

Brookfield Letter to Shareholders

Overview

Our business performed well in the first quarter. We had strong results across all of our operations, and we continue to execute on our strategic initiatives.

We raised \$67 billion since last quarter, including \$23 billion for investment strategies and \$44 billion of insurance capital. We closed the purchase of Just Group, a leading pension risk transfer platform in the U.K. This increased the scale of our total insurance assets to \$180 billion. Operating businesses generated solid cash flow growth, supported by strong underlying fundamentals.

We will shortly move forward with plans to combine the Corporation and our Wealth Solutions business. This is an important step in simplifying our organizational structure and positioning us for our next phase of growth. The combination will enhance Brookfield Corporation's overall capital structure and enable the use of the combined group's asset base to expand operations and pursue growth.

We started the year with robust capital deployment, as the market environment for investment is strong and markets remain volatile. We invested \$53 billion across the business, and repurchased over \$1 billion of shares, including \$470 million of BN shares and \$575 million of BAM shares when their prices sold off. With almost \$200 billion of total deployable capital available, we remain active.

Market Environment

The global economy continues to adjust to a period of tighter energy supply, contributing to ongoing discussions around growth and inflation. The duration of trade disruption will shape the near-term impact on markets. Regardless, these distortions will be temporary and moderate in the sectors that we focus on most.

Capital markets remain resilient, with capital increasingly shifting toward quality assets and businesses underpinned by essential services and real assets that generate predictable cash flows. U.S. investment-grade bond issuance is near the busiest on record, credit spreads have moved from abnormally tight levels toward more normal ranges, and broader funding markets continue to function efficiently and with depth, even as markets reassess the path of monetary policy and expectations for near-term rate cuts evolve.

The continued strength of the U.S. dollar reinforces its position as a premier destination for global capital, and with our operations predominantly in the U.S. or hedged to the U.S. dollar, we have benefitted commensurately.

Macro Events Are Mostly Irrelevant to Long Term Investing

Markets often become focused on macroeconomic developments—interest rates, inflation, geopolitics, or recession risk. These factors dominate headlines, influence sentiment, and often drive short-term movements in market prices.

While important to monitor, macro events are also the most observable and widely discussed aspects of investing—and therefore tend to attract disproportionate attention relative to their long-term impact.

In the short term, Price of an asset is influenced by capital flows, sentiment, and prevailing narratives, particularly during periods of uncertainty. This can create the impression that underlying fundamentals have changed, when in most cases business performance remains largely intact.

Conversely, Value is determined by the cash flows a business generates and the ability for management to reinvest capital at attractive returns. While Price and Value can diverge meaningfully in the short run, they will always converge in the longer term.

Long-term business success is not driven by reacting to short-term changes in macro conditions. It is about capitalizing on attractive entry points to acquire good businesses at fair or attractive values, operating them well, and allowing compounding to work over time. Equally important is ensuring that compounding is never disrupted by being forced to act in a detrimental way during periods of market stress.

We position our assets and businesses to withstand changes in macro conditions, with a focus on consistently compounding cash flows through economic cycles. By adhering to these principles, over the last 30+ years our shareholders have realized annual compound returns of 19%. Over that period, we have navigated many macro events and environments that collectively have had little impact on our long-term outcomes. We expect the same in the future.

Our Powerful Investment Themes Are Even More Dominant Today

Over the past decade we have spoken frequently about three powerful forces shaping the investment landscape: digitalization, decarbonization and deglobalization. These themes are even more prominent today than when we started speaking about them, but the form they take continues to evolve as the global economy itself changes.

Many of the assets we invest in today were not widely held institutional asset classes even fifteen years ago. As the economy evolves, new forms of infrastructure emerge to support it, creating opportunities for long-term investors that possess the scale and operating capabilities to develop them.

Digitalization began with the build-out of fiber networks and wireless towers that connected the global economy, followed by hyperscale data centers that enabled cloud computing and the storage and processing of vast amounts of data. We are still in the midst of this buildout, but a new wave of activity has now been launched.

Today artificial intelligence is driving demand for a new generation of infrastructure in the form of ai factories—industrial-scale computing facilities designed to train and run advanced ai models. Building these facilities requires enormous computing capacity and reliable power. This has created a significant opportunity to build out the backbone infrastructure required to support this growth for those that have scale, capital and operating expertise.

Decarbonization has evolved meaningfully over time. What began largely as the build-out of wind and solar generation broadened into a wider energy transition focused on replacing carbon-intensive power in a world where electricity demand was growing only modestly. Today the backdrop has changed. Demand is rising at a pace not seen in decades, driven by electrification, reindustrialization and the rapid expansion of digital infrastructure.

The challenge is therefore no longer simply transitioning the power system—it is also about adding enormous amounts of new generation capacity. Said another way, the environment is no longer one of energy transition, but rather energy addition. Meeting this demand will require renewables, nuclear, storage and other technologies to maintain reliability. In practice, the opportunity is about deploying all forms of power generation required to meet rapidly growing electricity demand while continuing to lower emissions.

In this environment, where demand is increasingly driven by the need for incremental generation and capacity, clean energy technologies are well positioned to meet the majority of this demand, due to their (i) low-cost solution, (ii) speed of deployment, (iii) lack of reliance on an imported input fuel. As a result, as this generational build-out continues, clean energy solutions are accounting for a rapidly growing share of global electricity generation.

Deglobalization began with the reshoring of manufacturing as companies moved production closer to end markets following supply disruptions and geopolitical tensions. Over time this evolved into a broader reorganization of global supply chains as businesses sought greater reliability and visibility over where critical goods are produced.

This is still happening today, but the trend is extending further as governments increasingly prioritize data sovereignty, requiring that critical data be stored and processed within their own borders. This is leading to the build-out of domestic digital infrastructure, including large-scale data centers designed to support national data systems. Increasingly, we are working with governments and enterprises around the world to help build this infrastructure.

Recent geopolitical developments, including the conflict in the Middle East, have reinforced these themes—accelerating sovereign focus on energy security and a rewiring of global supply chains toward a more regionalized and resilient economy. Against this backdrop, we remain committed to investing in high-quality asset classes and regions globally, including the Middle East, where long-term fundamentals are strong and capital needs remain significant.

While digitalization, decarbonization, and deglobalization will continue to evolve in the form they take, each is driving significant long-term demand for new infrastructure. Our focus remains on identifying where that demand is emerging, and building the platforms required to meet it. By continuing to adapt our business and innovate alongside these shifts, we are well positioned to develop and operate the assets that will support the next phase of global economic growth.

Watch, Learn, Invest, Perfect, Scale

In order to grow and change, an organization must be nimble. It is never easy, but is integral to evolving a company over the longer term. We have codified how to do this over time and essentially in simple terms, it is Watch, Learn, Invest, Perfect, Scale. This is a repeatable approach that allows us to own what's next as the backbone to the global economy evolves. This allows us to make modest mistakes when wrong, but positions us ahead of most that are not able to understand trends from the inside.

The building of all of our successful platforms followed this progression and will continue to guide how we build the business. We watch an industry, learn how it works, invest measuredly, refine the business model—and only then scale the platform. This approach has allowed us to build large and durable businesses while minimizing the risks that often accompany rapid expansion.

Watch. Our first step is observation, identifying emerging trends. We follow industries for years before committing meaningful capital, studying the structure of the market, how returns are generated, and which operators consistently create value. Sometimes this involves acquiring small positions or partnering with experienced management teams. At this stage, the goal is not scale, but understanding (as an example, many of you know how we patiently waited for years to start investing in India but now are one of the largest foreign investors in the country).

Learn. We leverage the broader Brookfield Ecosystem to consider best practices from other businesses and asset classes. Over time our teams build detailed knowledge of a business—its revenue drivers, cost structure, capital requirements, and regulatory framework. Because many of the assets we invest in are long-life infrastructure and real asset businesses, understanding the true costs is extremely important. Building this knowledge allows us to determine whether we have a genuine advantage as an owner (this gets easier with time, and with our scale we now have access to the best in the world to learn from).

Invest. Once we have conviction in the opportunity, we begin to commit capital more meaningfully. Typically, this involves acquiring assets where our operating expertise and long-term capital can create value over time. Our investment decisions remain grounded in disciplined return-on-capital metrics and a focus on assets that generate durable and growing cash flow (as an example, we recently made an investment in a humanoid robotics business with a modest amount of capital, but it could be the start of something larger).

Perfect. After acquiring assets, our focus shifts to operations. Our teams work to improve efficiency, strengthen revenues, optimize financing structures, and reduce the overall cost of capital. Because our preferred assets often require large upfront investment but have relatively low operating costs, cost of capital and price paid really matter (ten years in, we are now among the largest builders of data centers globally and this has allowed us, along with our energy expertise, to be at the forefront of creating ai factories).

Scale. We leverage our access to capital and global reach. Only once the operating model is proven do we scale the platform. At that point we have the expertise, systems, and relationships to expand the business efficiently. We can acquire additional assets, enter new markets, or bring in long-term partners through our funds and listed vehicles. Many of our largest businesses today began as a single asset or small portfolio and were expanded over time through this disciplined process (we now have very clear knowledge dominance in many asset classes—for example, we are among the largest builders/owners of solar power plants, batteries for utility scale power, telecom towers, fiber, data centers, real estate, industrial facilities, and pipelines).

The result is that we seldom need to rely on forecasting the next trend or timing markets perfectly. Instead, we focus on building expertise first and deploying capital when we have a clear advantage. Over time, this approach has enabled us to transform small footholds into global platforms managing hundreds of billions of dollars of assets, and positions us to do the same in the future.

In our experience, the most successful businesses are not built quickly. They are built deliberately. By watching patiently, learning extensively, investing with conviction, perfecting operations, and then scaling with discipline, we believe we can continue to build and own the next generation of businesses that generate durable cash flows and significant long-term value for our shareholders.

Private Credit Is Just Credit, but All Lenders Are Not the Same

Over the past decade, private credit has grown due to growing capital needs from industry and as traditional lenders retrenched, largely due to increased regulation and more onerous capital requirements. This created an opportunity for alternative capital providers to scale. Borrowers increasingly turned to private solutions, valuing certainty of execution and customized structures tailored to their needs, driving a shift in market share.

At its core, private credit is simply credit—providing senior capital to asset owners and businesses, in return for a prioritized fixed return. While structures may differ slightly from public markets, the underlying principles of underwriting, collateral, and discipline remain unchanged. Credit outcomes have always been driven by what you lend against, how you structure transactions, and the discipline applied, particularly when capital is abundant.

Recently, sentiment toward private credit has become cautious. This has been sparked in part by concerns that artificial intelligence may prove more disruptive than previously expected, particularly for certain software and SaaS (software as a service) business models. Private credit, through direct sponsor lending vehicles, is perceived to have (and some funds do have) elevated levels of exposure to software.

As a result, market narratives have weighed on capital flows, with retail investors stepping back, leading to higher redemptions and slower fundraising for private wealth strategies. At this stage, performance has not prevented redemptions, but over time we expect it to differentiate outcomes. This is when the distinction between platforms becomes most apparent, across both private and public markets.

Our approach to private credit, in partnership with Oaktree, reflects a long-held philosophy built on a culture of disciplined underwriting, a focus on downside protection, and a consistent emphasis on risk-adjusted returns across cycles. We invest where we have structural advantages, including opportunistic credit, real asset credit across infrastructure, energy, and real estate, and asset-backed lending through our partner managers.

We have no material exposure to software in our credit or equity strategies, and among listed credit entities serving retail investors (which is the segment of the industry causing the issues seen in the broader market) our products represent a disproportionately small component of the market. Furthermore, by design, sponsor lending (this is where the software exposure is) is also an immaterial part of our business. This positioning reflects our broader diversification, which we view as an advantage in periods like this, when sentiment is driven by concerns in specific segments of the market.

We believe the current concerns highlight two potential outcomes—both of which position our business favorably.

If artificial intelligence proves to be as powerful a driver of productivity and efficiency as we expect, it will accelerate adoption across industries. That will require significant expansion of the infrastructure that supports it, such as data centers, energy, transmission, and digital networks. These are areas where we have leadership positions in both credit and equity. Increased ai adoption should drive more capital into these sectors, create additional deployment opportunities, and support long-term growth.

If current concerns lead to a broader dislocation in markets, this is precisely the type of environment that our opportunistic credit business is built for. When capital becomes scarce and risk is repriced, that historically has created some of the most attractive opportunities to deploy capital. Our platform is designed to deploy significant capital in these environments, providing solutions when others cannot, and positioning us for what comes next.

Next Steps on Streamlining

Over the last 18 months we have streamlined our corporate structure. The next step is the combination of BN and its paired security, BNT—marking the next evolution of Brookfield Corporation. The end result will be a fully-integrated insurance and investment organization.

This builds on the steps closed to date, including the successful conversion of Brookfield Business Partners and Brookfield Business Corporation into a single listed corporate entity. The dominance of index investing, strong shareholder support, and a positive market response have reinforced our view that simpler structures with larger market capitalizations are now the most effective way to position these businesses. We are also evaluating a similar simplification plan for our two infrastructure entities and our two energy entities.

When we established our wealth solutions business, we structured it in a manner that enabled it to benefit from the Corporation's capital base and investing capabilities. That approach served us well. Over the past five years, we have grown our insurance business to \$30 billion of value, while growing the asset base to close to \$200 billion.

It is now clear that to keep growing and to maximize our returns and lower risk, a full combination is optimal. Providing our insurance operations with greater access to the Corporation's balance sheet will enhance capital efficiency and flexibility in optimizing our capital structure to support Brookfield's continued expansion over the long term.

This combination is expected to allow us to fully utilize our permanent capital base—an incremental approximately \$145 billion of cash, equities, real estate, and other investments—to support the growth of our insurance operations. Simply stated, few other insurance businesses in the world will have access to this scale of excess capital to add to their equity base.

We intend to approach both boards for approval shortly and expect to include this item at both BN and BNT's shareholder meetings, alongside the annual matters to be voted on by you on July 16, 2026. Prior to that, if you have any questions on the topic, please call us.

Closing

We remain committed to investing capital for you in high-quality assets that earn solid cash returns on equity, while emphasizing downside protection for the capital employed. The primary objective of the company continues to be to generate increased Cashflows on a per-share basis and, as a result, higher intrinsic value per share over the longer term.

Thank you for your interest in Brookfield, and please do not hesitate to contact any of us should you have suggestions, questions, comments, or ideas you wish to share.

Sincerely,



Bruce Flatt
Chief Executive Officer
May 14, 2026

Cautionary Statement Regarding Forward-Looking Statements and Information

All references to "\$" or "Dollars" are to U.S. Dollars. This letter to shareholders 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 and its subsidiaries, 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 letter include statements referring to the impact of current market or economic conditions on our business, 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 all statements relating to the proposed combination of Brookfield Corporation and Brookfield Wealth Solutions Ltd., and the acquisition of Just Group and its expected impact on our business.

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 letter or 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 letter 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. All references to asset monetizations include completed transactions and transactions in the process of being completed.

When we speak about our wealth solutions business or Brookfield Wealth Solutions, we are referring to Brookfield's investments in this business that supported the acquisitions of its underlying operating subsidiaries.

Cautionary Statement Regarding the Use of Non-IFRS Measures

This letter to shareholders contains references to financial measures that are calculated and presented using methodologies other than in accordance with IFRS. These financial measures, which include Distributable Earnings (as defined below), its components and its per share equivalent, 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 are not standardized under IFRS and may differ from the financial measures or other financial metrics disclosed by other businesses and, as a result, may not be comparable to similar measures presented by other issuers and entities.

We make reference to Distributable Earnings ("Cashflows"), which refers to the sum of distributable earnings from our asset management business, distributable operating earnings from our wealth solutions business, distributions received from our ownership of investments, realized carried interest and disposition gains from principal investments, net of preferred share dividends and equity-based compensation costs. We also make reference to Distributable Earnings before realizations, which refers to Distributable Earnings before realized carried interest and disposition gains from principal investments, and net operating income, which refers to the revenues from our operations less direct expenses before the impact of depreciation and amortization within our real estate business. Our outlook for growth in Distributable Earnings assumes growth in fee-related earnings and realized carried interest in line with our business plans, which assume growth in our fee bearing capital consistent with our fundraising plans, capital deployment expectations, maintaining the fee rates we earn on fee bearing capital and earning margins consistent with our current margin. Actual results may vary materially and are subject to market conditions and other factors and risks set out above. For more information on non-IFRS measures and other financial metrics, see Brookfield Corporation's Q1 2026 Press Release, which includes reconciliations of these non-IFRS financial measures to their most directly comparable financial measures calculated and presented in accordance with IFRS.