LETTER
TO SHAREHOLDERS

OVERVIEW (As of February 13, 2025)

We had a strong year in 2024, with record financial results and the completion of a number of strategic transactions. Our asset management business had over $135 billion of inflows and further expanded its credit platform through a partnership with Castlelake, an asset-backed credit specialist. Our wealth solutions business is now firmly established as a top-tier annuity writer in the U.S., top two in Canada, and we are just getting started in the U.K. Our operating businesses continued to deliver strong results, with our high-quality, essential service assets and businesses generating stable and growing underlying cash flows.

We were active on the investment front and at the same time, sold nearly $40 billion of assets at strong returns. This led to the realization of approximately $400 million of net carried interest during the year. More importantly, as we advance our investment plans and continue to monetize assets, we expect this number to increase meaningfully in the years ahead.

Our access to capital remains very strong. During the year, we financed approximately $135 billion of debt across the business. We also accelerated share buybacks and repurchased approximately $1 billion of common shares in 2024. That has continued in 2025, adding further to the intrinsic value per share of the company. To date this year, we repurchased a further $200 million of shares—and as a result of the purchases in the last twelve months, you own 1.5% more of all the assets we own, without investing any additional capital.

Looking ahead to 2025, we expect the positive momentum in each of our businesses to continue. This sets us up well to generate strong growth in our earnings and cash flows, which in turn leads to increased intrinsic value on a per share basis.

Each of our businesses leveraged their operating platforms to generate growing cash flows, monetizations continue to accelerate, and our balance sheet is robust.

2024 HIGHLIGHTS

$6.3B	~$160B
DISTRIBUTABLE EARNINGS	DEPLOYABLE CAPITAL
$1B	~$40B
SHARE BUYBACKS	MONETIZATIONS

MARKETS WERE CONSTRUCTIVE, DESPITE VOLATILITY

Markets were constructive for most of 2024, supported by easing of short-term interest rates by central banks. Growth has been solid and labor markets remain robust, particularly in the U.S. With inflation tempered, short interest rates are stabilizing at levels consistent with more normalized economic conditions.

Equity markets have been strong, but also experienced increased volatility caused by potential policy changes and geopolitical tension. Despite this, labor markets are coming into better balance and economic activity continues to be resilient.

Market conditions are looking to be increasingly constructive, which should contribute to a resurgence in transaction activity, especially for high-quality assets and businesses like the ones we own. 2025 appears to be another good year.

OUR INTRINSIC VALUE IN 2024 INCREASED 19%; OUR SHARE PRICE 55%

Our stock price performance was very strong in 2024, increasing by 55%. More importantly, our ability to consistently generate attractive investment returns has led to the continued growth of our intrinsic value over a long period of time. The intrinsic value of each share increased by $15 in 2024. At our best estimate, the intrinsic value now backing each one of your shares is approximately $100, which was a 19% total return in 2024. This underpins the conservative investment you own and, all else being equal, should allow you to earn a greater return than the underlying performance of our business.

As an indication of the returns that can be generated for investors over the longer term, outlined below are our stock market returns, on a compound return basis over the past 30 years. For reference, $1 million invested 30 years ago in Brookfield Corporation is worth $185 million today, representing an annualized return of 19%. Over the longer term, our stock price and intrinsic value per share have tracked each other.

Compound Stock Market Performance of Brookfield Corporation[1]

YEARS	Value of $1 Million Invested in BN	BN NYSE	S&P 500	10-Year U.S. Treasuries
1	$ 1,550,000	55%	26%	–%
5	2,000,000	15%	15%	(2%)
10	4,000,000	15%	14%	–%
20	18,800,000	16%	11%	3%
30	184,800,000	19%	11%	3%

See endnotes on page 15

OUR OPERATING RESULTS WERE ALSO STRONG

We generated strong results in 2024. Each of our businesses leveraged their operating platforms to generate growing cash flows, monetizations continue to accelerate, and our balance sheet is robust.

Financial Results

Distributable earnings (“DE”) before realizations were a record $4.9 billion, or $3.07 per share, for the year. This represents an increase of 15% per share over the prior year. Earnings benefited from strong fundraising momentum in our asset management business, continued growth in our wealth solutions business, and stable cash flows across our operating businesses. As tailwinds continue to turn in our favor, we are well positioned to drive further earnings growth and create significant value in the business in 2025.

AS AT AND FOR THE 12 MONTHS ENDED DEC 31 ($MILLIONS, EXCEPT PER SHARE AMOUNTS)	2020	2021	2022	2023	2024	CAGR
DE before realizations – Per share[2]	$ 1.51	$ 1.89	$ 2.38	$ 2.66	$ 3.07	19%
– Total[2]	2,330	2,993	3,825	4,223	4,871	20%
Distributable Earnings – Per share	2.74	3.96	3.25	3.03	3.96	10%
– Total	4,220	6,282	5,229	4,806	6,274	10%

See endnotes on page 15

Asset Management — Our asset management business generated distributable earnings of $694 million, or $0.44 per share, in the quarter and $2.6 billion, or $1.67 per share, for the year. Earnings were supported by strong fundraising momentum with total inflows of over $135 billion in 2024. Our latest round of flagship funds have raised approximately $40 billion across our second global transition fund strategy, our fifth opportunistic real estate fund strategy, and our flagship opportunistic credit fund strategy.

The closing of the mandate with American Equity Life ("AEL") and the contribution from strategic partnerships also added significantly to inflows during the year. Fee-bearing capital ended the year at $539 billion, representing an 18% increase, and leading to a 17% growth in fee-related earnings compared to the prior year quarter. Notably, margins continue to expand due to the operating leverage inherent in our asset management business. Looking ahead to 2025, we expect to hold final closes for our latest flagship funds and continue to actively deploy capital, which should contribute to further strong earnings growth.

Wealth Solutions — Our wealth solutions business generated distributable operating earnings of $421 million, or $0.26 per share, in the quarter and $1.4 billion, or $0.85 per share, for the year—an increase of close to 100% compared to the prior year. The business is scaling rapidly amidst a very attractive market backdrop. Following the close of AEL, we are now firmly established as a top-tier writer of retail annuities in the U.S. and with growth in our pension business, the annual origination potential of the business is in excess of $25 billion. The scaling of our credit franchise is supporting the growth of the business, and the performance of our investment portfolio is allowing us to maintain attractive spreads and generate very strong earnings.

During the year, we originated approximately $19 billion of retail and institutional annuity sales. This includes $1.3 billion of U.K. pension liabilities that we reinsured in the fourth quarter. This is our first transaction outside of North America as we expand into new markets and further diversify the business. These inflows contributed to the increase in our insurance assets to over $120 billion at the end of the year. Through our investment origination platform, we were able to generate an average investment portfolio yield of 5.4%, 1.8% higher than the average cost of capital. As we continue to gradually rotate the investment portfolio, we are positioned to grow annualized earnings for the business from approximately $1.6 billion today to $2 billion in the near term. Through our combined wealth solutions platforms, we are raising close to $2 billion of retail capital per month, which includes over $450 million a month from our private wealth channel.

Operating Businesses — Our operating businesses delivered resilient and growing cash flows, generating distributable earnings of $562 million, or $0.35 per share, in the quarter and $1.6 billion, or $1.03 per share, for the year. Cash distributions from our renewable power and transition, infrastructure and private equity businesses were underpinned by their strong operating earnings.

Our core real estate portfolio continues to grow its same-store net operating income, delivering a 4% increase over the prior year quarter. In addition, we signed close to 27 million square feet of office and retail leases during the year, demonstrating strong tenant demand for our high-quality properties. As real estate markets continue to recover in the coming years, we expect earnings and valuations of the business to strengthen.

In our transition business, we closed the investment in Neoen and with our Microsoft agreement, we are on track to not only meet but exceed our delivery targets. These deals underscore our deep operating and development capabilities to power the AI transformation.

Monetizations — We continue to see strong demand for the globally diversified portfolio of high-quality, cash-generating assets and businesses we own. During the year, we monetized nearly $40 billion of assets across the business. With the considerable increase in transaction activity, we expect this momentum to accelerate in 2025 as we advance our robust pipeline of asset sales at attractive returns.

In our real estate business, we closed the sale of a portfolio of U.S. manufactured housing assets for approximately $570 million, crystallizing an approximately 29% IRR and 3.4x multiple of capital. We also agreed to sell a group of logistics assets in Europe for approximately $500 million. In addition, our renewable power and transition business closed the sale of a Spanish renewables business and a 50% interest in a U.S. wind portfolio. In 2024, our renewables business generated record proceeds of $2.8 billion from asset monetizations, returning a 2.5x multiple of capital and an approximately 25% IRR. In our infrastructure business, we agreed to sell a minority stake in a portfolio within our global intermodal logistics operation at an implied equity value of $1.3 billion. We also agreed to sell a non-core asset within our North American hyperscale data center platform for approximately $1 billion, and we closed the previously announced sale of our fiber platform in France, generating an IRR of 17%.

At year end, accumulated unrealized carried interest was $11.5 billion, representing a 13% increase over the prior year. We recognized approximately $400 million of net realized carried interest into income in 2024, and we expect to realize significant carried interest as we actively monetize assets in the coming years.

Balance Sheet and Liquidity

Our balance sheet is robust and remains very conservatively capitalized. This, combined with our high levels of liquidity and access to capital, continues to differentiate our business. Today we have a ±$175 billion perpetual capital base and record deployable capital of approximately $160 billion, enabling us to transact on investment opportunities, support ongoing growth initiatives, and protect against downside risks.

Our financial strength enabled us to continue to opportunistically repurchase our shares at significantly lower prices compared to our view of intrinsic value. In 2024, we accelerated our share buybacks and completed approximately $1 billion in the open market, which added approximately 80 cents of value to each remaining share based on our plan value at the end of the year.

We had an active year in the capital markets, as we proactively refinanced maturities and took advantage of favorable market conditions. During the year, we executed on approximately $135 billion of financings across the franchise.

A few highlights include:

- In the fourth quarter, we accessed the hybrid debt markets, emphasizing our ability to raise capital from multiple sources. We issued $700 million of 30-year subordinated notes at the Corporation, raised $300 million from an inaugural subordinated note offering at Brookfield Infrastructure Partners, and issued a C$200 million green subordinated note at Brookfield Renewable Partners. We saw high demand for all our issuances at relatively low spreads.

- During the year, our real estate business financed approximately $40 billion of debt across 182 individual investments globally, of which over $12 billion relates to our office portfolio. Liquidity is coming back to real estate markets around the world, particularly for the high-quality portfolio of assets that we own.

- Subsequent to year-end, our infrastructure business completed two large financings. We issued a $6.1 billion investment grade financing at our semiconductor facility joint venture in Arizona. The successful financing further de-risked the investment with the original debt facility now fully termed out in the capital markets, two years ahead of plan and at a lower cost. We also executed a A$950 million subordinated financing at our regulated utility operations in Australia to support growth. Both of these financings were oversubscribed, showcasing the depth of liquidity available for high-quality infrastructure assets.

ACTIVE INVESTING CONTINUES TO GO PASSIVE – OFFERING US GREAT OPPORTUNITY

Over the past twenty years, global stock markets, and in particular U.S. stock markets, have evolved. Today much of the investing for "regular" investors is through passive index investing. For non-professional investors, this has proven to be a method of accessing equities without needing to possess the investment skills which are otherwise required to understand businesses and therefore select specific businesses to own. This trend has continued to increase year over year and today represents a large share of global financial markets. While on balance indexing has probably been good for the average investor, there are ramifications for listed businesses.

This indexing affects us in a couple of ways. The first is that there are increasingly a group of companies that do not fit neatly into indexes and as a result, trade poorly relative to value. This creates a significant opportunity to take public companies private, as the value of the assets are far greater than the price that the assets trade in the market—often for no other reason than they have been left behind by indexes. Our recent take privates of container company Triton, industrial property company Tritax Eurobox, financial payments operator Network International, and many others are all examples of companies which were "lost" in the public market and, therefore a good premium could be paid while still acquiring excellent value.

We expect that as indexing continues to grow, more companies will become lost in the public markets. As a result, it is possible that we will see even more opportunities. In the past, one-third of our acquisitions have been from public market take privates; we suspect that in the future this could be much higher.

Of course, we often get asked how it is that we, rather than others, were able to acquire a company, if it was public and everyone had access to the same information. The answer comes down to a few very simple points. The first is that it takes skill and resources to take companies private. We have now completed many of these and have therefore had a great deal of practice. Second, public companies are often large, and size eliminates competition from the process. This works in our favor. And third, it takes great knowledge of the underlying businesses, and one must be able to value assets and gauge their value against the price that one must pay. We have refined these skills over many decades, and few others have the collective knowledge and expertise we have in the areas of businesses in which we operate.

The other way that indexing affects us is that while our main job is to make money in our business for our owners, increasingly to ensure that the value of the business is appropriately reflected over time in the price of the shares, one has to pay attention to the indexes and whether the business is included in them or not. Our efforts to streamline the shares outstanding in Brookfield Asset Management and establish their eligibility for all the relevant major U.S. indices is the outcome of this reality.

CARRIED INTEREST IS OUR HIDDEN GEM

Our carried interest is a large asset—and is not well understood by most investors. It is, however, of immense value and is our hidden gem sitting in plain sight. We estimate the value of our carried interest at ±$30 billion. To emphasize how solid this estimate is, over the next 10 years alone as we sell businesses for our clients, we should generate ±$20 billion of cash flow from carried interest to Brookfield Corporation in the form of our share of the cash generated. Given this scale, we thought it worthwhile to lay out for you how carried interest works and how it contributes to our cash flows and, in turn, the value of our business.

Alignment Is Critical to Our Business

Our asset management business raises capital from pension plans, sovereigns, financial institutions, and private retail investors around the world with the objective of investing that capital in great assets and businesses in order to generate attractive risk-adjusted returns for them. To align our interests, we are a significant investor alongside our clients as a side-by-side partner. Further alignment is also created by us sharing in the returns or profits generated for clients above a prescribed level. This share of the profits is called carried interest.

Put simply, carried interest is our share of the profits realized on an entire fund, subject to that fund exceeding a minimum target return for clients. If we meet fund expectations, we get 20% of the profits. If we earn nothing for our investors, we get nothing.

Investing Is the Lifeblood of Asset Management

The lifecycle of carried interest starts with the raising of client capital for a dedicated strategy. With the growth of our asset management franchise over the years, we now manage $240 billion of capital that is eligible to earn carried interest. This figure has increased at an annual rate of 15% over the past five years, and we expect that to continue to scale significantly going forward.

The second step is the deployment of the capital. We have established an investment track record of delivering strong returns over a long period of time, with almost all our funds meeting or exceeding their target returns. Much of our outsized returns are generated from our deep operating capabilities and as we implement our business plans, our carried interest accrues and compounds alongside the cash flow generation and value creation. The longer we have the capital working for us, the more the returns compound and in turn, so does the carried interest potential.

The last step is monetization. Selling an investment is what crystalizes a large component of the profit of an investment. As assets and businesses are sold, capital is returned to clients. Once all the original invested capital, plus a minimum compound return on drawn capital, has been returned to clients we start to share in the entirety of the profits. To be clear, carried interest is only triggered with <u>realized</u> cash transactions; the valuations used prior to sale have no impact on carried interest, period.

We adopt a conservative approach to the recognition of carried interest in our financial statements. We wait for the invested capital of the entire fund (as opposed to individual deals) to be returned to clients, the passing of the minimum compound return, and the comfort that there is remote risk of claw-back before recording carried interest in our earnings. This conservative approach, which creates further alignment with our clients, delays the recognition towards the end of a fund's lifecycle but leads to a larger contribution when recognized.

Therefore, much of the value creation in our investments, reflected through carrying value increases or from early monetizations in a fund, has yet to be recognized in our earnings. Today we have accumulated $11.5 billion of carried interest, or $7 billion net of costs, most of which we expect to recognize into our earnings over the next five years.

The key to the value of carried interest is creating value in businesses and selling assets opportunistically at attractive values to deliver good returns to our clients. Fortunately, demand for our assets and businesses remains strong, as we own assets and businesses that form the backbone of the global economy underpinned by stable, long-dated, largely contracted or regulated cash flows. The breadth of our fund offerings has enabled us to continue to transact through economic cycles. In 2024, we monetized close to $40 billion of assets and as transaction activity picks up, we expect to be actively monetizing investments.

Carried Interest Generates Substantial "Real" Cash

The outlook for carried interest is significant. If we successfully execute our plans in our asset management business, we expect to receive ±$20 billion in cash directly paid to the Corporation over the next 10 years. These cash flows will come predominantly from funds that already exist today.

Further, the growth in size of each progressive vintage of funds, combined with the scale of our monetizations, should lead to even greater and more recurring carried interest over the longer term—well above our historical levels. This significant amount of incremental cash flow will allow us to deliver further value for you by either reinvesting back into the business or returning capital via opportunistically repurchasing our shares.

We believe that the value of our carried interest is ±$30 billion, which amounts to $21 per share. This reflects what we would earn in cash today by selling assets in our funds at fair value, plus the value of the carried interest potential valued using a conservative market multiple. Notwithstanding the numbers being very large, the carried interest often remains underappreciated. Nevertheless, it is our hidden gem in plain sight.

Over the next 10 years alone as we sell businesses for our clients, we should generate ±$20 billion of cash flow from carried interest to Brookfield Corporation.

CLARIOS RECAPITALIZATION IS ANOTHER IMPORTANT MILESTONE FOR OUR PRIVATE EQUITY FRANCHISE

Over the years, our operations-oriented approach to investment management and our focus on high-quality, cash-generative and mission-critical businesses has differentiated our franchise across market cycles. This approach has led to us owning naturally strong compounding assets, and the execution of our operational value creation plans usually makes them even better. In our private equity business, this has driven significant value creation for our stakeholders which, on a combined flagship fund basis, has generated 27% gross and 20% net returns. Quite exceptional.

The recent dividend distribution and recapitalization of Clarios exemplifies this. As a reminder, Clarios is the world's leading provider of advanced low-voltage batteries. We acquired it via a corporate carve out for $13.2 billion in 2019. In our six years of ownership, which included some very volatile economic periods, profitability increased by more than $500 million to over $2 billion of annual EBITDA, and we reduced debt by $2 billion. We also solidified the business into a leader in batteries for virtually all types of automobiles globally.

With the significant deleveraging from excess cash flow achieved over the past six years combined with Clarios' increasing cash flow generation, we decided to refinance the business. For perspective, we now value the business at 4x our original equity investment, which supported the funding of a $4.5 billion special distribution to Clarios' shareholders. This allowed us to generate cash to owners of 1.5x our original equity while continuing to hold our entire equity interest in the business. We are now considering whether to sell an interest in the business or just continue to generate excellent cash on cash returns as it continues to grow.

Since acquisition we have completed a significant operational transformation, focusing on investing in new product development, improving customer service levels, optimizing production and expanding the advanced battery manufacturing capabilities. Today, Clarios powers one in three cars on the road. It is an exceptionally high-quality business with 80% of its volumes coming from recurring aftermarket demand. Furthermore, its technology, scale and relationships with nearly all major global automakers are unmatched, providing it with an incredibly resilient competitive advantage. With the performance requirements from low-voltage batteries increasing as cars become more electrically complicated, the demand for technologically advanced batteries is growing rapidly.

As the global leader in advanced battery production, Clarios is ideally positioned to lead this evolution from its technology and manufacturing hubs in the United States. The business is in an exceptional financial position today and is investing major capital in its U.S. manufacturing capabilities. Over the last decade, Clarios has invested over $1 billion in its U.S. manufacturing operations and expects to more than double its U.S. investment over the next 10 years. This will include new capacity, state-of-the-art manufacturing technology, and important innovations to accelerate growth and strengthen its global leadership position in producing the most advanced recyclable batteries in the world. The business has a strong growth profile for years to come.

It is rare to find a business as exceptional as Clarios that has significant growth tailwinds supporting a visible trajectory of increasing earnings and cash flows. As such, Clarios is an incredibly valuable business, which will continue to differentiate itself through our hands-on investment approach.

OWNER OR RENTER?

There is a psychological phenomenon in most humans which results in caring a lot about what they own but caring less about something they rent. Consider the car you own and the care you take not to go too fast over speed bumps, for example. Conversely, rental cars are driven with much less care, and their depreciation is dramatically higher than owned cars. In housing this is even more pronounced; wear and tear on rental apartments is dramatically higher than those that are owned—in fact, buildings built at the same time in the same area with the same demographics find that rentals have 50% more wear and tear than owned.

It is our observation that people sometimes act like owners with their house, but act like renters with their investments. This is one of the great errors in investing. Those who own shares in a listed business have just a fractional ownership; an owner of an entire business sticks with the investment, and he/she believes that reinvestment into the business creates value and that over time the cashflows will grow. If that same business happens to be traded in the market and the stock goes up, this is acknowledgement that others see what a great business you have, but it really does not matter because as a stockholder you are just a fractional long-term owner. By comparison, if you own the apartment or house you live in, you likely would not sell it because someone told you it moved up or down in price. When you have fractional ownership of a business, you own a small piece of that business and so unless you lose faith in the business, there should be no reason to do anything—just act like an owner and watch the business grow.

Of course, decision making comes in because sometimes management teams go astray or business prospects decline. The above is based on the assumption that your management team is hard working and competent. This is important from the outset with an investment, as the future of a business is about not just what you own, but also the investment of the generated cash flow. It is extremely important that you maintain your house, and that management in a company makes good cash reinvestment decisions for you.

Many shareholders act like renters rather than owners, and “trade” simply because they think that the “stock price is up”. This is not relevant to the long-term value of your business, and after taxes, trading makes the frictional costs even more damaging to long-term returns. If, on the other hand, one acts like an owner in investing, then you will watch out to ensure that your management is working hard and doing the right things. However, in the absence of bad decisions being made, you should act like you own the business and just put the shares away in your account. Of course, that is hard with daily quotations everywhere—we realize also that the problem is only getting worse, not better, due to the growth of social media.

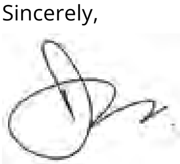
Owning a house and a business (through the fractional ownership of a listed entity) are two of the great tax-free ways to compound wealth over the long term. If one can compound owner returns constantly over long periods of time at greater than 10%, the wealth created by being an owner is astonishing. The alternative is renting a residence or renting businesses. Our view is that unless you are one of the very few extremely talented and knowledgeable stock traders, you will surely underperform as a renter as opposed to being an owner.

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 generating increased cash flows 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

February 13, 2025

1. Results in the table are shown on a compound return basis to the end of last month.
2. Distributable earnings before realizations, including per share amounts, for the 12 months ended December 31, 2020 to 2022 were adjusted for the special distribution of 25% of our asset management business on December 9, 2022.