



INTERIM REPORT TO SHAREHOLDERS

2025 | FOR THE PERIOD ENDED MARCH 31, 2025

FORWARD-LOOKING INFORMATION

This interim report contains “forward-looking information” and “forward-looking statements” within the meaning of Canadian provincial securities laws and any applicable Canadian securities regulations. 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 the Company, as well as the outlook for North American and international economies for the current fiscal year and subsequent periods, and which are in turn 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 the Company 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.

Although the Company 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 and information include, but are not limited to: the financial performance of Brookfield Corporation, the impact or unanticipated impact of general economic, political and market factors; the behavior of financial markets, including fluctuations in interest and foreign exchanges rates; limitations on the liquidity of our investments; global equity and capital markets and the availability of equity and debt financing and refinancing within these markets; strategic actions including dispositions; changes in accounting policies and methods used to report financial condition (including uncertainties associated with critical accounting assumptions and estimates); the effect of applying future accounting changes; business competition; operational and reputational risks; technological change; changes in government regulation and legislation; changes in tax laws; risks associated with the use of financial leverage; catastrophic events, such as earthquakes and hurricanes; the possible impact of international conflicts and other developments including terrorist acts; and other risks and factors detailed from time to time in the Company’s documents filed with the securities regulators in Canada.

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 interim report and such other date specified herein. Except as required by law, the Company 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).

CONSOLIDATED STATEMENTS OF FINANCIAL POSITION

(Unaudited)

As at

(Thousands, US dollars)

	March 31, 2025	December 31, 2024
Assets		
Cash and cash equivalents	\$ 308,044	\$ 156,952
Accounts receivable and other assets	77,882	69,776
Investment in Brookfield Corporation ¹	6,339,885	6,949,656
Investment in Brookfield Asset Management Ltd. ²	1,492,635	1,669,488
Investment in Brookfield Wealth Solutions Ltd. ³	428,460	471,651
Other investments carried at fair value	655,069	669,397
	<u>\$ 9,301,975</u>	<u>\$ 9,986,920</u>
Liabilities and Equity		
Accounts payable and other liabilities	\$ 44,964	\$ 42,824
Corporate borrowings	208,094	208,168
Preferred shares ⁴	838,560	703,044
Retractable common shares	6,360,356	7,312,467
Exchangeable shares	282,186	—
Warrant liability	497,252	494,710
Deferred tax liability	9,469	7,933
	<u>8,240,881</u>	<u>8,769,146</u>
Equity		
Accumulated deficit	(6,130,077)	(6,821,786)
Accumulated other comprehensive income	7,181,112	8,027,580
Non-controlling interests	10,059	11,980
	<u>\$ 9,301,975</u>	<u>\$ 9,986,920</u>

¹ The investment in Brookfield Corporation ("BN") consists of 121 million BN shares with a quoted market value of \$52.41 per share as at March 31, 2025 (December 31, 2024 – \$57.45).

² The investment in Brookfield Asset Management Ltd. ("BAM") consists of 31 million BAM shares with a quoted market value of \$48.45 per share as at March 31, 2025 (December 31, 2024 – \$54.19).

³ Brookfield Wealth Solutions Ltd. ("BWS") Class A shares are exchangeable into BN Class A shares on a one-for-one basis.

⁴ Represents \$851 million of retractable preferred shares less \$12 million of unamortized issue costs as at March 31, 2025 (December 31, 2024 – \$712 million less \$9 million).

MANAGEMENT'S DISCUSSION AND ANALYSIS

The following Management's Discussion and Analysis for the three months ended March 31, 2025, is dated May 20, 2025.

OVERVIEW

Partners Value Investments Inc. (the "Company" or "PVII") is an investment holding company with principal investments in approximately 121 million Class A Limited Voting Shares ("BN shares") of Brookfield Corporation ("BN") and approximately 31 million Class A Limited Voting Shares ("BAM shares") of Brookfield Asset Management Ltd. ("BAM"). These consolidated current year financial statements include the accounts of the Company's non-wholly-owned subsidiary Partners Value Split Corp. ("Partners Value Split" or "PVS").

The Company was formed in connection with a reorganization carried out by way of a statutory plan of arrangement pursuant to section 182 of the Business Corporations Act (Ontario) (the "2023 Re-organization") that was completed on November 24, 2023. Pursuant to the 2023 Re-organization, PVII succeeded its predecessor entity also named Partners Value Investments Inc. ("Old PVII").

The Company is authorized to issue an unlimited number of exchangeable shares, an unlimited number of retractable common shares and an unlimited number of non-voting retractable common shares.

On November 1, 2024, PVII completed a share capital reorganization. Pursuant to the reorganization, among other things, PVII amended its articles to: (a) redesignate the retractable voting common shares ("Common Shares") held by Partners Value Investments LP (the "Partnership") as Class A restricted voting shares, which have substantially the same terms as the Common Shares but are entitled to elect 50% of the directors of PVII; and (b) create Class B restricted voting shares ("Class B Shares"), which are not entitled to dividends, are redeemable for a nominal amount and are entitled to elect 50% of the directors of PVII.

Additional information on the Company and its public subsidiaries is available on SEDAR+'s web site at www.sedarplus.ca.

RESULTS OF OPERATIONS

The Company recorded net income of \$972 million for the three months ended March 31, 2025, compared to a net loss of \$175 million in the prior year quarter. The increase in income was primarily due to current period remeasurement gains of \$953 million associated with the retractable common shares compared to remeasurement losses of \$214 million in the prior year quarter. The Company's retractable common shares are classified as liabilities due to their cash retraction feature. The remeasurement gains or losses in a given period are driven by the respective depreciation or appreciation of the Partnership unit price as the retractable shares are recognized at fair value based on the quoted price of the Partnership's Equity LP units. During the quarter, the Partnership unit price decreased by \$13.71 compared to an increase of \$3.11 in the prior year quarter.

The Company recorded Adjusted Earnings of \$30 million for the three months ended March 31, 2025, compared to Adjusted Earnings of \$34 million in the prior year period. Adjusted Earnings were lower in the current quarter as higher investment income and valuations gains were more than offset by the absence of foreign currency gains and tax recoveries recognized in the prior year quarter. Adjusted Earnings is a non-GAAP measure defined as net income attributable to the Company, excluding the impact of remeasurement gains and losses on the Company's retractable shares, exchangeable shares and warrant liability, dividends paid on retractable shares and non-recurring transactions and is used to assess the ongoing performance of our underlying operations. A reconciliation of the Company's net income attributable to the Company to Adjusted Earnings is included on page 8 of this report.

As at March 31, 2025, the market prices of a BN (NYSE/TSX: BN) and BAM (NYSE/TSX: BAM) share were \$52.41 and \$48.45, respectively (December 31, 2024 – \$57.45 and \$54.19, respectively).

The following table presents the details of the Company's net income for the three months ended March 31:

(Unaudited)

For the three months ended March 31

(Thousands, US dollars)

	2025	2024
Investment income		
Dividends	\$ 30,125	\$ 26,685
Other investment income	7,177	4,035
	<u>37,302</u>	<u>30,720</u>
Expenses		
Operating expenses	(1,131)	(2,150)
Financing costs	(10,062)	(8,179)
Retractable preferred share dividends	(8,380)	(8,240)
	<u>(19,573)</u>	<u>(18,569)</u>
Other items		
Investment valuation gains	7,212	924
Retractable share remeasurement gains (losses)	952,569	(213,630)
Warrant liability remeasurement (losses) gains ¹	(3,267)	9,926
Amortization of deferred financing costs	(912)	(884)
Foreign currency gain	115	12,453
Current tax (expense) recovery	(361)	8,069
Deferred tax expense	(1,102)	(4,158)
Net income (loss)	\$ 971,983	\$ (175,149)

¹ Warrant liability remeasurement (losses) gains relates to the mark-to-market on the warrants.

Investment income consists of the following:

For the three months ended March 31

(Thousands, US dollars)

	2025	2024
Dividends		
Brookfield Corporation	\$ 10,884	\$ 9,675
Brookfield Asset Management Ltd.	13,470	11,900
Brookfield Wealth Solutions Ltd.	743	609
Other securities	5,028	4,501
Other investment income	7,177	4,035
	<u>\$ 37,302</u>	<u>\$ 30,720</u>

During the three months ended March 31, 2025, the Company recorded dividend income of \$10.9 million (March 31, 2024 – \$9.7 million) from its investment in BN, \$13.5 million (March 31, 2024 – \$11.9 million) from its investment in BAM, \$0.7 million from its investment in BWS (March 31, 2024 – \$0.6 million) and \$5.0 million (March 31, 2024 – \$4.5 million) from its other securities investments. Other investment income was higher during the three months ended March 31, 2025, primarily due to higher distributions on our private investments.

Retractable voting and non-voting shares are classified as liabilities due to their cash retraction feature. Upon issuance, retractable shares are recognized at their fair value. Subsequent to initial recognition, the retractable shares are recognized at fair value based on the quoted price of the Partnership's Equity LP units and the redemption value of the Partnership's Series 1 Preferred LP units.

As at March 31, 2025, the retractable voting and non-voting shares were measured to reflect the trading price of the Equity LP units and the cash redemption value of the Preferred LP Series 1 units. The total fair market value of retractable voting and non-voting common shares as at March 31, 2025, was \$6.4 billion (December 31, 2024 – \$7.3 billion). Remeasurement gains associated with these shares are recorded in the Consolidated Statements of Operations and totaled \$953 million for the three months ended March 31, 2025 (March 31, 2024 – remeasurement losses of \$214 million).

Exchangeable shares are classified as liabilities due to their exchangeable feature into the Partnership's Equity LP units at the option of the holder. In addition to the exchangeable feature, they are also redeemable at the option of the Company. Upon issuance, exchangeable shares are recognized at their fair value. Subsequent to initial recognition, the exchangeable shares are recognized at fair value based on the quoted price of the Partnership's Equity LP units.

On March 28, 2025, individual equity holders of a non-wholly owned subsidiary of the Company exchanged their shares in the subsidiary for 2,749,429 exchangeable shares of the Company.

As at March 31, 2025, the exchangeable shares were measured to reflect the trading price of the Equity LP units. The total fair market value of exchangeable shares as at March 31, 2025, was \$282 million (December 31, 2024 – \$nil).

Investment valuation gains recognized in the Consolidated Statements of Operations include unrealized gains and losses on the Company's investments (including financial derivatives) which are recorded at fair value. It also includes realized gains and losses on the disposition of the Company's investments. This balance will fluctuate depending on the Company's investment activities and performance.

The Company has warrants outstanding which were initially issued as part of a capital re-organization in 2016. In connection with the 2023 Re-organization, the previous warrants of the Company were exchanged on a one-for-one basis into warrants of New PVII having substantially identical terms as the previous warrants other than the inclusion of a cashless exercise and an adjustment to the exercise price reflecting the economic impact of a distribution associated with the 2023 Re-organization. The cashless exercise feature provides warrant holders the option to exercise the warrant whereby, in lieu of paying the exercise price (or otherwise satisfying the exercise price in accordance with the warrant indenture), the warrant holder elects to accept such number of cashless exercise shares in lieu of and in satisfaction of their right to receive such number of warrant shares. As a result, post the 2023 Re-organization, the warrants have an exercise price of C\$29.34 (formerly C\$32.45) and at the option of the holder, five warrants may be exchanged for 1.106 (formerly 1) non-voting exchangeable shares of the Company, which are then convertible into Equity LP units of the Partnership, the Company's parent at the option of the holder. The holders of the warrants have a currency provision which allows them to use Preferred LP units of the Partnership as currency to fund all or any part of the payment of the exercise price of the warrants. The warrants expire on June 30, 2026.

As at March 31, 2025, there were 27,335,511 (December 31, 2024 – 27,365,611) warrants outstanding. The warrant liability was \$497 million (December 31, 2024 – \$495 million) and the valuation loss for the three months ended March 31, 2025, consists of mark-to-market losses of \$3 million and foreign exchange gains of \$1 million (March 31, 2024 – mark-to-market gains of \$10 million and foreign exchange gains of \$5 million).

FINANCIAL POSITION

The Company's total assets were \$9.3 billion at March 31, 2025 (December 31, 2024 – \$10.0 billion) and consist primarily of its \$6.3 billion investment in approximately 121 million BN shares (December 31, 2024 – \$6.9 billion) and its \$1.5 billion investment in approximately 31 million BAM shares (December 31, 2024 – \$1.7 billion). The market price of a BN and BAM share were \$52.41 and \$48.45, respectively, as at March 31, 2025, compared to \$57.45 and \$54.19, respectively, as at December 31, 2024.

Investment Portfolio

As at (Thousands, US dollars) ¹	Classification ²	Number of Shares		Fair Value	
		Mar. 31, 2025	Dec. 31, 2024	Mar. 31, 2025	Dec. 31, 2024
Brookfield Corporation	FVTOCI				
Directly and Indirectly Held		1,357,434	1,357,434	\$ 71,142	\$ 77,985
Partners Value Split Corp		119,611,449	119,611,449	6,268,743	6,871,671
		120,968,883	120,968,883	\$ 6,339,885	\$ 6,949,656
Exchangeable - Brookfield Wealth Solutions Ltd. ³	FVTOCI	8,211,182	8,211,182	428,460	471,651
		129,180,065	129,180,065	\$ 6,768,345	\$ 7,421,307
Brookfield Asset Management Ltd.	FVTOCI				
Directly and Indirectly Held		905,098	905,098	\$ 43,852	\$ 49,047
Partners Value Split Corp		29,902,862	29,902,862	1,448,783	1,620,441
		30,807,960	30,807,960	\$ 1,492,635	\$ 1,669,488
Other investments classified as FVTOCI					
Brookfield Business Partners L.P.	FVTOCI	3,698,321	3,698,321	\$ 89,106	\$ 87,444
Partners Value Investments L.P. Preferred Equity	FVTOCI	12,680,937	12,680,937	228,257	240,938
Partners Value Investments L.P. Equity	FVTOCI	767,378	767,378	79,994	85,369
				397,357	413,751
Other securities portfolio	FVTOCI	Various	Various	39,321	35,767
Other securities portfolio	FVTPL	Various	Various	218,391	219,879
				257,712	255,646
				\$ 655,069	\$ 669,397

1 Unless otherwise mentioned, all investments are directly held.

2 FVTOCI represents fair value through other comprehensive income and FVTPL represents fair value through profit and loss accounting classification. Changes in fair value of investments classified as FVTOCI are recorded in other comprehensive income, and changes in fair value of FVTPL are recorded in net income.

3 BWS Class A shares are exchangeable into BN Class A shares on a one-for-one basis.

Brookfield Corporation

Brookfield Corporation is leading global investment firm focused on building long-term wealth for institutions and individuals around the world. This capital is allocated across three core businesses: asset management, wealth solutions and operating businesses. BN is listed on the New York and Toronto Stock Exchanges under the symbol BN and BN.TO respectively. The Company's investment in BN represents approximately an 8% interest in BN.

Brookfield Asset Management Ltd.

Brookfield Asset Management Ltd. is a leading global alternative asset manager with over \$1 trillion of assets under management across real estate, infrastructure, renewable power and transition, private equity and credit as of March 31, 2025. BAM is listed on the New York and Toronto Stock Exchanges under the symbol BAM and BAM.TO respectively. The Company's investment represents approximately a 2% interest in BAM.

Brookfield Listed Affiliates

As at March 31, 2025, the Company holds investments in Brookfield Business Partners LP ("BBU") and BWS. BBU owns business services and industrial operations with a focus on high-quality businesses that are low-cost procedures and/or benefit from high barriers to entry. 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.

Other Securities Portfolio

Other securities portfolio is focused on capital preservation, invested primarily in liquid investments. The increase in the portfolio is primarily due to investment valuation gains, partially offset by the distributions received from private fund investments.

Corporate Borrowings

As at (Thousands, US dollars)	Book Value	
	Mar. 31, 2025	Dec. 31, 2024
Partners Value Split Class AA		
4.375% Corporate Bond – November 15, 2027	\$ 104,250	\$ 104,295
4.00% Corporate Bond – November 15, 2028	104,250	104,295
4.50% Series 10 Debentures – February 29, 2028	—	17
	<u>208,500</u>	<u>208,607</u>
Deferred financing costs ¹	(406)	(439)
	<u>\$ 208,094</u>	<u>\$ 208,168</u>

1 Deferred financing costs are amortized over the term of the borrowing using the effective interest method.

As at March 31, 2025, there were no debentures outstanding (December 31, 2024 – 1,000 Series 10 debentures, CAD \$25 thousand)

In addition to Company's corporate borrowings, the Company has access to a C\$110 million revolving credit facility with a major Canadian financial institution which was undrawn as at March 31, 2025 (December 31, 2024 – \$nil).

Deferred Taxes

The deferred taxes balance represents the potential tax liability or recovery arising from the difference between the carrying value of net assets and the respective tax values. Changes in the deferred taxes balance are mainly related to changes in the market value of the Partnership's investments and foreign currency fluctuations.

Equity

As at March 31, 2025, the Company's equity had a book value of \$1.1 billion (December 31, 2024 – \$1.2 billion).

Preferred Shares

The preferred shares and units issued by the Company and its subsidiaries are comprised of the following:

As at (Thousands, US dollars)	Shares Outstanding		Book Value	
	Mar. 31, 2025	Dec. 31, 2024	Mar. 31, 2025	Dec. 31, 2024
Partners Value Split Class AA				
4.90% Series 9 – February 28, 2026	5,996,800	5,996,800	104,194	104,239
4.70% Series 10 – February 28, 2027	6,000,000	6,000,000	104,250	104,295
4.75% Series 11 – October 31, 2025	6,000,000	6,000,000	104,250	104,295
4.40% Series 12 – February 29, 2028	6,899,000	6,899,000	119,870	119,922
4.45% Series 13 - May 31, 2029	6,000,000	6,000,000	104,250	104,295
5.50% Series 14 – June 30, 2030	6,000,000	6,000,000	104,250	104,295
5.15% Series 15 – March 31, 2031	8,000,000	—	139,000	—
Partners Value Investments Inc. Class A				
4.00% Series 1 – November 27, 2030	70,621,137	70,671,137	70,622	70,672
			<u>850,686</u>	<u>712,013</u>
Deferred financing costs ¹			(12,126)	(8,969)
			<u>\$ 838,560</u>	<u>\$ 703,044</u>

1 Deferred financing costs are amortized over the term of the borrowing using the effective interest method.

RECONCILIATION OF NON-IFRS FINANCIAL MEASURES

Adjusted Earnings is a non-IFRS measure that can be used to evaluate the performance of the Company, defined as net income attributable to the company, excluding the impact of remeasurement gains/losses on the retractable shares and warrant liability, and dividends paid on retractable shares. The Company's retractable shares are classified as liabilities due to their cash retraction and redemption features and are remeasured to reflect changes in the contractual cash flows associated with the shares based on the quoted price of the Partnership's Equity LP units and the redemption value of the Partnership's Series 1 Preferred LP units. The Company has warrants outstanding which were issued as part of a capital reorganization in 2016. Five warrants may be exchanged for 1.106 non-voting exchangeable shares which are convertible into Equity LP units of the Partnership at the option of the holder. We exclude the remeasurement gains or losses of the retractable shares and warrant liability as these items are not reflective of the ongoing performance of our underlying operations.

When viewed with our IFRS results, we believe that Adjusted Earnings provides a supplemental understanding of the performance of our underlying operations and gives users enhanced comparability of the Company's ongoing performance. The following table presents the details of the Company's net income (loss) adjusted for the remeasurement (gains) losses on retractable common shares, remeasurement losses on exchangeable shares, warrant liability remeasurement losses (gains), dividends paid on retractable shares and non-recurring transactions for the three months ended March 31:

*For the three months ended March 31
(Thousands, US dollars)*

	2025	2024
Net income (loss) attributable to the Company	\$ 971,983	\$ (175,149)
Add back (deduct) the following:		
Remeasurement (gains) losses on retractable shares	(952,569)	213,630
Warrant liability remeasurement losses (gains)	3,267	(9,926)
Dividends paid on retractable shares	7,645	5,698
Adjusted Earnings attributable to the Company	<u>\$ 30,326</u>	<u>\$ 34,253</u>

LIQUIDITY AND CAPITAL RESOURCES

The Company holds cash and cash equivalents totalling \$308 million and investments of \$8.9 billion as at March 31, 2025 (December 31, 2024 – \$157 million and \$9.8 billion). The Company has operating cash requirements of \$47 million (December 31, 2024 – \$41 million) in scheduled dividend and interest payments on its preferred shares and corporate borrowings over the next twelve months which are less than the expected regular distributions anticipated to be received from BN, BAM and other securities held by the Company. The Company believes it has sufficient liquid assets, operating cash flow and financing alternatives to meet its obligations.

BUSINESS ENVIRONMENT AND RISKS

The Company's activities expose it to a variety of financial risks, including market risk (i.e., currency risk, interest rate risk, and other price risk), credit risk and liquidity risk. The following are risk factors relating to an investment in the common shares of the Company.

Catastrophic events (or combination of events), such as earthquakes, tornadoes, floods, wildfires, pandemics/epidemics, climate change, military conflict/war or terrorism/sabotage, could adversely impact the financial performance of Brookfield. The Company's investment portfolio is largely comprised of BN and BAM Shares.

Brookfield's operating businesses and managed assets could be exposed to effects of catastrophic events, such as severe weather conditions, natural disasters, major accidents, pandemics/epidemics, acts of malicious destruction, climate change, war/military conflict or terrorism, which could materially adversely impact its operations.

A local, regional, national or international outbreak of a contagious disease, such as COVID-19, which spreads across the globe at a rapid pace impacting global commercial activity and travel, or future public health crises, epidemics or pandemics, could materially and adversely affect Brookfield's results of operations and financial condition due to disruptions to commerce, reduced economic activity and other unforeseen consequences that are beyond Brookfield's control.

Natural disasters and ongoing changes to the physical climate in which Brookfield, its businesses and its managed assets operate may have an adverse impact on its business, financial position, results of operations or cash flows. Changes in weather patterns or extreme weather (such as floods, wildfires, droughts, hurricanes and other storms) may negatively affect Brookfield's operations or damage assets that it may own or develop. Further, rising sea levels could, in the future, affect the value of any low-lying coastal real assets that Brookfield may own or manage. Climate change may increase the frequency and severity of severe weather conditions and may change existing weather patterns in ways that are difficult to anticipate. Responses to these changes could result in higher costs, such as the imposition of new property taxes and increases in insurance rates or additional capital expenditures.

Brookfield's commercial office strategy is concentrated in large metropolitan areas, some of which have been or may be perceived to be threatened by terrorist attacks or acts of war. Furthermore, many of such properties consist of high-rise buildings that may also be subject to this actual or perceived threat. The perceived threat of a terrorist attack or outbreak of war could negatively impact Brookfield's ability to lease office space in its real estate portfolio. Renewable power and infrastructure assets that are owned and managed by Brookfield, such as roads, railways, power generation facilities and ports, may also be targeted by terrorist organizations or in acts of war. Any damage or business interruption costs as a result of uninsured or underinsured acts of terrorism or war could result in a material cost to us and could adversely affect Brookfield's business, financial condition or results of operation. Adequate terrorism insurance may not be available at rates Brookfield believes to be reasonable in the future. These risks could be heightened by foreign policy decisions of the U.S. (where Brookfield has significant operations) and other influential countries or general geopolitical conditions.

Additionally, Brookfield's businesses and managed assets rely on free movement of goods, services and capital from around the globe. Any slowdown in international investment, business or trade as a result of catastrophic events could also have a material adverse effect on its business, financial position, results of operations or cash flows.

Fluctuations in Value of Investments

The value of the common shares may vary according to the value of BN shares, BAM shares and other securities owned by the Company. The value of these investments may be influenced by factors not within the control of the Company, including the financial performance of BN, BAM and other investees, interest rates and other financial market conditions. As a result, the net asset value of the Company may vary from time to time. The future value of the common shares will be largely dependent on the value of BN shares. A material adverse change in the business, financial conditions or results of operations of BN, BAM and other investees of the Company will have a material adverse effect on the common shares of the Company. In addition, the Company may incur additional financial leverage in order to acquire, directly or indirectly, additional securities issued by BN and BAM which would increase both the financial leverage of the Company and the dependency of the future value of the common shares on the value of BN and BAM shares.

Foreign Currency Exposure

Certain of the Company's other investments are denominated in currencies other than the United States dollar. Accordingly, the value of these assets may vary from time to time with fluctuations in the exchange rate relative to the United States dollar. In addition, these investments pay distributions and interest in other currencies. Strengthening of these currencies relative to the United States dollar could decrease the amount of cash available to the Company.

Leverage

The Company's assets are financed in part with the retractable preferred shares issued by our subsidiaries and corporate borrowings. This results in financial leverage that will increase the sensitivity of the value of the common shares to changes in the values of the assets owned by the Company. A decrease in the value of the Company's investments may have a material adverse effect on the Company's business and financial conditions.

Liquidity

The Company's liquidity requirements are typically limited to funding interest and dividend obligations on outstanding financial obligations. Holders of the Company's retractable preferred shares issued by the Company's subsidiaries have the ability to retract their shares. Debentures, as opposed to cash, can be issued to settle retractions of the preferred shares.

The Company maintains financial assets and credit facilities to fund liquidity requirements in the normal course, in addition to its investment in BN and BAM shares. The Company's policy is to hold both BN and BAM shares and not engage in trading, however shares are available to be sold to fund retractions and redemptions of preferred shares or common shares. The Company's ability to sell a substantial portion of the shares may be limited by resale restrictions under applicable securities laws that will affect when or to whom BN and BAM shares may be sold. Accordingly, if and when the Company is required to sell either BN or BAM shares, the liquidity of such shares may be limited. This could affect the time it takes to sell BN and BAM shares and the price obtained by the Company for the shares sold.

No Ownership Interest

A direct investment in retractable common shares does not constitute a direct investment in BN and BAM shares or other securities held by the Company, and holders of retractable common shares do not have any voting rights in respect of such securities.

Use of Derivatives for Hedging Purposes

The Company may, in the future, use derivatives for foreign currency hedging. The Company may hedge the Canadian-US dollar exchange rate and, in addition, may engage in interest rate hedging. Hedging using derivatives is intended to mitigate market or portfolio risk. There can be no assurance, however, that currency, market or interest hedging transactions will be effective. Hedging against a decline in the value of a currency does not eliminate fluctuations in the prices of portfolio securities or prevent losses if the prices of such securities decline. It also precludes the opportunity for gain if the value of the hedged currency should rise. Moreover, it may not be possible to hedge against generally anticipated devaluations, as the Company may not be able to contract to sell the currency at a price above the devaluation level generally anticipated. There can be no assurance that a liquid exchange or over-the-counter market will exist to permit the Company to realize its profits or limit its losses by closing out positions. The Company is subject to the credit risk that its counterparty may be unable to meet its obligations. In addition, there is the risk of loss of margin deposits in the event of bankruptcy of a dealer with whom the Company has an open derivative position.

Security of our Information and Technology Systems

The Company's information technology systems face ongoing cybersecurity threats and attacks, which could result in the failure of such infrastructure. We may in the future be subject to cyber-terrorism or other cybersecurity risks or other breaches of information technology security, noting the increasing frequency, sophistication and severity of these kinds of incidents. In particular, our information technology systems may be subject to cyber terrorism intended to obtain unauthorized access to our proprietary information, personally identifiable information or to client or third-party data stored on our systems, destroy or disable our data, and/or that of our business partners, disclose confidential data in breach of data privacy legislation, destroy data or disable, degrade or sabotage our systems, through the introduction of computer viruses, cyber-attacks and other means. Such attacks could originate from a wide variety of sources, including internal actors or unknown third parties. Further, unauthorized parties may also gain physical access to our facilities and infiltrate our information systems or attempt to gain access to information and data. The sophistication of the threats continue to evolve and grow, including the risk associated with the use of emerging technologies, such as artificial intelligence and quantum computing, for nefarious purposes. We cannot predict what effects such cyber-attacks or compromises or shut-downs may have on our business and on the privacy of the individuals or entities affected, and the consequences could be material. Cyber incidents may remain undetected for an extended period, which could exacerbate these consequences. A significant actual or potential theft, loss, corruption, exposure, fraudulent, unauthorized or accidental use or misuse of investor, policyholder, employee or other personally identifiable or proprietary business data, whether by third parties or as a result of employee malfeasance or otherwise, non-compliance with our contractual or other legal obligations regarding such data or intellectual property or a violation of our privacy and security policies with respect to such data could result in significant remediation and other costs, fines, litigation and regulatory actions against us by governments, various regulatory organizations or exchanges, or affected individuals, in addition to significant reputational harm and/or financial loss, and it may not be possible to recover losses suffered from such incidents under our insurance policies.

In addition, our operating equipment may not continue to perform as it has in the past, and there is a risk of equipment failure due to wear and tear, latent defect, design or operator errors or early obsolescence, among other things.

A breach of our cyber security measures or the failure or malfunction of any of our computerized business systems, associated backup or data storage systems could cause us to suffer a disruption in one or more parts of our business and experience, among other things, financial loss, reputational damage, a loss of business opportunities, misappropriation or unauthorized release of confidential or personal information, damage to our systems and those with whom we do business, violation of privacy and other laws, litigation, regulatory penalties and remediation and restoration costs as well as increased costs to maintain our systems.

Contractual Obligations

The Company's contractual obligations as of March 31, 2025, are as follows:

	Payment Due by Period				
	Total	Less Than 1 Year	2-3 Years	4-5 Years	After 5 Years
<i>(Thousands, US dollars)</i>					
Preferred shares and borrowings					
Partners Value Split Class AA, Series 9 ¹	\$ 104,194	\$ 104,194	\$ —	\$ —	\$ —
Partners Value Split Class AA, Series 10 ¹	104,250	—	104,250	—	—
Partners Value Split Class AA, Series 11 ¹	104,250	104,250	—	—	—
Partners Value Split Class AA, Series 12 ¹	119,870	—	119,870	—	—
Partners Value Split Class AA, Series 13 ¹	104,250	—	—	104,250	—
Partners Value Split Class AA, Series 14 ¹	104,250	—	—	—	104,250
Partners Value Split Class AA, Series 15 ¹	139,000	—	—	—	139,000
Partners Value Investments Inc. Class A, Series 1	69,854	—	—	—	69,854
Corporate Bonds due Nov 2027	104,250	—	104,250	—	—
Corporate Bonds due Nov 2028	104,250	—	—	104,250	—
	<u>\$ 1,059,186</u>	<u>\$ 208,444</u>	<u>\$ 328,370</u>	<u>\$ 208,500</u>	<u>\$ 313,872</u>
Interest expense					
Partners Value Split Class AA, Series 9 ¹	\$ 4,658	\$ 4,658	\$ —	\$ —	\$ —
Partners Value Split Class AA, Series 10 ¹	9,370	4,900	4,470	—	—
Partners Value Split Class AA, Series 11 ¹	2,890	2,890	—	—	—
Partners Value Split Class AA, Series 12 ¹	15,374	5,274	10,100	—	—
Partners Value Split Class AA, Series 13 ¹	19,331	4,639	9,278	5,414	—
Partners Value Split Class AA, Series 14 ¹	30,084	5,734	11,468	11,468	1,414
Partners Value Split Class AA, Series 15 ¹	28,169	5,369	10,738	10,738	1,324
Partners Value Investments Inc. Class A, Series 1	15,807	2,796	5,592	5,592	4,627
Corporate Bonds due Nov 2027	13,096	4,846	8,484	3,014	—
Corporate Bonds due Nov 2028	16,154	4,431	8,862	7,199	—
	<u>\$ 169,873</u>	<u>\$ 46,810</u>	<u>\$ 72,159</u>	<u>\$ 40,494</u>	<u>\$ 10,410</u>

¹ Payment period based on mandatory redemption date. In the case of earlier retractions, consideration to be paid in the form of debentures due 2026, 2027, 2025, 2028, 2029, 2030 and 2031 for the Series 9, 10, 11, 12, 13, 14 and 15, respectively.

The maturity date of other accounts payable balances is less than one year.

SUMMARY OF FINANCIAL INFORMATION

A summary of the eight recently completed quarters is as follows:

	2025	2024				2023		
	Q1	Q4	Q3	Q2	Q1	Q4	Q3	Q2
<i>(Thousands, US dollars, except per share amounts)</i>								
Net income (loss) ¹	<u>\$ 971,983</u>	<u>\$ (2,522,770)</u>	<u>\$ (1,184,308)</u>	<u>\$ 94,454</u>	<u>\$ (175,149)</u>	<u>\$ (526,566)</u>	<u>\$ 72,146</u>	<u>\$ (120,413)</u>

¹ Attributable to common shareholders.

Net income (loss) includes dividends and interest on the Company's investment portfolio, in addition to valuation gains and losses relating to its investment portfolios, warrants and retractable common shares, and fluctuates accordingly with changes to foreign currencies relative to the United States dollar and equity markets. Also, included in net income (loss) are gains and losses on the disposition of investments. The variance in net income on the last eight quarters is primarily the result of valuation gains and losses on certain of the Company's investments, warrants, retractable common shares and exchangeable shares, increases in the investment income earned from its investments and the impact of foreign currencies.

RELATED-PARTY TRANSACTIONS

Brookfield entities provide certain management and financial services to the Company and recovered costs of less than \$1 million for the three months ended March 31, 2025 (March 31, 2024 – less than \$1 million).

The Company owns 121 million shares of BN which amounted to \$6.3 billion (December 31, 2024 – \$6.9 billion), approximately 31 million shares of BAM which amounted to \$1.5 billion (December 31, 2024 – \$1.7 billion), 8 million shares of BWS which amounted to \$428 million (December 31, 2024 – \$472 million), and other Brookfield subsidiaries of \$158 million (December 31, 2024 – \$163 million). The Company recorded dividend income from Brookfield entities of \$26 million during the three months ended March 31, 2025 (March 31, 2024 – \$23 million).

The Company places cash on deposit with BN. As at March 31, 2025, the net deposit with BN was \$245 million (December 31, 2024 – \$107 million) and the Company earned interest income of \$1 million for the funds on deposit for the three months ended March 31, 2025 (March 31, 2024 – \$2 million). Deposits bear interest at market rates.

The Company owns approximately 13 million preferred shares of PVI LP which amounted to \$228 million (December 31, 2024 – \$241 million), and approximately 1 million common shares of PVI LP which amounted to \$80 million (December 31, 2024 – \$85 million).

CRITICAL ACCOUNTING ESTIMATES

The preparation of financial statements in conformity with IFRS requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates. In the normal course of operations, the Company may execute agreements that provide for indemnification and guarantees to third parties in transactions such as business dispositions, business acquisitions and the sale of assets. The nature of substantially all of the indemnification undertakings preclude the possibility of making a reasonable estimate of the maximum potential amount that the Company could be required to pay to third parties as the agreements often do not specify a maximum amount and the amounts are dependent upon the outcome of future contingent events, the nature and likelihood of which cannot be determined at this time. Historically, the Company has not made any payments under such indemnification agreements and guarantees.

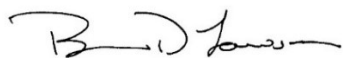
DISCLOSURE CONTROLS AND PROCEDURES

We maintain appropriate information systems, procedures and controls to ensure that new information disclosed externally is complete, reliable and timely. The Chief Executive Officer and the Chief Financial Officer of the Company evaluated the effectiveness of the Company's disclosure controls and procedures (as defined in "National Instrument 52-109, Certification of Disclosure in Issuers' Annual and Interim Filings") as at March 31, 2025, and have concluded that the disclosure controls and procedures are operating effectively.

INTERNAL CONTROLS OVER FINANCIAL REPORTING

We maintain appropriate internal controls over financial reporting (as defined in "National Instrument 52-109, Certification of Disclosure in Issuers' Annual and Interim Filings") and the Chief Executive Officer and the Chief Financial Officer have concluded that the internal controls have been designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with IFRS. Management has evaluated whether there were changes in our internal controls over financial reporting during the three months ended March 31, 2025, that have materially affected, or are reasonably likely to materially affect, our internal controls over financial reporting and has determined that there have been no such changes.

On behalf of the Board of Directors,



Brian D. Lawson
Chairman
May 20, 2025

CONSOLIDATED STATEMENTS OF FINANCIAL POSITION

(Unaudited)

As at

(Thousands, US dollars)

	Note	March 31, 2025	December 31, 2024
Assets			
Cash and cash equivalents		\$ 308,044	\$ 156,952
Accounts receivable and other assets		77,882	69,776
Investment in Brookfield Corporation	3	6,339,885	6,949,656
Investment in Brookfield Asset Management Ltd.	3	1,492,635	1,669,488
Investment in Brookfield Wealth Solutions Ltd.	3	428,460	471,651
Other investments carried at fair value	3	655,069	669,397
		<u>\$ 9,301,975</u>	<u>\$ 9,986,920</u>
Liabilities and Equity			
Accounts payable and other liabilities		\$ 44,964	\$ 42,824
Corporate borrowings	5	208,094	208,168
Preferred shares	6	838,560	703,044
Retractable common shares	7	6,360,356	7,312,467
Exchangeable shares	8	282,186	—
Warrant liability	9	497,252	494,710
Deferred tax liability		9,469	7,933
		<u>8,240,881</u>	<u>8,769,146</u>
Equity			
Accumulated deficit	10	(6,130,077)	(6,821,786)
Accumulated other comprehensive income	10	7,181,112	8,027,580
Non-controlling interests	10	10,059	11,980
		<u>\$ 9,301,975</u>	<u>\$ 9,986,920</u>

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

CONSOLIDATED STATEMENTS OF OPERATIONS

(Unaudited)

For the three months ended March 31

(Thousands, US dollars)

	Note	2025	2024
Investment income			
Dividends		\$ 30,125	\$ 26,685
Other investment income		7,177	4,035
		<u>37,302</u>	<u>30,720</u>
Expenses			
Operating expenses		(1,131)	(2,150)
Financing costs		(10,062)	(8,179)
Retractable preferred share dividends		(8,380)	(8,240)
		<u>(19,573)</u>	<u>(18,569)</u>
Other items			
Investment valuation gains		7,212	924
Retractable share remeasurement gains (losses)	7	952,569	(213,630)
Warrant liability remeasurement (losses) gains	9	(3,267)	9,926
Amortization of deferred financing costs		(912)	(884)
Foreign currency gain		115	12,453
Current tax (expense) recovery		(361)	8,069
Deferred tax expense		(1,102)	(4,158)
Net income (loss)		<u>\$ 971,983</u>	<u>\$ (175,149)</u>

CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME

(Unaudited)

For the three months ended March 31

(Thousands, US dollars)

	2025	2024
Net income (loss)	\$ 971,983	\$ (175,149)
Items that may be reclassified to net income		
Realized and unrealized gains on fair value of securities through other comprehensive income securities	27	64
Items that will not be reclassified to net income		
Realized and unrealized (losses) gains on fair value of securities through other comprehensive income securities	(846,030)	292,802
Income taxes	(465)	(986)
Other comprehensive (loss) income	<u>(846,468)</u>	<u>291,880</u>
Comprehensive income	<u>\$ 125,515</u>	<u>\$ 116,731</u>

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

CONSOLIDATED STATEMENTS OF CHANGES IN EQUITY

<i>(Unaudited)</i> <i>For the three months ended</i> <i>March 31, 2025</i> <i>(Thousands, US dollars)</i>	Accumulated Deficit	Accumulated Other Comprehensive Income	Non- Controlling Interests	Total Equity
Balance, beginning of period	\$ (6,821,786)	\$ 8,027,580	\$ 11,980	\$ 1,217,774
Net income	971,983	—	—	971,983
Other comprehensive loss	—	(846,468)	—	(846,468)
Other	(280,274)	—	(1,921)	(282,195)
Balance, end of period	\$ (6,130,077)	\$ 7,181,112	\$ 10,059	\$ 1,061,094

<i>(Unaudited)</i> <i>For the three months ended</i> <i>March 31, 2024</i> <i>(Thousands, US dollars)</i>	Accumulated Deficit	Accumulated Other Comprehensive Income	Non- Controlling Interests	Total Equity
Balance, beginning of period	\$ (3,034,013)	\$ 5,283,347	\$ 11,980	\$ 2,261,314
Net loss	(175,149)	—	—	(175,149)
Other comprehensive income	—	291,880	—	291,880
Balance, end of period	\$ (3,209,162)	\$ 5,575,227	\$ 11,980	\$ 2,378,045

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

CONSOLIDATED STATEMENTS OF CASH FLOWS

(Unaudited)

For the three months ended March 31

(Thousands, US dollars)

	2025	2024
Cash flow from operating activities		
Net income (loss)	\$ 971,983	\$ (175,149)
Add (deduct) non-cash items:		
Investment valuation gains	(7,212)	(924)
Unrealized foreign exchange gains	(115)	(12,453)
Unrealized (gains) losses on retractable shares	(952,569)	213,630
Warrant liability remeasurement losses (gains)	3,267	(9,926)
Amortization of deferred financing costs	912	884
Income tax expense (recovery)	1,463	(3,911)
	<u>17,729</u>	<u>12,151</u>
Changes in working capital and foreign currency	<u>(6,651)</u>	<u>(10,495)</u>
	<u>11,078</u>	<u>1,656</u>
Cash flow from investing activities		
Purchase of securities	(3,414)	(73,571)
Sale of securities	3,962	31,411
	<u>548</u>	<u>(42,160)</u>
Cash flow from financing activities		
Debentures redeemed	(17)	—
Preferred shares issued	139,480	—
	<u>139,463</u>	<u>—</u>
Cash and cash equivalents		
Change in cash and cash equivalents	151,089	(40,504)
Effect of exchange rate fluctuations on cash and cash equivalents held in foreign currencies	3	(141)
Balance, beginning of period	156,952	199,856
Balance, end of period	<u>\$ 308,044</u>	<u>\$ 159,211</u>

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

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

1. BUSINESS OPERATIONS

Partners Value Investments Inc. (the “Company” or “PVII”) is an investment holding company with principal investments in approximately 121 million Class A Limited Voting Shares (“BN shares”) of Brookfield Corporation (“BN”) and approximately 31 million Class A Limited Voting Shares (“BAM shares”) of Brookfield Asset Management Ltd. (“BAM”). These consolidated current year financial statements include the accounts of the Company’s non-wholly-owned subsidiary Partners Value Split Corp. (“Partners Value Split” or “PVS”).

The Company was formed by amalgamation in connection with a reorganization carried out by way of a statutory plan of arrangement pursuant to section 182 of the Business Corporations Act (Ontario) (the “2023 Re-organization”) with an effective date of November 24, 2023. Pursuant to the 2023 Re-organization, PVII succeeded its predecessor entity also named Partners Value Investments Inc. (“Old PVII”).

The Company is authorized to issue an unlimited number of exchangeable shares, an unlimited number of retractable common shares, an unlimited number of non-voting retractable common shares and an unlimited number of class A preferred shares. The registered office of the Company is Brookfield Place, 181 Bay Street, Suite 100, Toronto, Ontario, M5J 2T3.

2. SUMMARY OF MATERIAL ACCOUNTING POLICIES

a) *Statement of Compliance*

These consolidated financial statements have been prepared in accordance with IFRS Accounting Standards as issued by the International Accounting Standards Board (“IASB”). The consolidated financial statements are prepared on a going concern basis. These financial statements were authorized for issuance by the Board of Directors of the Company on May 20, 2025.

b) *Basis of Consolidation*

The consolidated financial statements include the accounts of the Company and its consolidated subsidiaries, which are the entities over which the Company has control. An investor controls an investee when it is exposed, or has rights, to variable returns from its involvement with the investee and has the ability to affect those returns through its power over the investee. Non-controlling interests in the equity of the company’s subsidiaries held by others are shown separately in equity in the consolidated statements of financial position. Intercompany transactions within the Company have been eliminated.

c) *Basis of Presentation*

Cash and Cash Equivalents

Cash and cash equivalents are recorded at amortized cost and include cash on deposit with financial institutions.

Income Taxes

The current income tax expense is determined based on the enacted or substantively enacted tax rates at each balance sheet date. The deferred income tax is recorded using the liability method of tax allocation in accounting for income taxes. Under this method, deferred tax assets and liabilities are determined based on unused income tax losses and temporary differences between the carrying amount and tax bases of assets and liabilities, when the benefit is probable to be realized and measured using the tax rates and laws substantively enacted at the balance sheet date.

Accounts Receivable and Other Assets

Accounts receivable are classified and measured at amortized cost, which approximates fair value. Other assets include certain derivative assets which are held for trading and classified as fair value through profit or loss and are recorded at their fair value.

Accounts Payable and Other Liabilities

Accounts payable and other liabilities balances are classified at amortized cost. Also included in these balances are derivative liabilities which are held for trading and classified as fair value through profit or loss and are recorded at their fair value.

Investment in Brookfield Corporation and Brookfield Asset Management Ltd.

The Company accounts for its investment in Brookfield Corporation ("BN") and Brookfield Asset Management Ltd. ("BAM") at fair value through other comprehensive income ("FVTOCI").

Other Investments Carried at Fair Value

The Company accounts for its investments in Brookfield Business Partners LP ("BBU"), Brookfield Wealth Solutions Ltd. ("BWS"), and other Brookfield investments at FVTOCI, with changes in their fair value recognized in other comprehensive income. In addition, the Company recognizes certain investments in preferred shares and debt securities at FVTOCI. Unrealized gains and losses of equity securities recognized in other comprehensive income are not recycled to the consolidated statements of operations upon disposition.

The Company accounts for the remainder of its marketable securities portfolio including common shares, exchange traded funds and certain legacy investments as fair value through profit or loss ("FVTPL") and, accordingly, recognizes changes in fair value in the consolidated statements of operations.

Investment Income

Dividend income is recognized on the ex-dividend date and interest income is recognized as earned.

Preferred Shares

The Company's preferred shares are measured at amortized cost.

Corporate Borrowings

The Company's corporate borrowings are measured at amortized cost.

Deferred Financing Costs

Deferred financing costs incurred in connection with the issuance of the retractable preferred shares and corporate borrowings are amortized using the effective interest rate method over the life of the related series of preferred shares issued by the subsidiaries of the Company.

Recognition/Derecognition of Financial Assets and Financial Liabilities

The Company recognizes financial assets and financial liabilities designated as trading securities on the trade date. The Company derecognizes financial liabilities when, and only when, the Company's obligations are discharged, cancelled, or expired.

Foreign Currencies

The functional currency of the Company and each of its subsidiaries is determined using the currency of the primary economic environment in which that entity operates. The functional and presentation currency of the Company is the United States dollar.

Foreign currency transactions are translated into the functional currency using the exchange rates prevailing at the date of the transaction. Foreign currency monetary items are translated at the period-end exchange rate. Exchange differences arising on the translation of monetary items or on settlement of monetary items are recognized in profit or loss in the period in which they arise. Non-monetary items measured at historical cost continue to be carried at the exchange rate at the date of the transaction.

Warrant Liability

The Company's outstanding warrants are classified as a financial liability at FVTPL on the consolidated statements of financial position. Fair value of the warrants are determined each period based on the movement in the public warrant price.

Common Control Transactions

Transactions which occurred between common shareholders or those transactions through which the same party controls before and after ("common control transactions") fall outside the scope of IFRS 3, Business Combinations, and as such management has used judgement to determine an appropriate policy. The Company has elected to account for assets and liabilities acquired in common control transactions at the predecessor's carrying value. Differences between the consideration given and the assets and liabilities received are recorded directly in equity.

d) Critical Judgments and Estimates

The preparation of financial statements requires the Company to make critical judgments, estimates and assumptions that affect the carried amounts of certain assets and liabilities, disclosure of contingent assets and liabilities and the reported amounts of revenues and expenses recorded during the year. Actual results could differ from those estimates. In making estimates and judgments, management relies on external information and observable conditions where possible, supplemented by internal analysis as required. These estimates and judgments have been applied in a manner consistent with prior periods and there are no known trends, commitments, events or uncertainties that the Company believes will materially affect the methodology or assumptions utilized in making these estimates and judgments in these financial statements. The estimates and judgments used in determining the recorded amount for assets and liabilities in the financial statements include the following:

Level of Control

When determining the appropriate basis of accounting for the Company's investments, the Company uses the following critical assumptions and estimates: the degree of control or influence that the Company exerts over the investment and the amount of benefit that the Company receives relative to other investors.

Other critical estimates and judgments utilized in the preparation of the Company's financial statements include the assessment of the ability to utilize tax losses and other tax assets.

Fair Value of Financial Instruments

IFRS establishes a hierarchical disclosure framework which prioritizes and ranks the level of market price observability used in measuring financial instruments at fair value. Market price observability is affected by a number of factors, including the type of financial instrument, the characteristics specific to the financial instrument and the state of the marketplace, including the existence and transparency of transactions between market participants. Financial instruments with readily available quoted prices in active markets generally will have a higher degree of market price observability and a lesser degree of judgment used in measuring fair value. Financial instruments measured and reported at fair value are classified and disclosed based on the observability of inputs used in the determination of fair values, as follows:

- Level I — Quoted prices are available in active markets for identical financial instruments as of the reporting date. The types of financial instruments in Level I include listed equities and mutual funds with quoted prices.
- Level II — Pricing inputs are other than quoted prices in active markets, which are either directly or indirectly observable as of the reporting date, and fair value is determined through the use of models or other valuation methodologies.
- Level III — Pricing inputs are unobservable for the financial instruments and include situations where there is little, if any, market activity for the financial instrument. The inputs into the determination of fair value require significant management judgment or estimation.

In certain cases, the inputs used to measure fair value may fall into different levels of the fair value hierarchy. In such cases, the determination of which category within the fair value hierarchy is appropriate for any given financial instrument is based on the lowest level of input that is significant to the fair value measurement. The Company's assessment of the significance of a particular input to the fair value measurement in its entirety requires judgment and considers factors specific to the financial instrument.

Level II Valuation Technique

Financial instruments classified within Level II of the fair value hierarchy are comprised of the Company's retractable common shares which can be redeemed for cash on a per unit basis based on the quoted price of the Partners Value Investments LP (the "Partnership") Equity LP units and the redemption value of the Partnership's Series 1 Preferred LP units and the Company's exchangeable shares which can be exchanged into the Partnership's Equity LP units on a one-for-one basis.

Level III Valuation Techniques

Fair valued assets that are included in this category are certain equity securities carried at fair value which are not traded in an active market and measured using estimated net asset value.

e) Recently Adopted Accounting Standards

The Company has applied new and revised standards issued by IASB that are effective for the period beginning on or after January 1, 2025. The new standards were applied as follows:

i. Amendments to IAS 1 – Presentation of Financial Statements (“IAS 1”)

The amendments clarify how to classify debt and other liabilities as current or non-current. The Company adopted the IAS 1 amendments effective January 1, 2025. The adoption did not have a significant impact on the Company’s financial reporting.

f) Future Changes in Accounting Standards

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

3. INVESTMENT PORTFOLIO

The Company's investment portfolio consists of the following:

As at (Thousands, US dollars) ¹	Classification ²	Number of Shares		Fair Value	
		Mar. 31, 2025	Dec. 31, 2024	Mar. 31, 2025	Dec. 31, 2024
Brookfield Corporation	FVTOCI				
Directly and Indirectly Held		1,357,434	1,357,434	\$ 71,142	\$ 77,985
Partners Value Split Corp		119,611,449	119,611,449	6,268,743	6,871,671
		120,968,883	120,968,883	\$ 6,339,885	\$ 6,949,656
Exchangeable - Brookfield Wealth Solutions Ltd. ³	FVTOCI	8,211,182	8,211,182	428,460	471,651
		129,180,065	129,180,065	\$ 6,768,345	\$ 7,421,307
Brookfield Asset Management Ltd.	FVTOCI				
Directly and Indirectly Held		905,098	905,098	\$ 43,852	\$ 49,047
Partners Value Split Corp		29,902,862	29,902,862	1,448,783	1,620,441
		30,807,960	30,807,960	\$ 1,492,635	\$ 1,669,488
Other investments classified as FVTOCI					
Brookfield Business Partners L.P.	FVTOCI	3,698,321	3,698,321	\$ 89,106	\$ 87,444
Partners Value Investments L.P. Preferred Equity	FVTOCI	12,680,937	12,680,937	228,257	240,938
Partners Value Investments L.P. Equity	FVTOCI	767,378	767,378	79,994	85,369
				397,357	413,751
Other securities portfolio	FVTOCI	Various	Various	39,321	35,767
Other securities portfolio	FVTPL	Various	Various	218,391	219,879
				257,712	255,646
				\$ 655,069	\$ 669,397

1 Unless otherwise mentioned, all investments are directly held.

2 Changes in fair value of investments classified as FVTOCI are recorded in other comprehensive income, and changes in fair value of FVTPL are recorded in net income.

3 Brookfield Wealth Solutions Ltd. Class A shares are exchangeable into BN Class A shares on a one-for-one basis.

The Company's investment in Class A Limited Voting Shares of BN as of March 31, 2025, represents an 8% equity interest (December 31, 2024 – 8%). The Company's investment in Class A Limited Voting Shares of BAM as of March 31, 2025, represents a 2% equity interest (December 31, 2024 – 7%).

Other securities portfolio is focused on capital preservation, invested primarily in liquid investments. During the three months ended March 31, 2025, the decrease in the portfolio was primarily due to unrealized mark-to-market losses.

4. FAIR VALUE OF FINANCIAL INSTRUMENTS

The fair value of a financial instrument is the amount of consideration that would be agreed upon in an arm's-length transaction between knowledgeable, willing parties who are under no compulsion to act. Fair values are determined by reference to a price within a bid-ask spread that is deemed most appropriate.

Fair value hierarchical levels are directly determined by the amount of subjectivity associated with the valuation of these assets and liabilities and are as follows:

Level 1 Quoted prices available in active markets for identical investments as of the reporting date.

Level 2 Pricing inputs other than quoted market prices in active markets, which are either directly or indirectly observable as of the reporting date, and fair values are determined through the use of models or other valuation methodologies. Financial liabilities included in this category pertain to the Company's retractable common shares which can be redeemed for cash on a per unit basis based on the quoted price of the Partnership's Equity LP units and the redemption value of the Partnership's Series 1 Preferred LP units and the Company's exchangeable shares which can be exchanged into the Partnership's Equity LP units on a one-for-one basis.

Level 3 Pricing inputs are unobservable for the instrument and includes situations where there is little, if any, market activity for the instrument. The inputs into the determination of fair value require significant management estimation. Fair valued assets that are included in this category are certain equity securities carried at fair value which are not traded in an active market and measured using estimated net asset value.

The fair value hierarchical level associated with the Company's financial assets and liabilities measured at fair value consists of the following:

As at (Thousands, US dollars)	March 31, 2025			December 31, 2024		
	Level 1	Level 2	Level 3	Level 1	Level 2	Level 3
Brookfield Corporation	\$ 6,339,885	\$ —	\$ —	\$ 6,949,656	\$ —	\$ —
Brookfield Asset Management Ltd.	1,492,635	—	—	1,669,488	—	—
Investments classified as FVTOCI	865,138	—	—	921,169	—	—
Investments classified as FVTPL	84,051	—	134,340	74,154	3,396	142,329
Derivative liabilities ¹	—	(15,854)	—	—	(15,152)	—
Retractable common shares	—	(6,589,047)	—	—	(7,312,467)	—
Warrant liability	(497,252)	—	—	(494,710)	—	—
	<u>\$ 8,284,457</u>	<u>\$ (6,604,901)</u>	<u>\$ 134,340</u>	<u>\$ 9,119,757</u>	<u>\$ (7,324,223)</u>	<u>\$ 142,329</u>

1 Presented within accounts payable and other on the Consolidated Statements of Financial Position.

The following table presents the changes in the Level 3 investments which are made up of a portfolio of private fund investments valued using the fund provided capital account statements for the three months ended March 31, 2025, and the year ended December 31, 2024:

As at (Thousands, US dollars)	March 31, 2025	December 31, 2024
Opening Balance	\$ 142,329	\$ 113,319
Contributions	—	30,819
Distributions	—	—
Investment valuation (losses) gains ¹	(6,931)	1,020
Other investment income	(1,058)	(2,829)
Ending Balance	<u>\$ 134,340</u>	<u>\$ 142,329</u>

1 There was \$nil realized losses included in investment valuation gains or losses from Level 3 investments for the three months ended March 31, 2025 (December 31, 2024 – \$nil).

The fair value of preferred shares and corporate borrowings treated as a financial liability is \$990 million as at March 31, 2025 (December 31, 2024 – \$857 million).

As at March 31, 2025, a cumulative pre-tax gain of \$7.0 billion (December 31, 2024 – \$7.8 billion) has been recognized for financial instruments measured under fair value through other comprehensive income, over their historical cost amounts.

All financial assets measured at amortized cost have a carrying value equal to their fair value. During the three months ended March 31, 2025, and the year ended December 31, 2024, there were no transfers between Level 1, 2 or 3.

5. CORPORATE BORROWINGS

As at (Thousands, US dollars)	Book Value	
	Mar. 31, 2025	Dec. 31, 2024
Partners Value Split Class AA		
4.375% Corporate Bond – November 15, 2027	\$ 104,250	\$ 104,295
4.00% Corporate Bond – November 15, 2028	104,250	104,295
4.50% Series 10 Debentures – February 29, 2028	—	17
	<u>208,500</u>	<u>208,607</u>
Deferred financing costs ¹	(406)	(439)
	<u>\$ 208,094</u>	<u>\$ 208,168</u>

1 Deferred financing costs are amortized over the term of the borrowing using the effective interest method.

As at March 31, 2025, there were no debentures outstanding (December 31, 2024 – 1,000 Series 10 debentures, CAD \$25 thousand)

In addition to Company's corporate borrowings, the Company has access to a C\$110 million revolving credit facility with a major Canadian financial institution which was undrawn as at March 31, 2025 (December 31, 2024 – \$nil).

6. PREFERRED SHARES

The preferred shares and units issued by the Company and its subsidiaries are comprised of the following:

As at (Thousands, US dollars)	Shares Outstanding		Book Value	
	Mar. 31, 2025	Dec. 31, 2024	Mar. 31, 2025	Dec. 31, 2024
Partners Value Split Class AA				
4.90% Series 9 – February 28, 2026	5,996,800	5,996,800	104,194	104,239
4.70% Series 10 – February 28, 2027	6,000,000	6,000,000	104,250	104,295
4.75% Series 11 – October 31, 2025	6,000,000	6,000,000	104,250	104,295
4.40% Series 12 – February 29, 2028	6,899,000	6,899,000	119,870	119,922
4.45% Series 13 - May 31, 2029	6,000,000	6,000,000	104,250	104,295
5.50% Series 14 – June 30, 2030	6,000,000	6,000,000	104,250	104,295
5.15% Series 15 – March 31, 2031	8,000,000	—	139,000	—
Partners Value Investments Inc. Class A				
4.00% Series 1 – November 27, 2030	70,621,137	70,671,137	70,622	70,672
			850,686	712,013
Deferred financing costs ¹			(12,126)	(8,969)
			<u>\$ 838,560</u>	<u>\$ 703,044</u>

¹ Deferred financing costs are amortized over the term of the borrowing using the effective interest method.

Partners Value Split

Partners Value Split is authorized to issue an unlimited number of Class A preferred shares and Class AA preferred shares. The Board of Directors of Partners Value Split have the authority to fix the number of shares that will form each series and determine the rights, restrictions and conditions attached to each series. Any new series will be issued for a price of CAD\$25.00 per share and the proceeds are to be used to finance the retraction or redemption of outstanding preferred shares without necessitating the sale of Class AA shares or facilitating the acquisition of additional Class AA shares.

On March 5, 2025, PVS issued 8,000,000 Class AA Preferred shares, Series 15, at a price of CAD\$25.00 per share, for a gross issuance of CAD \$200 million.

Retraction

The Company's preferred shares may be surrendered for retraction at the option of the holders of the respective preferred shares. The details of the retraction feature for each respective class of preferred shares are as follows:

PVS	May be surrendered for retraction at any time for an amount equal to the lesser of: (i) net asset
Class AA	value per unit; and (ii) CAD \$25.00. Retraction consideration will be a number of Partners Value Split
Series 9, 10, 11,	Series 7, 8, 9, 10, 11, 12 and 13 debentures, respectively, determined by dividing the holder's
12, 13, 14 and 15	aggregate preferred share Retraction Price by CAD\$25.00.

Debentures

The details of each respective class of the Company's debentures are as follows:

PVS Series 9	The Series 7 debenture will have a principal amount of CAD\$25.00 per debenture and will mature on February 28, 2026. Holders of the Series 7 debentures will be entitled to receive quarterly fixed interest payments at a rate of 5.00% per annum paid on or about the 7th day of March, June, September and December in each year. The Series 7 debentures can be redeemed by the Company at any time. The Series 7 debentures may not be retracted.
PVS Series 10	The Series 8 debenture will have a principal amount of CAD \$25.00 per debenture and will mature on February 28, 2027. Holders of the Series 8 debentures will be entitled to receive quarterly fixed interest payments at a rate of 4.80% per annum paid on or about the 7th day of March, June, September and December in each year. The Series 8 debentures can be redeemed by the Company at any time. The Series 8 debentures may not be retracted.
PVS Series 11	The Series 9 debenture will have a principal amount of CAD \$25.00 per debenture and will mature on October 31, 2025. Holders of the Series 9 debentures will be entitled to receive quarterly fixed interest payments at a rate of 4.85% per annum paid on or about the 7th day of March, June, September and December in each year. The Series 9 debentures can be redeemed by the Company at any time. The Series 9 debentures may not be retracted.
PVS Series 12	The Series 10 debenture will have a principal amount of CAD \$25.00 per debenture and will mature on February 29, 2028. Holders of the Series 10 debentures will be entitled to receive quarterly fixed interest payments at a rate of 4.50% per annum paid on or about the 7th day of March, June, September and December in each year. The Series 10 debentures can be redeemed by the Company at any time. The Series 10 debentures may not be retracted.
PVS Series 13	The Series 11 debenture will have a principal amount of CAD \$25.00 per debenture and will mature on May 31, 2029. Holders of the Series 11 debentures will be entitled to receive quarterly fixed interest payments at a rate of 4.50% per annum paid on or about the 7th day of March, June, September and December in each year. The Series 11 debentures can be redeemed by the Company at any time. The Series 11 debentures may not be retracted.
PVS Series 14	The Series 12 debenture will have a principal amount of CAD \$25.00 per debenture and will mature on June 30, 2030. Holders of the Series 12 debentures will be entitled to receive quarterly fixed interest payments at a rate of 5.60% per annum paid on or about the 7 th day of June, September, September and December in each year. The Series 12 debentures can be redeemed by the Company at any time. The Series 12 debentures may not be retracted.
PVS Series 15	The Series 13 debenture will have a principal amount of CAD \$25.00 per debenture and will mature on March 30, 2031. Holders of the Series 12 debentures will be entitled to receive quarterly fixed interest payments at a rate of 5.25% per annum paid on or about the 7 th day of June, September, September and December in each year. The Series 12 debentures can be redeemed by the Company at any time. The Series 13 debentures may not be retracted.

As at March 31, 2025, there were no debentures outstanding (December 31, 2024 – 1,000 Series 10 debentures with a face value of CAD \$25 thousand outstanding).

Redemption

The Company's preferred shares may be redeemed at the option of the Company. The details of the redemption feature for each respective class of preferred shares are as follows:

PVS Series 9 May be redeemed by the Company at any time on or after February 28, 2024, and prior to February 28, 2026, (the "Series 9 Redemption Date") at a price which until February 28, 2025, will equal CAD \$25.50 per share plus accrued and unpaid dividends and which will decline by \$0.50 on February 28, 2025. All Class AA Series 9 senior preferred shares outstanding on the Series 8 Redemption Date will be redeemed for a cash amount equal to the lesser of CAD \$25.00 plus any accrued and unpaid dividends, and the net assets per unit.

The Company may redeem Class AA, Series 9 senior preferred shares prior to February 28, 2024 for CAD \$26.00 per share plus accrued and unpaid dividends if, and will not redeem Class AA, Series 9 senior preferred shares prior to the Series 9 Redemption Date unless: (i) capital shares have been retracted; or (ii) there is a take-over bid for the Brookfield shares and the Board of Directors of the Company determines that such a bid is in the best interest of the holders of the capital shares.

PVS Series 10 May be redeemed by the Company at any time on or after February 28, 2025, and prior to February 28, 2027, (the "Series 10 Redemption Date") at a price which until February 28, 2026, will equal CAD \$25.50 per share plus accrued and unpaid dividends and which will decline by \$0.50 on February 28, 2026. All Class AA Series 10 senior preferred shares outstanding on the Series 10 Redemption Date will be redeemed for a cash amount equal to the lesser of CAD \$25.00 plus any accrued and unpaid dividends, and the net assets per unit.

The Company may redeem Class AA, Series 10 senior preferred shares prior to February 28, 2025 for CAD \$26.00 per share plus accrued and unpaid dividends if, and will not redeem Class AA, Series 10 senior preferred shares prior to the Series 10 Redemption Date unless: (i) capital shares have been retracted; or (ii) there is a take-over bid for the Brookfield shares and the Board of Directors of the Company determines that such a bid is in the best interest of the holders of the capital shares.

PVS Series 11 May be redeemed by the Company at any time on or after October 31, 2023, and prior to October 31, 2025, (the "Series 11 Redemption Date") at a price which until October 31, 2024, will equal CAD \$25.50 per share plus accrued and unpaid dividends and which will decline by \$0.50 on October 31, 2024. All Class AA Series 11 senior preferred shares outstanding on the Series 11 Redemption Date will be redeemed for a cash amount equal to the lesser of CAD \$25.00 plus any accrued and unpaid dividends, and the net assets per unit.

The Company may redeem Class AA, Series 11 senior 26 preferred shares prior to October 31, 2023 for CAD \$26.00 per share plus accrued and unpaid dividends if, and will not redeem Class AA, Series 11 senior preferred shares prior to the Series 11 Redemption Date unless: (i) capital shares have been retracted; or (ii) there is a take-over bid for the Brookfield shares and the Board of Directors of the Company determines that such a bid is in the best interest of the holders of the capital shares.

PVS Series 12 May be redeemed by the Company at any time on or after February 28, 2026, and prior to February 29, 2028, (the "Series 12 Redemption Date") at a price which until February 28, 2027, will equal CAD \$25.50 per share plus accrued and unpaid dividends and which will decline by \$0.50 on February 28, 2027. All Class AA Series 12 senior preferred shares outstanding on the Series 12 Redemption Date will be redeemed for a cash amount equal to the lesser of CAD \$25.00 plus any accrued and unpaid dividends, and the net assets per unit.

The Company may redeem Class AA, Series 12 senior preferred shares prior to February 28, 2026 for CAD \$26.00 per share plus accrued and unpaid dividends if, and will not redeem Class AA, Series 12 senior preferred shares prior to the Series 12 Redemption Date unless: (i) capital shares have been retracted; or (ii) there is a take-over bid for the Brookfield shares and the Board of Directors of the Company determines that such a bid is in the best interest of the holders of the capital shares.

PVS
Series 13 May be redeemed by the Company at any time on or after May 31, 2027, and prior to May 31, 2029, (the "Series 13 Redemption Date") at a price which until May 31, 2028, will equal CAD \$25.50 per share plus accrued and unpaid dividends and which will decline by \$0.50 on May 31, 2028. All Class AA Series 13 senior preferred shares outstanding on the Series 13 Redemption Date will be redeemed for a cash amount equal to the lesser of CAD \$25.00 plus any accrued and unpaid dividends, and the net assets per unit.

The Company may redeem Class AA, Series 13 senior preferred shares prior to May 31, 2027 for CAD \$26.00 per share plus accrued and unpaid dividends if, and will not redeem Class AA, Series 13 senior preferred shares prior to the Series 13 Redemption Date unless: (i) capital shares have been retracted; or (ii) there is a take-over bid for the Brookfield shares and the Board of Directors of the Company determines that such a bid is in the best interest of the holders of the capital shares.

PVS
Series 14 May be redeemed by the Company at any time on or after June 30, 2028, and prior to June 30, 2030, (the "Series 14 Redemption Date") at a price which until June 30, 2029, will equal CAD \$25.50 per share plus accrued and unpaid dividends and which will decline by \$0.50 on June 30, 2029. All Class AA Series 14 senior preferred shares outstanding on the Series 14 Redemption Date will be redeemed for a cash amount equal to the lesser of CAD \$25.00 plus any accrued and unpaid dividends, and the net assets per unit.

The Company may redeem Class AA, Series 14 senior preferred shares prior to June 30, 2028 for CAD \$26.00 per share plus accrued and unpaid dividends if, and will not redeem Class AA, Series 14 senior preferred shares prior to the Series 14 Redemption Date unless: (i) capital shares have been retracted; or (ii) there is a take-over bid for the Brookfield shares and the Board of Directors of the Company determines that such a bid is in the best interest of the holders of the capital shares.

PVS
Series 15 May be redeemed by the Company at any time on or after March 31, 2029, and prior to March 31, 2031, (the "Series 15 Redemption Date") at a price which until March 31, 2030, will equal CAD \$25.50 per share plus accrued and unpaid dividends and which will decline by \$0.50 on March 31, 2030. All Class AA Series 15 senior preferred shares outstanding on the Series 15 Redemption Date will be redeemed for a cash amount equal to the lesser of CAD \$25.00 plus any accrued and unpaid dividends, and the net assets per unit.

The Company may redeem Class AA, Series 15 senior preferred shares prior to March 31, 2029 for CAD \$26.00 per share plus accrued and unpaid dividends if, and will not redeem Class AA, Series 15 senior preferred shares prior to the Series 15 Redemption Date unless: (i) capital shares have been retracted; or (ii) there is a take-over bid for the Brookfield shares and the Board of Directors of the Company determines that such a bid is in the best interest of the holders of the capital shares.

Partners Value Investments Inc.

In connection with the 2023 Re-organization, the Company issued 70,671,137 Series 1 Class A preferred shares to the Partnership at a fair value of \$71 million. These preferred shares have a quarterly distribution rate of US\$0.01. They are treated as a financial liability because of their mandatory redemption feature.

Retraction

The Company's preferred shares may be surrendered for retraction at the option of the holders of the respective preferred shares. The details of the retraction feature for each respective class of preferred shares are as follows:

PVII Series 1	The Preferred Shares may be surrendered for retraction at any time. The "Preferred Share Retraction Price" will be equal to \$1.00 per share. A holder retracting Preferred Shares will receive, as payment for such Preferred Shares, a number of notes (the "Notes") determined by dividing the holder's aggregate Preferred Share Retraction Price by \$1.00, being the principal amount of the Notes. The Notes will be issued by, at the Company's option in respect of each retraction, either the Company or, if agreed to by Partners Value Investments L.P. ("PVI LP"), PVI LP. Any U.S. holders retracting Preferred Shares would be required to demonstrate that they are "accredited investors" under U.S. securities laws in order to receive the Notes. The Notes will be issued by the Company or, if agreed to by PVI LP, PVI LP. The Notes will have a principal amount of \$1.00 per Note and will mature on the Redemption Date. Holders of the Notes will be entitled to receive quarterly fixed interest payments at a rate of 4.10%, being the 4% dividend rate on the Preferred Shares plus a 0.10% spread per annum. Interest will be paid by the issuer on or about the nth day of January, April, July, and October in each year. The Notes shall be redeemable by the Company at any time upon payment of the outstanding principal amount together with any accrued and unpaid interest thereon.
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Redemption

The Company's preferred shares may be redeemed at the option of the Company. The details of the redemption feature for each respective class of preferred shares are as follows:

PVII Series 1	The Company must redeem the Series 1 Preferred Shares on the 7th anniversary of the issue date ("Redemption Date"), by the payment of an amount in cash for each Series 1 Preferred share so redeemed equal to US\$1.00 per Series 1 Preferred Share together with all accrued and unpaid Series 1 Distributions up to but excluding the date of payment or distribution (less any tax required to be deducted and withheld by the Company) (the "Redemption Price").
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7. RETRACTABLE COMMON SHARES

Retractable voting and non-voting shares are classified as liabilities due to their cash retraction feature. Upon issuance, retractable shares are recognized at their fair value. Subsequent to initial recognition, the retractable shares are recognized at fair value based on the quoted price of the Partnership's Equity LP units and the redemption value of the Partnership's Series 1 Preferred LP units.

As at March 31, 2025, the retractable voting and non-voting shares were measured to reflect the trading price of the Equity LP units and the cash redemption value of the Preferred LP Series 1 units. The total fair market value of retractable voting and non-voting common shares as at March 31, 2025, was \$6.4 billion (December 31, 2024 – \$7.3 billion). Remeasurement gains associated with these shares are recorded in the Consolidated Statements of Operations and totaled \$953 million for the three months ended March 31, 2025 (March 31, 2024 – remeasurement losses of \$214 million).

The Company declared and paid dividends of \$7.6 million to the Partnership on its retractable shares outstanding during the three months ended March 31, 2025 (March 31, 2024 – \$5.7 million). Dividends paid on retractable shares are presented as interest expense as a financing cost in the Consolidated Statements of Operations.

8. EXCHANGEABLE SHARES

Exchangeable shares are classified as liabilities due to their exchangeable feature into the Partnership's Equity LP units at the option of the holder. In addition to the exchangeable feature, they are also redeemable at the option of the Company. Upon issuance, exchangeable shares are recognized at their fair value. Subsequent to initial recognition, the exchangeable shares are recognized at fair value based on the quoted price of the Partnership's Equity LP units

On March 28, 2025, individual equity holders of a non-wholly owned subsidiary of the Company exchanged their shares in the subsidiary for 2,749,429 exchangeable shares of the Company.

As at March 31, 2025, the exchangeable shares were measured to reflect the trading price of the Equity LP units. The total fair market value of exchangeable shares as at March 31, 2025, was \$282 million (December 31, 2024 – \$nil).

9. WARRANTS

The Company has warrants outstanding which were initially issued as part of a capital re-organization in 2016. In connection with the 2023 Re-organization, the previous warrants of the Company were exchanged on a one-for-one basis into warrants of New PVII having substantially identical terms as the previous warrants other than the inclusion of a cashless exercise and an adjustment to the exercise price reflecting the economic impact of a distribution associated with the 2023 Re-organization. The cashless exercise feature provides warrant holders the option to exercise the warrant whereby, in lieu of paying the exercise price (or otherwise satisfying the exercise price in accordance with the warrant indenture), the warrant holder elects to accept such number of cashless exercise shares in lieu of and in satisfaction of their right to receive such number of warrant shares. As a result, post the 2023 Re-organization, the warrants have an exercise price of C\$29.34 (formerly C\$32.45) and at the option of the holder, five warrants may be exchanged for 1.106 (formerly 1) non-voting exchangeable shares of the Company, which are then convertible into Equity LP units of the Partnership, the Company's parent at the option of the holder. The holders of the warrants have a currency provision which allows them to use Preferred LP units of the Partnership as currency to fund all or any part of the payment of the exercise price of the warrants. The warrants expire on June 30, 2026.

As at March 31, 2025, there were 27,335,511 (December 31, 2024 – 27,365,611) warrants outstanding. The warrant liability was \$497 million (December 31, 2024 – \$495 million) and the valuation loss for the three months ended March 31, 2025, consists of mark-to-market losses of \$3 million and foreign exchange gains of \$1 million (March 31, 2024 – mark-to-market gains of \$10 million and foreign exchange gains of \$5 million).

10. EQUITY

Authorized

The Company is authorized to issue an unlimited number of exchangeable shares, an unlimited number of retractable voting common shares and an unlimited number of retractable non-voting common shares. As at March 31, 2025, there were 74,268,021 units of retractable voting common shares outstanding (December 31, 2024 – 74,268,021) and 6,759,970 units of retractable non-voting common shares outstanding (December 31, 2024 – 6,759,970).

When the Company does not own all of the equity in a subsidiary, the non-controlling equity interest is disclosed in the Consolidated Statements of Financial Position as a separate component of total equity.

Issued and outstanding

As at

(Thousands, US dollars)

	Book Value	
	March 31, 2025	December 31, 2024
Accumulated deficit	(6,130,077)	(6,821,786)
Accumulated other comprehensive income	7,181,112	8,027,580
Non-controlling interest	10,059	11,980
	\$ 1,061,094	\$ 1,217,775

11. RELATED-PARTY TRANSACTIONS

Brookfield entities provide certain management and financial services to the Company and recovered costs of less than \$1 million for the three months ended March 31, 2025 (March 31, 2024 – less than \$1 million).

The Company owns 121 million shares of BN which amounted to \$6.3 billion (December 31, 2024 – \$6.9 billion), approximately 31 million shares of BAM which amounted to \$1.5 billion (December 31, 2024 – \$1.7 billion), 8 million shares of BWS which amounted to \$428 million (December 31, 2024 – \$472 million), and other Brookfield subsidiaries of \$158 million (December 31, 2024 – \$163 million). The Company recorded dividend income from Brookfield entities of \$26 million during the three months ended March 31, 2025 (March 31, 2024 – \$23 million).

The Company places cash on deposit with BN. As at March 31, 2025, the net deposit with BN was \$245 million (December 31, 2024 – \$107 million) and the Company earned interest income of \$1 million for the funds on deposit for the three months ended March 31, 2025 (March 31, 2024 – \$2 million). Deposits bear interest at market rates.

The Company owns approximately 13 million preferred shares of PVI LP which amounted to \$228 million (December 31, 2024 – \$241 million), and approximately 1 million common shares of PVI LP which amounted to \$80 million (December 31, 2024 – \$85 million).

12. SUBSEQUENT EVENTS

On April 22, 2025, Partners Value Split Corp. redeemed its outstanding Class AA Preferred Shares, Series 11 (TSX:PVS.PR.I) for cash in accordance with the terms of the Preferred Shares, Series 11. The total value of the redemption was CAD \$151 million.

CORPORATE INFORMATION

DIRECTORS

Brian D. Lawson
Chairman

Aleks Novakovic
Corporate Director

Paul Farrell¹
Corporate Director

Don Mackenzie¹
Corporate Director

James Bodi¹
Corporate Director

Brian Hurley
Corporate Director

1. Member of the Audit Committee

OFFICERS

Cyrus Madon
Chief Executive Officer and President

Jason Weckwerth
Chief Financial Officer

John Zimnicki
Chief Investment Officer

Kathy Sarpash
General Counsel and Secretary

Kunal Dusad
Senior Vice President

CORPORATE OFFICE

Brookfield Place
181 Bay Street, Suite 100
Toronto, Ontario
M5J 2T3
Telephone: (416) 956 – 5141
Email: ir@pvii.ca

REGISTRAR AND TRANSFER AGENT

TSX Trust Company
301 – 100 Adelaide Street West
Toronto, Ontario
M5H 4H1
Tel: (416) 682-3860 or
toll free within North America
(800) 387-0825
Fax: (888) 249-6189
Website: <https://www.tsxtrust.com/>
E-mail: inquires@tmx.com

EXCHANGE LISTING

TSX Venture Exchange Stock Symbol:

PVF.WT
PVF.PR.V
PVF.A

