, to explain significant movements from the prior period.

AS AT SEP. 30, 2024 AND DEC. 31, 2023 AND FOR THE THREE MONTHS ENDED SEP. 30 (MILLIONS)	Ref.	FFO		Common Equity	
		2024	2023	2024	2023
Brookfield Renewable ¹	i	\$ 112	\$ 104	\$ 3,431	\$ 4,302
Energy contracts	ii	(10)	(7)	553	585
		<u>\$ 102</u>	<u>\$ 97</u>	<u>\$ 3,984</u>	<u>\$ 4,887</u>
Cash distributions received		<u>\$ 97</u>	<u>\$ 98</u>		

FFO increased by \$5 million compared to the prior year quarter as contributions from favourable pricing on our Spanish wind and solar assets and strong hydrology in Latin America were partially offset by net disposition activity and increased interest expense due to additional borrowings to finance ongoing capital projects.

i. Brookfield Renewable

The following table disaggregates BEP's generation and FFO by business line to facilitate analysis of the period-over-period variances:

FOR THE THREE MONTHS ENDED SEP. 30 (GIGAWATT HOURS AND MILLIONS)	Actual Generation (GWh) ⁴		Long-Term Average (GWh) ²		FFO	
	2024	2023	2024	2023	2024	2023
Hydroelectric	4,005	4,061	4,367	4,372	\$ 96	\$ 129
Wind	1,751	1,277	2,072	1,575	80	94
Utility-scale solar	1,152	687	1,363	880	127	51
Distributed energy & sustainable solutions	412	361	330	283	115	39
Corporate	—	—	—	—	(140)	(60)
Attributable to unitholders	<u>7,320</u>	<u>6,386</u>	<u>8,132</u>	<u>7,110</u>	<u>278</u>	<u>253</u>
Non-controlling interests and other ³					<u>(166)</u>	<u>(149)</u>
Brookfield's interest					<u>\$ 112</u>	<u>\$ 104</u>

2. Proportionate to BEP; see "Proportionate basis generation" in Glossary of Terms beginning on page 58.

3. Includes incentive distributions paid to Brookfield of \$31 million (2023 - \$28 million) as the general partner of BEP.

BEP's FFO for the quarter was \$278 million, of which our share was \$112 million. Generation in the quarter totaled 7,320 GWh, a 15% increase compared to the prior year quarter. Generation in the quarter was 10% lower than the long-term average ("LTA")⁴ primarily due to lower hydrology in North and South America, and lower wind and solar resources across our portfolio. Key variances for our operations are described on the following page.

1. Brookfield's interest in BEP consists of 194.5 million redemption-exchange units, 69.2 million Class A limited partnership units, 4.0 million general partnership units, as well as 34.7 million Class A shares in Brookfield Renewable Corporation ("BEPC"), together representing an economic interest of 46% in BEP. As at September 30, 2024, 10.1 million Class A shares of BEPC and \$5.1 million LP units of BEP were held by wholly-owned subsidiaries of BWS. The Corporation and BWS agreed under a voting agreement that all decisions to be made by subsidiaries of BWS with respect to the voting of these Class A shares will be made jointly by mutual agreement. As a result of the paired share status of BN and BWS and our ownership of all the issued and outstanding BWS Class C shares, the shareholders of BN and BWS will continue to benefit from the economic return of the transferred assets.
4. See definition in Glossary of Terms beginning on page 58.

Hydroelectric

FFO of \$96 million in the current quarter was \$33 million lower than the prior year quarter primarily due to:

- higher revenue due to inflation indexation across the business and strong hydrology in Latin America; more than offset by
- weaker hydrology in the U.S. and unfavourable pricing in Brazil.

Wind

FFO of \$80 million in the current quarter decreased by \$14 million relative to the prior year quarter primarily due to:

- a gain on the partial sale of a 850MW repowering project in the U.S.;
- contributions from newly acquired and commissioned facilities; and
- favorable pricing on our Spanish assets; more than offset by
- absence of a gain on the sale of certain non-core assets in Uruguay in the prior year quarter.

Utility-Scale Solar

FFO in the current quarter increased by \$76 million relative to the prior year quarter primarily due to:

- contributions from newly acquired and commissioned facilities; and
- favourable pricing on our Spanish assets.

Distributed Energy & Sustainable Solutions

FFO of \$115 million from our distributed energy and sustainable solutions operation increased by \$76 million relative to the prior year quarter, primarily due to the impact of growth from recent acquisitions and development activities, and increased volumes from pumped storage due to the timing of maintenance activities in the prior year quarter.

Corporate

The corporate FFO deficit increased by \$80 million primarily due to additional corporate level borrowings to finance ongoing capital projects, absence of contribution from certain non-core assets in the prior year quarter, and higher management fees as a result of the higher market capitalization of BEP.

ii. Energy Contracts

During the quarter, we purchased 778 GWh (2023 – 858 GWh) from BEP at \$74 per MWh (2023 – \$75 per MWh) and sold the purchased generation at an average selling price of \$61 per MWh (2023 – \$68 per MWh). As a result, we recognized FFO deficit of \$10 million due to lower market pricing.

COMMON EQUITY

Common equity in our Renewable Power and Transition segment was \$4.0 billion as at September 30, 2024 (December 31, 2023 – \$4.9 billion). Contributions from FFO were more than offset by distributions to unitholders, and the impacts of depreciation and foreign exchange.

1. See definition in Glossary of Terms beginning on page 58.

INFRASTRUCTURE

SUMMARY OF OPERATING RESULTS

The following table disaggregates our share of FFO and common equity of entities in our Infrastructure segment. In addition, we provide the cash distributions received. We have provided additional detail, where referenced, to explain significant movements from the prior period.

AS AT SEP. 30, 2024 AND DEC. 31, 2023 AND FOR THE THREE MONTHS ENDED SEP. 30 (MILLIONS)	Ref.	FFO		Common Equity	
		2024	2023	2024	2023
Brookfield Infrastructure ¹	i	\$ 136	\$ 131	\$ 2,175	\$ 2,537
Realized disposition gains		—	3	—	—
		<u>\$ 136</u>	<u>\$ 134</u>	<u>\$ 2,175</u>	<u>\$ 2,537</u>
Cash distributions received		<u>\$ 84</u>	<u>\$ 80</u>		

FFO was in line with the prior year quarter. Excluding the impact of disposition gains, operating FFO increased by \$5 million due to net acquisition activity, inflation indexation on contracts, and volume growth across our business, partially offset by increased interest expense due to additional borrowings to finance ongoing capital projects, as well as the impact of foreign exchange.

i. Brookfield Infrastructure

The following table disaggregates BIP's FFO by business line to facilitate analysis of the period-over-period variances:

FOR THE THREE MONTHS ENDED SEP. 30 (MILLIONS)	2024	2023
Utilities	\$ 188	\$ 229
Transport	308	205
Midstream	147	163
Data	85	66
Corporate	(129)	(103)
Attributable to unitholders	599	560
Non-controlling interests and other ²	(459)	(422)
Segment reallocation ³	(4)	(7)
Brookfield's interest	<u>\$ 136</u>	<u>\$ 131</u>

2. Includes incentive distributions paid to Brookfield of \$74 million (2023 – \$66 million) as the general partner of BIP.

3. Segment reallocation refers to certain items, net of NCI, included in BIP's FFO that we reclassify.

BIP's FFO for the quarter was \$599 million, of which our share was \$136 million compared to \$131 million in the prior year quarter. Key variances for our operations are described on the following page.

1. Brookfield's interest consists of 190.3 million redemption-exchange units, 1.4 million limited partnership units, 2.4 million general partnership units of BIP LP, as well as 13.0 million Class A shares in Brookfield Infrastructure Corporation ("BIPC"), together representing an economic interest of 26% in BIP. As at September 30, 2024, 3.3 million LP units of BIP were held by wholly-owned subsidiaries of BWS. The Corporation and BWS agreed under a voting agreement that all decisions to be made by subsidiaries of BWS with respect to the voting of these Class A shares will be made jointly by mutual agreement. As a result of the paired share status of BN and BWS and our ownership of all the issued and outstanding BWS Class C shares, the shareholders of BN and BWS will continue to benefit from the economic return of the transferred assets.

Utilities

FFO in our utilities operations of \$188 million was \$41 million lower than the prior year quarter. The decrease is mainly attributable to:

- organic growth as a result of inflation indexation and rate base increases; more than offset by
- higher interest expense, primarily from additional borrowings to support capital projects and upfinancings; and
- absence of contributions from an Australian regulated utility divested in the third quarter of 2023.

Transport

FFO from our transport operations of \$308 million was \$103 million higher than the prior year quarter. The increase is primarily due to:

- strong growth due to inflationary tariff increases and higher volumes across the segment;
- contributions from our global intermodal logistics operation acquired in the third quarter of 2023; and
- additional interest acquired in our Brazilian rail and port logistics business in the second quarter of 2024.

Midstream

FFO from our midstream operations of \$147 million was \$16 million lower than the prior year quarter as higher contracted and market sensitive revenues across our midstream operations were more than offset by higher interest expense incurred primarily to finance ongoing capital projects and upfinancings.

Data

FFO from our data operations of \$85 million was \$19 million higher than the prior year quarter. The increase is primarily due to:

- additional points-of-presence across our telecom tower and fiber operations and megawatts commissioned across our global data center platform; and
- contributions from the acquisitions of a North American retail colocation data center business in the first quarter of 2024, a U.S. hyperscale data center platform in the fourth quarter of 2023, and an Indian telecom tower operation in the third quarter of 2024.

Corporate

The Corporate FFO deficit of \$129 million increased by \$26 million from the prior year quarter, primarily due to higher management fees as a result of the higher market capitalization of BIP and additional corporate level borrowings.

COMMON EQUITY

Common equity in our Infrastructure segment was \$2.2 billion as at September 30, 2024 (December 31, 2023 – \$2.5 billion), as contributions from earnings were more than offset by distributions to unitholders. This equity is primarily comprised of our investments in PP&E and certain concessions, which are recorded as intangible assets. Our PP&E is recorded at fair value and revalued annually while concessions are considered as intangible assets under IFRS, and therefore recorded at historical cost and amortized over the life of the concession. Accordingly, a smaller portion of our equity is impacted by revaluation compared to our Real Estate and Renewable Power and Transition segments, where a larger portion of the balance sheet is subject to revaluation.

PRIVATE EQUITY

SUMMARY OF OPERATING RESULTS

The following table disaggregates our share of FFO and common equity of entities in our Private Equity segment. In addition, we provide the cash distributions received. We have provided additional detail, where referenced, to explain significant movements from the prior period.

AS AT SEP. 30, 2024 AND DEC. 31, 2023 AND FOR THE THREE MONTHS ENDED SEP. 30 (MILLIONS)	Ref.	FFO		Common Equity	
		2024	2023	2024	2023
Brookfield Business Partners ¹	i	\$ 296	\$ 142	\$ 3,265	\$ 3,291
Realized disposition gains	ii	86	46	—	—
		<u>\$ 382</u>	<u>\$ 188</u>	<u>\$ 3,265</u>	<u>\$ 3,291</u>
Cash distributions received ²		<u>\$ 9</u>	<u>\$ 9</u>		

2. BBU pays a modest distribution as the majority of its FFO is reinvested within the business.

FFO increased by \$194 million compared to the prior year quarter, primarily due to same-store growth from commercial execution, and business optimization initiatives across our business, recognition of a benefit under the U.S. IRA at our advanced energy storage operation, as well as disposition gains from the sale of our road fuels operation and deconsolidation of our payment processing services operation, partially offset by disposition activity in our infrastructure services operations.

i. Brookfield Business Partners

The following table disaggregates BBU's FFO by business line to facilitate analysis of the period-over-period variances:

FOR THE THREE MONTHS ENDED SEP. 30 (MILLIONS)	2024	2023
Business services	\$ 245	\$ 123
Infrastructure services	61	106
Industrials	356	152
Corporate	(80)	(93)
Attributable to unitholders	582	288
Non-controlling interests	(200)	(100)
Segment reallocation and other ³	(86)	(46)
Brookfield's interest	<u>\$ 296</u>	<u>\$ 142</u>

3. Segment reallocation and other refers to realized disposition gains, net of NCI, included in BBU's FFO that we reclassify to realized disposition gains. This allows us to present FFO attributable to unitholders on the same basis as BBU.

BBU generated \$582 million of FFO compared to \$288 million in the prior year quarter, with our share being \$296 million compared to \$142 million in the prior year quarter. Key variances are described on the following page.

1. Brookfield's interest in BBU consists of 69.7 million redemption-exchange units, 25.6 million limited partnership units, four general partnership units, four special limited partnership units, as well as 36.9 million Class A shares in Brookfield Business Corporation ("BBUC"), together representing an economic interest of 61% in BBU. As at September 30, 2024, 10.3 million Class A shares of BBUC were held by wholly-owned subsidiaries of BWS. The Corporation and BWS agreed under a voting agreement that all decisions to be made by subsidiaries of BWS with respect to the voting of these Class A shares will be made jointly by mutual agreement. As a result of the paired share status of BN and BWS and our ownership of all the issued and outstanding BWS Class C shares, the shareholders of BN and BWS will continue to benefit from the economic return of the transferred assets.

Business Services

Business services generated FFO of \$245 million, an increase of \$122 million compared to the prior year quarter, primarily driven by:

- increased contributions from our residential mortgage insurer due to higher insurance revenue and investment income; and
- gains on disposition of our road fuels operation and deconsolidation of our payment processing services operation.

Infrastructure Services

Within our infrastructure services, we generated \$61 million of FFO, a decrease of \$45 million compared to the prior year quarter, largely driven by:

- increased contributions from our offshore oil services due to higher performance from fleet utilization; more than offset by
- reduced contributions from our nuclear technology services operation divested in the fourth quarter of 2023.

Industrials

Industrials generated \$356 million of FFO, an increase of \$204 million compared to prior year quarter, primarily due to:

- reduction to direct operating costs related to the recognition of a benefit under the U.S. IRA, as well as increased demand for higher margin advanced batteries, both at our advanced energy storage operation; partially offset by
- lower volumes at our engineered components manufacturing.

Corporate

The corporate FFO deficit decreased by \$13 million compared to the prior year quarter, primarily due to lower distributions on preferred equity securities upon partial redemption in the fourth quarter of 2023.

ii. Realized Disposition Gains

Realized disposition gains of \$86 million in the quarter are primarily due to the disposition of our road fuels operation and deconsolidation of our payment processing services operation.

Realized disposition gains of \$46 million in the prior year quarter were primarily due to the disposition of a majority of our automotive aftermarket parts remanufacturer.

COMMON EQUITY

Common equity in our Private Equity segment was \$3.3 billion as at September 30, 2024 (December 31, 2023 – \$3.3 billion), in line with the prior year as contributions from FFO were offset by the impacts of depreciation and foreign exchange. The depreciable assets held in these operations are recorded at amortized cost, with depreciation recorded on a quarterly basis.

REAL ESTATE

SUMMARY OF OPERATING RESULTS

The following table disaggregates our share of NOI and common equity of entities in our Real Estate segment. In addition, we provide the cash distributions received. We have provided additional detail, where referenced, to explain significant movements from the prior period.

We present the operating results of our Real Estate segment based on our strategy to invest in core and transitional and development properties. The following table disaggregates BPG's NOI by business line to facilitate analysis of the period-over-period variances:

AS AT SEP. 30, 2024 AND DEC. 31, 2023 AND FOR THE THREE MONTHS ENDED SEP. 30 (MILLIONS)	NOI		Common Equity	
	2024	2023	2024	2023
Core	\$ 366	\$ 356	\$ 15,240	\$ 14,092
Transitional and development ¹	402	448	8,427	8,321
Brookfield Property Group ²	\$ 768	\$ 804	\$ 23,667	\$ 22,413

1. For comparability, we have excluded property management and development fees of \$8 million for the three months ended September 30, 2023 as they are no longer recognized in NOI.
2. See "Economic ownership interest" in the Glossary of Terms beginning on page 58.

Our Real Estate business continues to benefit from strong demand amongst tenants for premium properties, supported by leasing momentum as occupancy remains high at 95% in our core portfolio. During the quarter, we signed close to 6 million square feet of office and retail leases, and our office leasing pipeline remains strong at 3.1 million square feet diversified across our global portfolio.

BPG's NOI for the quarter was \$768 million compared to \$804 million in the prior year quarter. Key variances for our operations are described below.

Core

NOI of \$366 million was \$10 million higher than the prior year quarter, primarily due to lease commencements and increased market rents at certain office and retail properties, partially offset by the impacts of dispositions over the last twelve months.

Transitional and Development

NOI of \$402 million was \$46 million lower than the prior year quarter, primarily as increases from higher occupancy at certain Canadian office and U.S. retail properties was more than offset by lower lot sales from our North American residential business, as well as the impact of dispositions over the last twelve months.

COMMON EQUITY

Common equity in our Real Estate segment was \$23.7 billion as at September 30, 2024 (December 31, 2023 – \$22.4 billion), which increased primarily due to NOI and higher valuations in our core portfolio as well as the injection of capital to repay corporate debt.

CORPORATE ACTIVITIES

SUMMARY OF OPERATING RESULTS

The following table disaggregates FFO and common equity into the principal assets and liabilities within our Corporate Activities segment to facilitate analysis:

AS AT SEP. 30, 2024 AND DEC. 31, 2023 AND FOR THE THREE MONTHS ENDED SEP. 30 (MILLIONS)	FFO		Common Equity	
	2024	2023	2024	2023
Working capital, net of corporate cash and other	\$ 51	\$ 57	\$ 1,112	\$ (589)
Corporate borrowings	(190)	(164)	(14,898)	(12,160)
Preferred equity ¹	—	—	(4,333)	(4,333)
	<u>\$ (139)</u>	<u>\$ (107)</u>	<u>\$ (18,119)</u>	<u>\$ (17,082)</u>

1. FFO excludes preferred share distributions of \$46 million (2023 – \$44 million).

Working capital, net of corporate cash and other includes corporate cash and financial assets, accounts receivable, accounts payable, and other assets and liabilities, inclusive of deferred tax assets and liabilities. Corporate cash and financial assets are generally recorded at fair value with changes recognized through net income, unless the underlying financial investments are classified as fair value through other comprehensive income, in which case changes in value are recognized in other comprehensive income. Loans and receivables are typically carried at amortized cost. This amount excludes our proportionate share of cash from our Asset Management business of \$661 million (December 31, 2023 – \$2.0 billion), which we consider to be part of our corporate liquidity and include as part of the common equity of our Asset Management segment.

Working capital, net of corporate cash and other was in an asset position of \$1.1 billion as at September 30, 2024 (December 31, 2023 – liability of \$589 million), an increase from the prior year due to the repayment of amounts placed on deposit with the Corporation.

FFO from working capital, net of corporate cash and other includes realized income and expenses from corporate cash and financial assets or liabilities in addition to corporate costs and cash taxes. During the third quarter of 2024, FFO of \$51 million (2023 – \$57 million) was generated as gains in our trading portfolio were partially offset by interest expense on cash placed on deposit with the Corporation by our Asset Management business.

Corporate borrowings are generally issued with fixed interest rates. Some of these borrowings are denominated in Canadian dollars and therefore the carrying value fluctuates with changes in the foreign exchange rate. A number of these borrowings have been designated as hedges of our Canadian dollar net investments within our other segments, resulting in the majority of the currency revaluation being recognized in other comprehensive income. The \$190 million FFO deficit (2023 – \$164 million) reported through corporate borrowings reflects the interest expense on all of our corporate borrowings. The increase in deficit from the prior year quarter was primarily attributable to corporate debt and commercial paper issuances, net of repayments completed over the last twelve months.

Preferred equity is not revalued under IFRS and is consistent with year-end. We describe cash and financial assets, corporate borrowings and preferred equity in more detail within Part 4 – Capitalization and Liquidity.

PART 4

CAPITALIZATION AND LIQUIDITY

CAPITALIZATION

We review key components of our capitalization in the following sections. In several instances we have disaggregated the balances into the amounts attributable to our operating segments in order to facilitate discussion and analysis.

*Corporate Capitalization*¹ – reflects the amount of debt held in the Corporate Activities segment and our issued and outstanding common and preferred shares. Corporate debt includes unsecured bonds and draws on revolving credit facilities and the issuance of short-term commercial paper. As at September 30, 2024, our corporate capitalization was \$66.2 billion (December 31, 2023 – \$61.6 billion) with a debt to capitalization^{1,2} of 20% (December 31, 2023 – 20%).

*Consolidated Capitalization*¹ – reflects the aggregate capitalization of wholly owned, partially owned, and managed entities that we consolidate in our financial statements. As at September 30, 2024, consolidated capitalization was consistent compared to year-end. Much of the borrowings issued within our managed entities are included in our consolidated balance sheet notwithstanding that virtually none of this debt has any recourse to the Corporation.

The following table presents our capitalization on a corporate and consolidated basis:

AS AT SEP. 30, 2024 AND DEC. 31, 2023 (MILLIONS)	Ref.	Corporate		Consolidated	
		2024	2023	2024	2023
Corporate borrowings	i	\$ 14,898	\$ 12,160	\$ 14,898	\$ 12,160
Non-recourse borrowings					
Subsidiary borrowings	i	—	—	17,847	16,214
Property-specific borrowings	i	—	—	214,348	205,336
		14,898	12,160	247,093	233,710
Accounts payable and other		4,055	3,359	58,558	58,893
Deferred income tax liabilities		562	117	24,866	24,987
Subsidiary equity obligations		—	—	5,212	4,145
Liabilities associated with assets classified as held for sale		—	—	2,516	118
Equity					
Non-controlling interests		230	230	123,428	122,465
Preferred equity	ii	4,103	4,103	4,103	4,103
Common equity	iii	42,368	41,674	42,368	41,674
		46,701	46,007	169,899	168,242
Total capitalization		\$ 66,216	\$ 61,643	\$ 508,144	\$ 490,095
Debt to capitalization ²		20%	20%	48%	48%

1. See definition in Glossary of Terms beginning on page 58.

2. Determined as the aggregate of corporate borrowings and non-recourse borrowings divided by total capitalization. Draws on revolving facilities and commercial paper issuances are excluded from the debt to capitalization ratios as they are not permanent sources of capital.

i. Borrowings

Corporate Borrowings

AS AT SEP. 30, 2024 AND DEC. 31, 2023 (MILLIONS)	Average Rate		Average Term (Years)		Consolidated	
	2024	2023	2024	2023	2024	2023
Term debt	4.6%	4.4%	13	12	\$ 12,991	\$ 12,213
Commercial paper ¹	5.5%	6.1%	<1	<1	1,999	31
Deferred financing costs	n/a	n/a	n/a	n/a	(92)	(84)
Total					<u>\$ 14,898</u>	<u>\$ 12,160</u>

1. Our commercial paper program is backed by our revolving credit facility, which matures in June 2029.

As at September 30, 2024, corporate borrowings included term debt of \$13.0 billion (December 31, 2023 – \$12.2 billion) which had an average term to maturity of 13 years (December 31, 2023 – 12 years). Term debt consists of public and private bonds, all of which are fixed rate and have maturities ranging from 2025 to 2080. These financings provide an important source of long-term capital and are appropriately matched to our long-term asset profile.

We had \$2.0 billion of commercial paper outstanding and no draws on our \$3.4 billion revolving facility as at September 30, 2024 (December 31, 2023 – \$31 million of commercial paper outstanding). As at September 30, 2024, \$40 million of the facilities were utilized for letters of credit (December 31, 2023 – \$57 million).

Subsidiary Borrowings

We endeavor to capitalize our perpetual affiliates to enable continuous access to debt capital markets, usually on an investment-grade basis, thereby reducing the demand for capital from the Corporation. Subsidiary borrowings include perpetual affiliates' recourse term debt and credit facility draws. These borrowings have no recourse to the Corporation.

AS AT SEP. 30, 2024 AND DEC. 31, 2023 (MILLIONS)	Average Rate		Average Term (Years)		Consolidated	
	2024	2023	2024	2023	2024	2023
Renewable Power and Transition	4.7%	4.4%	9	10	\$ 4,159	\$ 2,832
Infrastructure	5.2%	4.9%	10	9	5,155	4,911
Private Equity	7.8%	8.6%	3	4	2,868	1,589
Real Estate	6.0%	6.2%	4	4	5,665	6,882
Total	<u>5.8%</u>	<u>5.7%</u>	<u>7</u>	<u>6</u>	<u>\$ 17,847</u>	<u>\$ 16,214</u>

Property-Specific Borrowings

As part of our financing strategy, the majority of our debt capital is in the form of property-specific borrowings and project financings and is denominated in local currencies that have recourse only to the assets being financed and have no recourse to the Corporation or the relevant perpetual affiliate.

AS AT SEP. 30, 2024 AND DEC. 31, 2023 (MILLIONS)	Average Rate		Average Term (Years)		Consolidated	
	2024	2023	2024	2023	2024	2023
Renewable Power and Transition	6.7%	6.9%	9	8	\$ 27,125	\$ 28,635
Infrastructure	6.6%	6.4%	7	6	55,224	46,083
Private Equity & Other	7.9%	8.5%	7	6	42,207	43,884
Real Estate ¹	7.1%	7.2%	2	3	89,792	86,734
Total	<u>7.1%</u>	<u>7.2%</u>	<u>5</u>	<u>5</u>	<u>\$214,348</u>	<u>\$205,336</u>

1. Includes \$64.8 billion (December 31, 2023 – \$59.4 billion) of borrowings associated with real estate LP investments from our Asset Management segment.

Property-specific borrowings have increased by \$9.0 billion since December 31, 2023, primarily due acquisitions within our Infrastructure business.

Fixed and Floating Interest Rate Exposure

Many of our borrowings, including all corporate borrowings recourse to the Corporation, are fixed rate, long-term financings. The remainder of our borrowings are at floating rates; however, from time to time, we enter into interest rate contracts to swap our floating rate exposure to fixed rates.

As at September 30, 2024, 75% of our share of debt outstanding, including the effect of swaps, was fixed rate. Accordingly, changes in interest rates are typically limited to the impact of refinancing borrowings at prevailing market rates or changes in the level of debt as a result of acquisitions and dispositions.

The following table presents the fixed and floating rates of interest expense:

AS AT SEP. 30, 2024 AND DEC. 31, 2023 (MILLIONS)	Fixed Rate				Floating Rate			
	2024		2023		2024		2023	
	Average Rate	Consolidated	Average Rate	Consolidated	Average Rate	Consolidated	Average Rate	Consolidated
Corporate borrowings	4.6%	\$ 14,898	4.4%	\$ 12,160	—%	\$ —	—%	\$ —
Subsidiary borrowings	5.0%	10,804	4.8%	10,978	7.0%	7,043	7.7%	5,236
Property-specific borrowings	5.4%	74,758	5.1%	67,729	8.0%	139,590	8.3%	137,607
Total	5.2%	\$ 100,460	4.9%	\$ 90,867	7.9%	\$ 146,633	8.2%	\$ 142,843

ii. Preferred Equity

Preferred equity represents permanent non-participating preferred shares that provide leverage to our common equity. The shares are categorized by their principal characteristics in the following table:

AS AT SEP. 30, 2024 AND DEC. 31, 2023 (MILLIONS)	Term	Average Rate		Amount	
		2024	2023	2024	2023
Fixed rate-reset	Perpetual	4.9%	4.7%	\$ 2,901	\$ 2,901
Fixed rate	Perpetual	4.8%	4.8%	739	739
Floating rate	Perpetual	5.0%	5.3%	463	463
Total		4.9%	4.8%	\$ 4,103	\$ 4,103

Fixed rate-reset preferred shares are issued with an initial fixed rate coupon that is reset after an initial period, typically five years, at a predetermined spread over the Canadian five-year government bond yield. The average reset spread as at September 30, 2024 was 283 basis points.

iii. Common Equity

Issued and Outstanding Shares

Changes in the number of issued and outstanding Class A and Class B shares during the periods are as follows:

AS AT AND FOR THE PERIODS ENDED SEP. 30 (MILLIONS)	Three Months Ended		Nine Months Ended	
	2024	2023	2024	2023
Outstanding at beginning of period ¹	1,508.2	1,563.9	1,523.5	1,573.4
Issued (repurchased)				
Issuances	0.9	0.3	2.5	0.5
Repurchases	(1.8)	(6.7)	(22.1)	(18.4)
Long-term share ownership plans ²	1.9	1.1	5.3	3.0
Dividend reinvestment plan and others	—	—	—	0.1
Outstanding at end of period	1,509.2	1,558.6	1,509.2	1,558.6
Unexercised options and other share-based plans ² and exchangeable shares of affiliate	95.4	53.4	95.4	53.4
Total diluted shares at end of period	1,604.6	1,612.0	1,604.6	1,612.0

1. In the fourth quarter of 2023, 33 million BN Class A shares were voluntarily exchanged for newly-issued BWS Class A-1 exchangeable non-voting shares on a one-for-one basis. During the third quarter of 2024, BWS re-designated its Class A-1 exchangeable non-voting shares into BWS Class A exchangeable voting shares.

2. Includes management share option plan and restricted stock plan.

The company holds 102.3 million Class A shares (September 30, 2023 – 78.6 million) purchased by consolidated entities in respect of long-term share ownership programs, which have been deducted from the total amount of shares outstanding at the date acquired. Diluted shares outstanding include 20.8 million (September 30, 2023 – nil) shares issuable in respect of these plans based on the market value of the Class A shares as at September 30, 2024, resulting in a net reduction of 81.5 million (September 30, 2023 – 78.6 million) diluted shares outstanding.

During the third quarter of 2024, 3.0 million options were exercised, of which 2.7 million and 0.3 million were issued on a net-settled and gross basis, respectively, resulting in the cancellation of 1.7 million vested options.

The cash value of unexercised options was \$0.9 billion as at September 30, 2024 (September 30, 2023 – \$1.1 billion) based on the proceeds that would be paid on exercise of the options.

As at November 12, 2024, the Corporation had 1,508,382,636 Class A shares and 85,120 Class B shares outstanding. Refer to Note 12 of the consolidated financial statements for additional information on equity.

LIQUIDITY

CORPORATE LIQUIDITY

We maintain significant liquidity at the corporate level. Our primary sources of liquidity, which we refer to as core liquidity¹, consist of:

- cash and financial assets, net of other associated liabilities; and
- undrawn committed credit facilities.

We further assess overall liquidity inclusive of our Operating Businesses and our Wealth Solutions business because of their role in funding acquisitions both directly and through funds managed by our Asset Management business. On a group basis, we had \$66 billion of core liquidity, including liquidity from corporate and perpetual affiliates, and \$152 billion of total liquidity¹, including third-party commitments available for drawdown in the private funds of our Asset Management business, as at September 30, 2024.

CAPITAL REQUIREMENTS

The Corporation has very few non-discretionary capital requirements. Our largest normal course capital requirements are our debt maturities and commitments into the funds managed by our Asset Management business. We do not have any debt maturities until January 2025, when approximately \$500 million is due. Periodically, we will fund capital calls for our fund commitments, strategic acquisitions to expand our capabilities and seed new investment strategies.

At the perpetual affiliate level, the largest normal course capital requirements are debt maturities and the pro-rata share of private fund capital calls. New acquisitions are primarily funded through the private funds or perpetual affiliates that are managed by our Asset Management business. We endeavor to structure these entities so that they are self-funding, preferably on an investment-grade basis, and in almost all circumstances do not rely on financial support from the Corporation.

In the case of private funds in our Asset Management business, the necessary equity capital is obtained by calling on commitments made by the limited partners in each fund, which include commitments made by our perpetual affiliates as well as the Corporation. As at September 30, 2024, the Corporation has the following commitments in funds managed by our Asset Management business:

AS AT SEP. 30, 2024 (MILLIONS)	Total Commitment	Funded Amount
Brookfield Strategic Real Estate Partners III	\$ 2,750	\$ 2,736
Brookfield Strategic Real Estate Partners IV	3,500	2,427
Brookfield Strategic Real Estate Partners V	3,000	—
Oaktree Opportunities Fund XI	750	638
Oaktree Opportunities Fund XII	796	38
	\$ 10,796	\$ 5,839

In the case of perpetual affiliates, capital requirements are funded through their own resources and access to capital markets, which may be supported by us from time to time through participation in equity offerings or bridge financings.

At the asset level, we schedule ongoing capital expenditure programs to maintain the operating capacity of our assets at existing levels. We refer to this as sustaining capital expenditures. The sustaining capital expenditure programs are typically funded by, and represent a relatively small proportion of, the operating cash flows within each business. The timing of these expenditures is discretionary; however, we believe it is important to maintain the productivity of our assets in order to optimize cash flows and value accretion.

1. See definition in Glossary of Terms beginning on page 58.

CORE AND TOTAL LIQUIDITY

The following table presents core liquidity of the Corporation, perpetual affiliates and managed funds:

AS AT SEP. 30, 2024 AND DEC. 31, 2023 (MILLIONS)	Corporate Liquidity ¹		Group Liquidity	
	2024	2023	2024	2023
Cash and financial assets, net	\$ 2,368	\$ 2,013	\$ 56,446	\$ 29,161
Undrawn committed credit facilities	3,360	2,533	9,899	9,009
Core liquidity	5,728	4,546	66,345	38,170
Uncalled private fund commitments	—	—	85,294	85,658
Total liquidity²	\$ 5,728	\$ 4,546	\$ 151,639	\$ 123,828

1. Corporate cash and financial assets includes \$661 million of our proportionate share of our Asset Management business' cash as at September 30, 2024 (December 31, 2023 – \$2.0 billion).
2. Includes \$52 billion of liquidity held through our insurance portfolio (December 31, 2023 – \$24 billion).

As at September 30, 2024, the Corporation's core liquidity was \$5.7 billion, consisting of \$2.4 billion in cash and financial assets, inclusive of our proportionate share of our Asset Management business' cash, and \$3.4 billion in undrawn credit facilities. The Corporation's liquidity is readily available for use without any material tax consequences. We utilize this liquidity to support the activities of our perpetual affiliates and funding strategic transactions.

The Corporation has the ability to raise additional liquidity through the issuance of securities and the sale of holdings of listed investments within our perpetual affiliates and other investments on the following page. However, this is not included in our core liquidity as we are generally able to finance our operations and capital requirements through other means.

Corporate liquidity increased by \$1.2 billion compared to the prior year due to an increase in cash and financial assets and additional capacity under our credit facilities.

The increase in cash and financial assets was primarily due to distributable earnings and net financing activities, partially offset by capital reinvested in our business and returned to shareholders in the form of dividends and share repurchases.

In the first nine months of 2024, we had net financing activities of \$2.7 billion related to our \$750 million 30-year bond issuances in March 2024, the issuance of \$450 million of 10-year bonds and the re-opening of \$200 million of 30-year bonds in June 2024, and \$2.0 billion in commercial paper issuances, net, partially offset by repayment of maturing terms notes. We also enhanced our corporate liquidity by upsizing our external credit facility capacity by over \$800 million to \$3.4 billion.

The following table shows the quoted market value of the company's listed securities and annual cash distributions of the company's operating businesses based on current distribution policies for each entity:

AS AT SEP. 30, 2024 (MILLIONS EXCEPT PER UNIT AMOUNTS)	Ownership %	Brookfield Owned Units	Distributions Per Unit	Quoted Value ²	Current Distributions (Current Rate) ³	YTD Distributions (Actual)
Distributions from investments						
Brookfield Renewable ⁴	46%	302.4	\$ 1.42	\$ 8,677	\$ 429	\$ 321
Brookfield Infrastructure ⁵	26%	207.1	1.62	7,366	336	252
Brookfield Business Partners ⁶	61%	132.2	0.25	3,170	33	27
Brookfield Property Group	100%	n/a	n/a	n/a	1,627	1,104
Total					\$ 2,425	\$ 1,704

1. Based on current distribution policies.
2. Quoted value represents the value of Brookfield owned units as at market close on September 30, 2024.
3. Distributions (current rate) are calculated by multiplying units held as at September 30, 2024 by distributions per unit. Actual dividends may differ due to timing of dividend increases and payment of special dividends, which are not factored into the current rate calculation. See definition in Glossary of Terms beginning on page 58.
4. Brookfield owned units represent the combined units held in BEP and BEPC.
5. Brookfield owned units represent the combined units held in BIP and BIPC.
6. Brookfield owned units represent the combined units held in BBU and BBUc.

REVIEW OF CONSOLIDATED STATEMENTS OF CASH FLOWS

The following table summarizes the consolidated statements of cash flows within our consolidated financial statements:

FOR THE PERIODS ENDED SEP. 30 (MILLIONS)	Three Months Ended		Nine Months Ended	
	2024	2023	2024	2023
Operating activities	\$ 3,388	\$ 3,437	\$ 4,404	\$ 4,961
Financing activities	4,490	6,256	17,068	16,794
Investing activities	(7,329)	(9,874)	(20,531)	(24,038)
Change in cash and cash equivalents	\$ 549	\$ (181)	\$ 941	\$ (2,283)

This statement reflects activities within our consolidated operations and therefore excludes activities within non-consolidated entities.

Operating Activities

Cash flows from operating activities totaled \$3.4 billion in the third quarter of 2024, a \$49 million decrease from the prior year quarter. Excluding the net change in non-cash working capital, cash flow from operating activities increased by \$1.7 billion versus the prior year quarter. Contributions from same-store growth and acquisitions, net of dispositions, over the last twelve months were partially offset by higher interest expense primarily due to incremental debt to finance growth and ongoing capital projects.

Financing Activities

Net cash flows from financing activities totaled \$4.5 billion in the third quarter of 2024 compared to \$6.3 billion in the prior year quarter, and primarily related to:

- non-recourse borrowings arranged by our subsidiaries, net of repayments of \$3.6 billion;
- capital provided by non-controlling interests, net of capital repaid, of \$1.9 billion; and
- net draws on non-recourse credit facilities of \$959 million; partially offset by
- cash distributions to non-controlling interests and shareholders of \$2.1 billion;
- common shares repurchases of \$79 million.

Investing Activities

Net cash flows used by investing activities were \$7.3 billion in the third quarter of 2024 compared to \$9.9 billion in the prior year quarter, and mainly related to:

- acquisitions of subsidiaries, net of dispositions, of \$2.1 billion;
- acquisitions and additions to PP&E, net of dispositions, of \$2.0 billion;
- acquisitions and additions to investment properties, net of dispositions, of \$1.1 billion; and
- acquisitions of equity accounted investments, net of dispositions, of \$1.9 billion, primarily associated with investments in our Asset Management business and acquisitions in our Private Equity and Infrastructure segments.

Refer to Note 4 Acquisitions of Consolidated Entities and Note 8 Equity Accounted Investments in the consolidated financial statements for further details.

PART 5

ACCOUNTING POLICIES AND INTERNAL CONTROLS

ACCOUNTING POLICIES, ESTIMATES AND JUDGMENTS

OVERVIEW

We are a publicly held Canadian corporation and, as such, we prepare our consolidated financial statements in accordance with IFRS.

We present our consolidated balance sheets on a non-classified basis, meaning that we do not distinguish between current and long-term assets or liabilities. We believe this classification is appropriate given the nature of our business strategy.

The preparation of the consolidated financial statements requires management to select appropriate accounting policies and to make judgments and estimates that affect the carrying 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 during the reporting period. Actual amounts could differ from those estimates.

In making judgments and estimates, management relies on external information and observable conditions, where possible, supplemented by internal analysis, as required. These estimates have been applied in a manner consistent with the prior year and there are no known trends, commitments, events or uncertainties that we believe will materially affect the methodology or assumptions utilized in this report. As we update the fair values of our investment property portfolios quarterly, with gains reflected in net income, we discuss judgments and estimates relating to the key valuation metrics in Note 11 of the 2023 audited consolidated financial statements and below.

For further reference on accounting policies, including new and revised standards issued by the IASB and judgments and estimates, see our accounting policies contained in Note 2 of the 2023 audited consolidated financial statements.

ACCOUNTING ESTIMATES

IFRS uses a control-based model to determine if consolidation is required. Therefore, we are deemed to control an investment if we: (1) exercise power over the investee; (2) are exposed to variable returns from our involvement with the investee; and (3) have the ability to use our power to affect the amount of the returns. Due to the ownership structure of many of our subsidiaries, we control entities in which we hold only a minority economic interest. Please refer to Part 2 – Review of Consolidated Financial Results for additional information.

i. Investment Properties

We classify the majority of the property assets within our Real Estate segment as investment properties. Our valuations are prepared at the individual property level by internal investment professionals with the appropriate expertise in the respective industry, geography and asset type. These valuations are updated at each balance sheet date with gains or losses recognized in net income.

The majority of underlying cash flows in the models are comprised of contracted leases, many of which are long term. As at September 30, 2024, our office portfolio (core and transitional and development) has a combined 89% occupancy level and an 8-year average lease life, while our retail portfolio (core and transitional and development) has a combined occupancy rate of 95%. The models also include property-level assumptions for renewal probabilities, future leasing rates and capital expenditures. These are reviewed as part of the business planning process and external market data is utilized when determining the cash flows associated with lease renewals. Additionally, each year we sell a number of assets, which also provides support for our valuations, as we typically contract at prices comparable to IFRS values.

We test the outcome of our process by having a number of our properties externally appraised each year, including appraisals for core office properties, at least on a three-year rotating basis. These appraisals, along with market comparables and third-party valuation metric analyses, are used to support our internally-prepared valuations; significant differences are reconciled as they arise. During the nine months ended September 30, 2024, we obtained 19 external appraisals of our operating properties representing \$5.6 billion of assets; external appraisals were within 2% of management's valuations.

The valuations are most sensitive to changes in cash flows, which include assumptions relating to lease renewal probabilities, downtime, capital expenditures, future leasing rates and associated leasing costs, discount rates and terminal capitalization rates. The key valuation metrics of our real estate assets as at September 30, 2024 and December 31, 2023 are summarized below.

AS AT SEP. 30, 2024 AND DEC. 31, 2023	Core		Transitional and development		LP investments		Weighted average	
	2024	2023	2024	2023	2024	2023	2024	2023
Discount rate	6.2%	6.2%	7.9%	7.9%	8.6%	8.6%	8.0%	8.0%
Terminal capitalization rate	4.8%	4.8%	6.3%	6.2%	5.9%	5.8%	5.8%	5.7%
Investment horizon (years)	10	11	10	10	13	13	12	12

The following table presents the impact on the fair value of our consolidated investment properties as at September 30, 2024 from a 25-basis point change to the relevant unobservable inputs in isolation and does not present the impact on the fair value from other factors such as changes in cash flows or inflation. For properties valued using the discounted cash flow method, the basis point change in valuation metrics relates to a change in discount and terminal capitalization rates. For properties valued using the direct capitalization approach, the basis point change in valuation metrics relates to a change in the overall capitalization rate. These amounts represent the effect on all consolidated investment property assets within our consolidated financial statements on a pre-tax basis, including amounts attributed to non-controlling interests in our perpetual affiliates and private fund investments. The amounts attributable to shareholders may be significantly less than shown depending on ownership levels in the individual assets.

AS AT SEP. 30, 2024 (MILLIONS)	Fair Value	Sensitivity
Core	\$ 18,789	\$ 1,268
Transitional and development	22,171	644
LP Investments	83,393	3,708
Other investment properties	5,233	171
Total	\$ 129,586	\$ 5,791

MANAGEMENT REPRESENTATIONS AND INTERNAL CONTROLS

INTERNAL CONTROL OVER FINANCIAL REPORTING

No change in our internal control over financial reporting occurred during the three and nine months ended September 30, 2024 that has materially affected, or is reasonably likely to materially affect, our internal control over financial reporting.

GLOSSARY OF TERMS

The below summarizes certain terms relating to our business that are made throughout the MD&A and it defines IFRS performance measures, non-IFRS performance measures and key operating measures that we use to analyze and discuss our results.

REFERENCES

“Brookfield,” the “company,” “we,” “us” or “our” refers to Brookfield Corporation and its consolidated subsidiaries. The “Corporation” refers to our business which is comprised of our Asset Management, Wealth Solutions and Operating Businesses.

We refer to investors in the Corporation as **shareholders** and we refer to investors in the private funds of our Asset Management business and perpetual affiliates as **investors**.

We use **asset manager** to refer to Brookfield Asset Management ULC which offers a variety of investment products to our investors:

- We have over 50 active funds across major asset classes: renewable power and transition, infrastructure, private equity, real estate and credit. These funds include core, credit, value-add and opportunistic closed-end funds and core long-life funds. We refer to these funds as the private funds of our Asset Management business.
- We refer to BEP, BEPC, BIP, BIPC, BBU, BBUC and BPG, as our perpetual affiliates.
- We refer to our public securities group as liquid strategies. This group manages fee-bearing capital through numerous funds and separately managed accounts, focused on fixed income and equity securities.

Throughout the MD&A and consolidated financial statements, the following operating companies, joint ventures and associates, and their respective subsidiaries, will be referenced as follows:

- **BAM** – Brookfield Asset Management ULC
- **BBU** – Brookfield Business Partners L.P.
- **BBUC** – Brookfield Business Corporation
- **BEP** – Brookfield Renewable Partners L.P.
- **BEPC** – Brookfield Renewable Corporation
- **BIP** – Brookfield Infrastructure Partners L.P.
- **BIPC** – Brookfield Infrastructure Corporation
- **BPG** – Brookfield Property Group
- **BPY** – Brookfield Property Partners L.P.
- **BWS** – Brookfield Wealth Solutions Ltd.
- **Oaktree** – Oaktree Capital Management
- **AEL** – American Equity Life

PERFORMANCE MEASURES

Definitions of performance measures, including IFRS, non-IFRS and operating measures, are presented below in alphabetical order. We have specifically identified those measures which are IFRS or non-IFRS measures; the remainder are operating measures.

Assets under management (“AUM”) refers to the total fair value of assets that our Asset Management business manages, on a gross asset value basis, including assets for which this business earns management fees and those for which they do not. AUM is calculated as follows: (i) for investments that Brookfield consolidates for accounting purposes or actively manages, including investments in which Brookfield or a controlled investment vehicle is the largest shareholder or the primary operator or manager, at 100% of the investment’s total assets on a fair value basis; and (ii) for all other investments, at Brookfield’s or its controlled investment vehicle’s, as applicable, proportionate share of the investment’s total assets on a fair value basis. Our Asset Management business’s methodology for determining AUM may differ from the methodology employed by other alternative asset managers and Brookfield’s AUM presented herein may differ from our AUM reflected in other public filings and/or our Form ADV and Form PF.

Base management fees, which are determined by contractual arrangements, are typically equal to a percentage of fee-bearing capital and are accrued quarterly. Base management fees, including private fund base fees and perpetual affiliate base fees, are IFRS measures.

Private fund base fees are typically earned on fee-bearing capital from third-party investors only and are earned on invested and/or uninvested fund capital, depending on the stage of the fund life.

Perpetual affiliate base fees are earned on the total capitalization or net asset value of our perpetual affiliates, which includes our investment. Base fees for BEP include a quarterly fixed fee amount of \$5 million, with additional fees of 1.25% on the increase in capitalization above their initial capitalization of \$8 billion. Base fees for BIP and BBU are 1.25% of total capitalization. Base fees for BPG are 1.05% of net asset value, excluding its interests in private funds and investments which were held directly by Brookfield prior to the BPY privatization. Perpetual affiliate capitalization as at September 30, 2024, was as follows: BEP/BEPC – \$25.0 billion; BIP/BIPC – \$35.0 billion; BBU/BBUC – \$7.2 billion; and BPG – \$17.1 billion.

Carry eligible capital represents the capital committed, pledged or invested in the private funds that we manage and which entitle us to earn carried interest. Carry eligible capital includes both invested and uninvested (i.e., uncalled) private fund amounts as well as those amounts invested directly by investors (co-investments) if those entitle us to earn carried interest. We believe this measure is useful to investors as it provides additional insight into the capital base upon which we have potential to earn carried interest once minimum investment returns are sufficiently assured.

Carried interest is a contractual arrangement whereby we receive a fixed percentage of investment gains generated within a private fund provided that the investors receive a predetermined minimum return. Carried interest is typically paid towards the end of the life of a fund after the capital has been returned to investors and may be subject to “clawback” until all investments have been monetized and minimum investment returns are sufficiently assured.

Realized carried interest is an IFRS measure and represents our share of investment returns based on realized gains within a private fund. Realized carried interest earned is recognized when an underlying investment is profitably disposed of and the fund’s cumulative returns are in excess of preferred returns, in accordance with the respective terms set out in the fund’s governing agreements, and when the probability of clawback is remote. We include realized carried interest when determining our Asset Management segment results within our consolidated financial statements.

Realized carried interest, net is a non-IFRS measure and represents realized carried interest after direct costs, which include employee expenses and cash taxes. A reconciliation of realized carried interest to realized carried interest, net, is shown below:

FOR THE THREE MONTHS ENDED SEP. 30 (MILLIONS)	2024	2023
Realized carried interest ¹	\$ 74	\$ 131
Less: direct costs associated with realized carried interest	(12)	(36)
	62	95
Less: realized carried interest not attributable to Corporation	(1)	(1)
Realized carried interest, net	\$ 61	\$ 94

1. Includes \$3 million of realized carried interest related to Oaktree (2023 – \$2 million). For segment reporting, Oaktree’s revenue is shown on a 100% basis.

Consolidated capitalization is a non-IFRS measure that reflects the full capitalization of wholly owned and partially owned entities that we consolidate in our financial statements. Our consolidated capitalization includes 100% of the debt of the consolidated entities even though in many cases we only own a portion of the entity and therefore our pro-rata exposure to this debt is much lower. In other cases, this basis of presentation excludes the debt of partially owned entities that are accounted for following the equity method.

Core liquidity represents the amount of cash, financial assets and undrawn credit lines at the Corporation, perpetual affiliates and directly held investments. We use core liquidity as a key measure of our ability to fund future transactions and capitalize on opportunities as they arise. Our core liquidity also allows us to backstop the transactions of our various businesses as necessary and fund the development of new activities that are not yet suitable for our investors.

Total liquidity represents the sum of core liquidity and uncalled private fund commitments and is used to pursue new transactions.

Corporate capitalization represents the amount of debt issued by the Corporation, accounts payable and deferred tax liability in our Corporate Activities segment as well as our issued and outstanding common and preferred shares.

Debt to capitalization is determined as the aggregate of corporate borrowings and non-recourse borrowings divided by total capitalization. Draws on revolving facilities and commercial paper issuances are excluded from the debt to capitalization ratios as they are not permanent sources of capital.

Distributions (current rate) represents the distributions that we would receive during the next twelve months based on the current distribution rates of the investments that we currently hold. The dividends from our listed investments are calculated by multiplying the number of shares held by the most recently announced distribution policy. The yield on cash and financial assets portfolio is equal to an estimated 8% on the ending balance as of the end of the current period. Distributions on our unlisted investments are calculated based on the distributions received in the most recent fiscal year.

Distributable earnings ("DE") is a non-IFRS measure that provides insight into earnings received by the Corporation that are available for distribution to common shareholders or to be reinvested into the business. It is calculated as the sum of distributable earnings before realizations from our Asset Management business and our Wealth Solutions business, distributions received from our ownership of our Operating Businesses, realized carried interest and disposition gains from principal investments, net of Corporate Activities FFO, preferred share dividends and equity-based compensation costs.

Distributable earnings before realizations from our Asset Management business is comprised of fee-related earnings and other income (expenses), net of cash taxes and equity-based compensation costs from BAM, as well as FFO on direct investments.

Distributable earnings from our Wealth Solutions business is equivalent to its distributable operating earnings ("DOE"), which is calculated as net income from our Wealth Solutions business, excluding the impact of depreciation and amortization, deferred income taxes, net income from our equity accounted investments, mark-to-market on investments and derivatives, breakage and transaction costs, and is inclusive of our proportionate share of DOE from investments in associates.

Distributable earnings before realizations ("DE before realizations") is DE excluding realized carried interest and disposition gains from principal investments. We use DE before realizations to provide additional insight regarding recurring DE of the business.

The following table reconciles net income to DE, DE before realizations, FFO, and Operating FFO:

FOR THE PERIODS ENDED SEP. 30 (MILLIONS)	Three Months Ended		Nine Months Ended	
	2024	2023	2024	2023
Net income	\$ 1,518	\$ 35	\$ 1,752	\$ 1,971
Financial statement components not included in FFO:				
Equity accounted fair value changes and other non-FFO items ¹	1,158	298	2,231	1,805
Fair value changes and other	179	503	967	403
Depreciation and amortization	2,410	2,246	7,320	6,648
Deferred income taxes	(324)	(238)	(423)	(481)
Realized disposition gains in fair value changes or equity	(166)	203	1,013	602
Non-controlling interests in FFO ²	(3,593)	(1,906)	(8,353)	(7,255)
Funds from operations	1,182	1,141	4,507	3,693
Less: total disposition gains	77	(252)	(1,245)	(880)
Less: realized carried interest, net	(61)	(94)	(295)	(470)
Operating funds from operations	1,198	795	2,967	2,343
Less: Operating FFO from BAM	(448)	(420)	(1,240)	(1,217)
Less: Operating FFO from Asset Management direct investments	3	66	6	72
Less: Operating FFO from Operating Businesses	(528)	(366)	(1,325)	(1,100)
Distributions from BAM	453	426	1,262	1,243
Distributions from Asset Management direct investments	241	208	689	662
Distributions from Operating Businesses	356	366	1,064	1,062
Add back: equity-based compensation costs	28	26	83	82
Preferred share dividends	(44)	(45)	(133)	(133)
Distributable earnings before realizations	1,259	1,056	3,373	3,014
Realized carried interest, net	61	94	295	470
Disposition gains from principal investments	5	—	1,000	10
Distributable earnings	\$ 1,325	\$ 1,150	\$ 4,668	\$ 3,494

1. Other non-FFO items correspond to amounts that are not directly related to revenue earning activities and are not normal or recurring items necessary for business operations. In addition, this adjustment is to back out non-FFO expenses (income) that are included in consolidated equity accounted income including depreciation and amortization, deferred taxes and fair value changes from equity accounted investments.
2. Amounts attributable to non-controlling interests are calculated based on the economic ownership interests held by non-controlling interests in consolidated subsidiaries. By adjusting FFO attributable to non-controlling interests, we are able to remove the portion of FFO earned at non-wholly owned subsidiaries that is not attributable to Brookfield.

We assess our segment performance using DE from our Asset Management segment, DOE from our Wealth Solutions business, NOI from our Real Estate segment, and FFO for all other segments as our key measures of financial performance and our segment measures of profit and loss. Refer to Note 3 Segmented Information in our consolidated financial statements for a reconciliation of net income to segment measures of profit or loss.

Economic ownership interest represents the company's proportionate equity interest in our listed partnerships which can include redemption-exchange units ("REUs"), Class A limited partnership units, special limited partnership units and general partnership units in each subsidiary, where applicable, as well as any units or shares issued in subsidiaries that are exchangeable for units in our listed partnerships ("exchange units"). REUs and exchange units share the same economic attributes as the Class A limited partnership units in all respects except for our redemption right, which the listed partnership can satisfy through the issuance of Class A limited partnership units. The REUs, general partnership units and exchange units participate in earnings and distributions on a per unit basis equivalent to the per unit participation of the Class A limited partnership units of the subsidiary.

Fee-bearing capital represents the capital committed, pledged or invested in the perpetual affiliates, private funds and liquid strategies that are managed by our Asset Management business which entitles that business to earn fee revenues. Fee-bearing capital includes both called (“invested”) and uncalled (“pledged” or “committed”) amounts. When reconciling period amounts, we utilize the following definitions:

- **Inflows** include capital commitments and contributions to our private and liquid strategies funds and equity issuances in our perpetual affiliates.
- **Outflows** represent distributions and redemptions of capital from within the liquid strategies capital.
- **Distributions** represent quarterly distributions from perpetual affiliates as well as returns of committed capital (excluding market valuation adjustments), redemptions and expiry of uncalled commitments within the private funds of our Asset Management business.
- **Market valuation** includes gains (losses) on portfolio investments, perpetual affiliates and liquid strategies based on market prices.
- **Other** includes changes in net non-recourse leverage included in the determination of perpetual affiliate capitalization and the impact of foreign exchange fluctuations on non-U.S. dollar commitments.

Long-term private funds are long duration and closed-end in nature and include value-add and opportunistic strategies. Capital is typically committed for 10 years from the inception of the fund with two one-year extension options.

Perpetual strategies include capital in our perpetual affiliates and perpetual private funds, which includes core and core plus strategies that can continually raise new capital.

Liquid strategies represent publicly listed funds and separately managed accounts, focused on fixed income and equity securities across a number of difference sectors.

Fee-related earnings is a non-IFRS measure and is comprised of fee revenues less direct costs associated with earning those fees, which include employee expenses and professional fees as well as business related technology costs, other shared services and taxes. We use this measure to provide additional insight into the operating profitability of our asset management activities. See the below table which reconciles fee revenues and fee-related earnings to revenue, the most comparable IFRS measure.

Fee revenues is a non-IFRS measure and includes base management fees, incentive distributions, performance fees and transaction fees presented within our Asset Management segment. Many of these items do not appear in consolidated revenues because they are earned from consolidated entities and are eliminated on consolidation. The following table reconciles fee revenues and fee-related earnings to revenue, the most comparable IFRS measure:

FOR THE PERIODS ENDED SEP. 30 (MILLIONS)	Three Months Ended		Nine Months Ended	
	2024	2023	2024	2023
Revenue	\$ 20,623	\$ 24,441	\$ 66,580	\$ 71,406
Add: fee revenues from Oaktree	323	309	961	897
Add: inter-segment and other fee revenues	(1,758)	(2,103)	(5,284)	(5,597)
Less: external revenues from consolidated subsidiaries other than BAM	(17,978)	(21,538)	(58,786)	(63,431)
Fee revenues	1,210	1,109	3,471	3,275
Direct costs	(538)	(511)	(1,606)	(1,522)
	672	598	1,865	1,753
Less: amounts attributable to other shareholders	(28)	(33)	(86)	(93)
Fee-related earnings	\$ 644	\$ 565	\$ 1,779	\$ 1,660

Funds from operations (“FFO”) is a non-IFRS measure that includes the fees that we earn from our Asset Management business managing capital as well as our share of revenues earned and costs incurred within our operations, which include interest expense and other costs. Specifically, FFO includes the impact of contracts that we enter into to generate revenue, including asset management agreements, power sales agreements, contracts that our Operating Businesses enter into such as leases and take or pay contracts and sales of inventory. FFO also includes the impact of changes in borrowings or the cost of borrowings as well as other costs incurred to operate our business. FFO also includes realized disposition gains and losses, which are defined in this glossary of terms.

We use realized disposition gains and losses within FFO in order to provide additional insight regarding the performance of investments on a cumulative realized basis, including any unrealized fair value adjustments that were recorded in equity and not otherwise reflected in current period FFO, and believe it is useful to investors to better understand variances between reporting periods. We exclude depreciation and amortization from FFO as we believe that the value of most of our assets typically increases over time, provided we make the necessary maintenance expenditures, the timing and magnitude of which may differ from the amount of depreciation recorded in any given period. In addition, the depreciated cost base of our assets is reflected in the ultimate realized disposition gain or loss on disposal. As noted above, unrealized fair value changes are excluded from FFO until the period in which the asset is sold. We also exclude deferred income taxes from FFO because the vast majority of the company's deferred income tax assets and liabilities are a result of the revaluation of our assets under IFRS.

Our definition of FFO differs from the definition used by other organizations, as well as the definition of FFO used by the Real Property Association of Canada (“REALPAC”) and the National Association of Real Estate Investment Trusts, Inc. (“NAREIT”), in part because the NAREIT definition is based on U.S. GAAP, as opposed to IFRS. The key difference between our definition of FFO and the determination of FFO by REALPAC and/or NAREIT is that we include the following: realized disposition gains or losses and cash taxes payable or receivable on those gains or losses, if any; foreign exchange gains or losses on monetary items not forming part of our net investment in foreign operations; and foreign exchange gains or losses on the sale of an investment in a foreign operation. We do not use FFO as a measure of cash generated from our operations.

Operating FFO is FFO excluding realized disposition gains. We use Operating FFO to provide additional insight regarding the recurring performance of the business.

Incentive distributions is an IFRS measure and is determined by contractual arrangements; incentive distributions are paid to our asset management business by BEP and BIP and represent a portion of distributions paid by perpetual affiliates above a predetermined hurdle. Incentive distributions are accrued on the record date of the associated distributions of the entity.

A summary of our distribution hurdles and current distribution rates is as follows:

AS AT SEP. 30, 2024	Current Distribution Rate ¹	Distribution Hurdles (per unit) ²	Incentive Distributions
Brookfield Infrastructure (BIP) ³	\$ 1.62	\$ 0.49 / \$ 0.53	15% / 25%
Brookfield Renewable (BEP) ⁴	1.42	0.80 / 0.90	15% / 25%

1. Current rate based on most recently announced distribution rates.
2. Incentive distributions equate to 18% and 33% of limited partner distribution increases over the first and second hurdles, respectively.
3. Incentive distributions from Brookfield Infrastructure are earned on distributions made by BIP and BIPC.
4. Incentive distributions from Brookfield Renewable are earned on distributions made by BEP and BEPC.

Invested capital consists of our perpetual investments, which include our interests in BAM and perpetual affiliates, other investments and corporate activities. Our invested capital provides us with FFO and cash distributions.

Invested capital, net consists of invested capital and leverage.

Leverage represents the amount of corporate borrowings and perpetual preferred shares held by the company.

Long-term average (“LTA”) generation is used in our Renewable Power and Transition segment and is determined based on expected electrical generation from its assets in commercial operation during the year. For assets acquired or reaching commercial operation during the year, LTA generation is calculated from the acquisition or commercial operation date. In Brazil, assured generation levels are used as a proxy for LTA. We compare LTA generation to actual generation levels to assess the impact on revenues and FFO of hydrology, wind generation levels and irradiance, which vary from one period to the next.

Net operating income (“NOI”) is a key measure of our Real Estate segment’s financial performance and is defined as property-specific revenues less direct operating expenses before the impact of depreciation and amortization. Refer to Note 3 Segmented Information in our consolidated financial statements for a reconciliation of net income to segment measures of profit or loss.

Performance fees is an IFRS measure. Performance fees are generated by our asset management business when the unit price performance of BBU exceeds a prescribed high-water mark. In addition, performance fees are earned on certain liquid strategy portfolios. BBU performance fees are based on the quarterly volume-weighted average increase in BBU unit price over the previous threshold and are accrued on a quarterly basis, whereas performance fees within liquid strategy funds are typically determined on an annual basis. These fees are not subject to clawback.

Proportionate basis generation is used in our Renewable Power and Transition segment to describe the total amount of power generated by facilities held by BEP, at BEP’s respective economic ownership interest percentage.

Realized disposition gains/losses is a component of FFO and includes gains or losses arising from transactions during the reporting period together with any fair value changes and revaluation surplus recorded in prior periods, presented net of cash taxes payable or receivable. Realized disposition gains include amounts that are recorded in net income, other comprehensive income and as ownership changes in our consolidated statements of equity, and exclude amounts attributable to non-controlling interests unless otherwise noted. We use realized disposition gains/losses to provide additional insight regarding the performance of investments on a cumulative realized basis, including any unrealized fair value adjustments that were recorded in prior periods and not otherwise reflected in current period FFO, and believe it is useful to investors to better understand variances between reporting periods.

Same-store or same-property represents the earnings contribution from assets or investments held throughout both the current and prior reporting period on a constant ownership basis. We utilize same-store analysis to illustrate the growth in earnings excluding the impact of acquisitions or dispositions.

Unrealized carried interest is the change in accumulated unrealized carried interest from prior period and represents the amount of carried interest generated during the period. We use this measure to provide insight into the value our investments have created in the period.

Accumulated unrealized carried interest is based on carried interest that would be receivable under the contractual formula at the period end date as if a fund was liquidated and all investments had been monetized at the values recorded on that date. We use this measure to provide insight into our potential to realize carried interest in the future.

Accumulated unrealized carried interest, net is accumulated unrealized carried interest after direct costs, which include employee expenses and taxes at our share.