



# Q1 Results

Report to Shareholders



The following management discussion and analysis ("MD&A") dated May 6, 2026, provides information management believes is relevant to an assessment and understanding of the consolidated financial condition and consolidated results of operations of Element Fleet Management Corp. (the "Company", "we" or "Element") as at and for the three-month period ended March 31, 2026. This MD&A should be read in conjunction with the Company's unaudited interim condensed consolidated financial statements and accompanying notes as at and for the three-month period ended March 31, 2026 and the Company's latest annual information form (AIF) both filed on the System for Electronic Data Analysis and Retrieval ("SEDAR+") at [www.sedarplus.ca](http://www.sedarplus.ca) and are incorporated by reference herein. All dollar amounts in this MD&A are expressed in U.S. dollars unless otherwise specified and all numbers are in thousands, unless otherwise specified or for per share amounts or percentages or ratios. Additional information relating to the Company is available on SEDAR+ at [www.sedarplus.ca](http://www.sedarplus.ca) and on the Company's website at [www.elementfleet.com](http://www.elementfleet.com). The Company's functional currency is the Canadian dollar.

This MD&A refers to certain non-GAAP and supplemental financial measures, which we believe are useful in assessing our financial performance. Readers are cautioned that these measures do not have any standard meaning prescribed by GAAP under International Financial Reporting Standards ("IFRS") and are therefore unlikely to be comparable to similar measures presented by other issuers. For further information related to non-GAAP measures and a reconciliation to their nearest IFRS measures, please read "IFRS to Non-GAAP Reconciliations" section at the end of this MD&A. Our Board of Directors has authorized this MD&A.

## CAUTIONARY STATEMENT

**THIS ANALYSIS HAS BEEN PREPARED TAKING INTO CONSIDERATION INFORMATION AVAILABLE TO MAY 6, 2026. CERTAIN STATEMENTS IN THIS MD&A, OTHER THAN STATEMENTS OF HISTORICAL FACT, ARE FORWARD-LOOKING STATEMENTS WITHIN THE MEANING OF APPLICABLE SECURITIES LAWS AND MAY CONTAIN FORWARD-LOOKING INFORMATION. SUCH STATEMENTS ARE BASED UPON ELEMENT'S AND ITS MANAGEMENT'S CURRENT INTERNAL EXPECTATIONS, ESTIMATES, PROJECTIONS, ASSUMPTIONS AND BELIEFS. THESE STATEMENTS MAY INCLUDE, WITHOUT LIMITATION, STATEMENTS REGARDING THE OPERATIONS, BUSINESS, FINANCIAL CONDITION, EXPECTED FINANCIAL RESULTS, PERFORMANCE, PROSPECTS, OPPORTUNITIES, PRIORITIES, TARGETS, GOALS, ONGOING OBJECTIVES, STRATEGIES AND OUTLOOK OF ELEMENT. FORWARD-LOOKING STATEMENTS INCLUDE STATEMENTS THAT ARE PREDICTIVE IN NATURE, AND DEPEND UPON OR REFER TO FUTURE EVENTS OR CONDITIONS. IN SOME CASES, WORDS SUCH AS "PLAN", "EXPECT", "INTEND", "BELIEVE", "ANTICIPATE", "ESTIMATE", "TARGET", "PROJECT", "FORECAST", "MAY", "IMPROVE", "WILL", "POTENTIAL", "PROPOSED" AND OTHER SIMILAR WORDS, OR STATEMENTS THAT CERTAIN EVENTS OR CONDITIONS "MAY" OR "WILL" OCCUR ARE INTENDED TO IDENTIFY FORWARD-LOOKING STATEMENTS AND FORWARD-LOOKING INFORMATION. FORWARD-LOOKING STATEMENTS (INCLUDING THOSE REGARDING FINANCIAL OUTLOOK) ARE PROVIDED FOR THE PURPOSES OF ASSISTING THE READER IN UNDERSTANDING ELEMENT AND ITS BUSINESS, OPERATIONS, RISKS, SUSTAINABILITY, FINANCIAL PERFORMANCE, FINANCIAL POSITION AND CASH FLOWS AS AT AND FOR THE PERIODS ENDED ON CERTAIN DATES AND TO PRESENT INFORMATION ABOUT MANAGEMENT'S CURRENT EXPECTATIONS AND PLANS RELATING TO THE FUTURE AND THE READER IS CAUTIONED THAT SUCH STATEMENTS MAY NOT BE APPROPRIATE FOR OTHER PURPOSES. THESE STATEMENTS ARE NOT GUARANTEES OF FUTURE PERFORMANCE AND INVOLVE KNOWN AND UNKNOWN RISKS, UNCERTAINTIES AND OTHER FACTORS THAT MAY CAUSE ACTUAL RESULTS OR EVENTS TO DIFFER MATERIALLY FROM THOSE ANTICIPATED IN THE FORWARD-LOOKING STATEMENTS OR INFORMATION. UNDUE RELIANCE SHOULD NOT BE PLACED ON THESE FORWARD-LOOKING STATEMENTS, AS THERE CAN BE NO ASSURANCE THAT THE PLANS, INTENTIONS OR EXPECTATIONS UPON WHICH THEY ARE BASED WILL OCCUR. BY ITS NATURE, FORWARD-LOOKING INFORMATION INVOLVES NUMEROUS ASSUMPTIONS, KNOWN AND UNKNOWN RISKS AND UNCERTAINTIES, BOTH GENERAL AND SPECIFIC, THAT CONTRIBUTE TO THE POSSIBILITY THAT THE EXPECTATIONS, PREDICTIONS, FORECASTS, PROJECTIONS, CONCLUSIONS OR OTHER FORWARD-LOOKING STATEMENTS WILL NOT OCCUR OR PROVE ACCURATE, THAT ASSUMPTIONS MAY NOT BE CORRECT AND THAT OBJECTIVES, STRATEGIC GOALS AND PRIORITIES WILL NOT BE ACHIEVED. SUCH FORWARD-LOOKING STATEMENTS AND INFORMATION IN THIS MD&A SPEAK ONLY AS OF THE DATE OF THIS MD&A. THE FORWARD-LOOKING INFORMATION AND STATEMENTS CONTAINED IN THIS MD&A REFLECT SEVERAL MATERIAL FACTORS, EXPECTATIONS AND ASSUMPTIONS OF ELEMENT INCLUDING, WITHOUT LIMITATION: THAT ELEMENT WILL CONDUCT ITS OPERATIONS IN A MANNER CONSISTENT WITH ITS EXPECTATIONS AND, WHERE APPLICABLE, CONSISTENT WITH PAST PRACTICE; SUCCESSFUL IMPLEMENTATION OF ACQUISITIONS AND STRATEGIC INITIATIVES AND THE EXPECTED BENEFITS AND COSTS OF SUCH ACQUISITIONS AND INITIATIVES; EXPECTATIONS REGARDING MARKET AND INDUSTRY CONDITIONS, ACCEPTABLE NEGOTIATIONS WITH THIRD PARTIES; THE CONTINUANCE OF EXISTING (AND IN CERTAIN CIRCUMSTANCES, THE IMPLEMENTATION OF PROPOSED) TAX AND REGULATORY REGIMES; EXPECTATIONS REGARDING GOVERNMENT POLICIES, LEGISLATION AND REGULATORY ACTIONS, INCLUDING IN RESPECT OF SUSTAINABILITY AND RELATED MATTERS; EXPECTATIONS REGARDING TECHNOLOGY AND AI; CERTAIN**

**COST ASSUMPTIONS; THE CONTINUED AVAILABILITY OF ADEQUATE DEBT AND/OR EQUITY FINANCING AND CASH FLOW TO FUND ITS CAPITAL AND OPERATING REQUIREMENTS AS NEEDED; THE EXTENT OF ITS ASSETS AND LIABILITIES; THE COMPANY'S NET FINANCING REVENUE YIELD ON AVERAGE NET EARNING ASSETS; GROWTH IN LEASE RECEIVABLES AND SERVICE INCOME; EXPECTATIONS REGARDING SYNDICATION; RATE OF COST INFLATION; APPLICABLE FOREIGN EXCHANGE RATES AND APPLICABLE INCOME TAX RATES; THE COMPANY'S FUNDING MIX; THE IMPACT OF VEHICLE MANUFACTURERS' ABILITY TO DELIVER VEHICLES; AND ANY IMPACTS OF PANDEMICS OR OTHER HEALTH THREATS ON INDUSTRY AND MARKET CONDITIONS. ELEMENT BELIEVES THE MATERIAL FACTORS, EXPECTATIONS AND ASSUMPTIONS REFLECTED IN THE FORWARD-LOOKING INFORMATION AND STATEMENTS ARE REASONABLE BUT NO ASSURANCE CAN BE GIVEN THAT THESE FACTORS, EXPECTATIONS AND ASSUMPTIONS WILL PROVE TO BE CORRECT.**

**FORWARD-LOOKING STATEMENTS AND INFORMATION IN THIS MD&A INCLUDE, BUT ARE NOT LIMITED TO, STATEMENTS WITH RESPECT TO: ELEMENT'S REVENUES, EXPENSES, RUN-RATE AND OPERATIONS, FUTURE CASH FLOWS, FINANCIAL CONDITION, OPERATING PERFORMANCE, SUSTAINABILITY PERFORMANCE AND TARGETS, FINANCIAL RATIOS, PROJECTED ASSET BASE AND CAPITAL STRUCTURE; ELEMENT'S EXPECTATIONS REGARDING THE IMPLEMENTATION OF ACQUISITIONS AND STRATEGIC INITIATIVES AND THE EXPECTED BENEFITS AND COSTS OF SUCH ACQUISITIONS AND INITIATIVES; ELEMENT'S ABILITY TO ACHIEVE ITS SUSTAINABILITY OBJECTIVES; ELEMENT ACHIEVING ITS DIGITAL PLATFORM AMBITIONS; THE CAR IQ ACQUISITION AND ELEMENT'S DIGITAL PAYMENTS STRATEGY; THE AUTOFLEET ACQUISITION ENABLING THE COMPANY TO SCALE ITS BUSINESS MORE QUICKLY; ACHIEVE OPERATIONAL EFFICIENCIES, INCREASE CLIENT AND SHAREHOLDER VALUE AND UNLOCK NEW REVENUE STREAMS; ELEMENT'S EXPECTATIONS IN RESPECT OF ITS SUPPLY CHAIN AND THE TIMING AND VOLUME OF VEHICLE PRODUCTION; ELEMENT'S ABILITY TO RENEW OR REFINANCE CREDIT AND SECURITIZATION FACILITIES; ELEMENT'S STRATEGY TO IMPROVE AND OPTIMIZE THE CLIENT EXPERIENCE AND CLIENT ACQUISITION AND RETENTION; ELEMENT'S EXPECTATIONS REGARDING SYNDICATION; ELEMENT'S ANTICIPATED CASH NEEDS, CAPITAL REQUIREMENTS AND ITS NEEDS FOR ADDITIONAL FINANCING; ELEMENT'S FUTURE GROWTH PLANS; ELEMENT'S EXPECTATIONS REGARDING ITS ORIGINATION VOLUMES; ELEMENT'S ANTICIPATED DELINQUENCY RATES AND CREDIT LOSSES; ELEMENT'S ABILITY TO ATTRACT AND RETAIN PERSONNEL; ELEMENT'S TECHNOLOGY AND DATA, AND EXPECTED USES AND BENEFITS; ELEMENT'S COMPETITIVE POSITION AND ITS EXPECTATIONS REGARDING COMPETITION; ANTICIPATED TRENDS AND CHALLENGES IN ELEMENT'S BUSINESS AND THE MARKETS IN WHICH IT OPERATES; THE EVOLUTION OF ELEMENT'S BUSINESS AND THE FLEET MANAGEMENT AND MOBILITY INDUSTRIES; ELEMENT'S GROWTH PROSPECTS AND ITS OBJECTIVES, VISION AND STRATEGIES; ELEMENT'S OPERATIONS AND ABILITY TO DRIVE OPERATIONAL EFFICIENCIES; ELEMENT'S ASSESSMENT AND EXPECTATIONS REGARDING ITS ASSETS; ELEMENT'S BUSINESS STRATEGY; ELEMENT'S EXPECTATION REGARDING THE AVAILABILITY OF FUNDS FROM OPERATIONS, CASH FLOW GENERATION AND CAPITAL ALLOCATION; ELEMENT'S BUSINESS OUTLOOK AND OTHER EXPECTATIONS REGARDING FINANCING OR OPERATING PERFORMANCE METRICS; THE EVOLUTION OF OPERATIONS AND THE DEVELOPMENT OF PERFORMANCE INDICATORS, AND OTHER FINANCIAL PERFORMANCE METRICS; THE FUTURE FINANCIAL REPORTING OF ELEMENT; FUTURE DEMAND FOR ELEMENT'S SERVICES; ELEMENT'S BORROWING BASE; THE EXTENT, NATURE AND IMPACT OF ANY VALUE DRIVER TO CREATE, AND THE ABILITY TO GENERATE, PRE-TAX RUN-RATE OPERATING INCOME; ELEMENT'S ABILITY TO INCREASE TOTAL SHAREHOLDER RETURN; ELEMENT'S DIVIDEND POLICY AND THE PAYMENT OF FUTURE DIVIDENDS; AND ELEMENT'S PROPOSED SHARE PURCHASES, INCLUDING THE NUMBER OF COMMON SHARES TO BE REPURCHASED, THE TIMING THEREOF AND TSX ACCEPTANCE OF ANY RENEWAL OF THE NORMAL COURSE ISSUER BID. THE READER IS CAUTIONED TO CONSIDER THESE AND OTHER FACTORS, UNCERTAINTIES AND POTENTIAL EVENTS CAREFULLY AND NOT TO PUT UNDUE RELIANCE ON FORWARD-LOOKING STATEMENTS. INFORMATION CONTAINED IN FORWARD-LOOKING STATEMENTS IS BASED UPON CERTAIN MATERIAL ASSUMPTIONS THAT WERE APPLIED IN DRAWING A CONCLUSION OR MAKING A FORECAST OR PROJECTION, INCLUDING MANAGEMENT'S PERCEPTIONS OF HISTORICAL TRENDS, CURRENT CONDITIONS AND EXPECTED FUTURE DEVELOPMENTS, AS WELL AS OTHER CONSIDERATIONS THAT ARE BELIEVED TO BE APPROPRIATE IN THE CIRCUMSTANCES. ALTHOUGH ELEMENT BELIEVES THAT THE EXPECTATIONS REFLECTED IN THE FORWARD-LOOKING STATEMENTS ARE REASONABLE, THERE CAN BE NO ASSURANCE THAT SUCH EXPECTATIONS WILL PROVE TO BE CORRECT. ELEMENT CANNOT GUARANTEE FUTURE RESULTS, LEVELS OF ACTIVITY, PERFORMANCE OR ACHIEVEMENTS. MOREOVER, NEITHER ELEMENT NOR ANY OTHER PERSON ASSUMES RESPONSIBILITY FOR THE ACCURACY OR COMPLETENESS OF THE FORWARD-LOOKING STATEMENTS AND INFORMATION.**

**SOME OF THE RISKS AND OTHER FACTORS, SOME OF WHICH ARE BEYOND ELEMENT'S CONTROL, WHICH COULD CAUSE RESULTS TO DIFFER MATERIALLY FROM THOSE EXPRESSED IN THE FORWARD-LOOKING STATEMENTS AND INFORMATION CONTAINED IN THIS MD&A, INCLUDE, BUT ARE NOT LIMITED TO, THOSE SET FORTH UNDER THE HEADING "RISK MANAGEMENT" HEREIN AND UNDER THE HEADING "RISK MANAGEMENT & RISK FACTORS" IN ELEMENT'S ANNUAL INFORMATION FORM FOR THE YEAR ENDED DECEMBER 31, 2025. READERS ARE CAUTIONED THAT SUCH RISK FACTORS ARE NOT EXHAUSTIVE. THE FORWARD-LOOKING STATEMENTS CONTAINED IN THIS MD&A ARE EXPRESSLY QUALIFIED BY THIS CAUTIONARY STATEMENT. OTHER THAN AS SPECIFICALLY REQUIRED BY APPLICABLE CANADIAN LAW, ELEMENT UNDERTAKES NO OBLIGATION TO UPDATE ANY FORWARD-LOOKING STATEMENT TO REFLECT EVENTS OR CIRCUMSTANCES AFTER THE DATE ON WHICH SUCH STATEMENT IS MADE, OR TO REFLECT THE OCCURRENCE OF UNANTICIPATED EVENTS, WHETHER AS A RESULT OF NEW INFORMATION, FUTURE EVENTS OR RESULTS, OR OTHERWISE.**

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# Selected Financial Highlights

(in US\$000's except per share amounts unless otherwise noted)	For the three-month period ended		
	March 31, 2026	December 31, 2025	March 31, 2025
	\$	\$	\$
<b>Reported results</b>			
Servicing income, net	162,125	162,864	152,482
Net financing revenue	137,518	129,471	111,556
Syndication revenue, net	23,873	21,088	11,633
Net revenue	323,516	313,423	275,671
Operating expenses	157,472	216,192	135,007
Operating income <sup>1</sup>	166,044	97,231	140,664
Operating margin <sup>2</sup>	51.3%	31.0%	51.0%
Total expenses	166,534	223,689	139,200
Income before income taxes	156,982	89,734	136,471
Net (loss) income	118,542	(60,719)	102,250
Earnings per share (EPS) - diluted	0.30	(0.15)	0.25
<i>Earnings per share (EPS) - diluted [\$CAD]</i>	<i>0.41</i>	<i>(0.21)</i>	<i>0.36</i>
<b>Adjusted results<sup>4</sup></b>			
Adjusted net revenue	323,516	313,423	275,671
Adjusted operating expenses <sup>3</sup>	141,573	137,904	124,824
Adjusted operating income (AOI) <sup>1</sup>	181,943	175,519	150,847
Adjusted operating margin <sup>2</sup>	56.2%	56.0%	54.7%
Adjusted net income	137,458	132,078	112,758
Adjusted EPS [diluted]	0.35	0.33	0.28
<i>Adjusted EPS [diluted] [\$CAD]</i>	<i>0.47</i>	<i>0.46</i>	<i>0.40</i>
<b>Other highlights</b>			
Originations <sup>4</sup>	1,452,852	1,351,297	1,508,869
Vehicles under management (VUM) <sup>4</sup> - end of period	1,565	1,555	1,514
Adjusted free cash flow per share - diluted <sup>4</sup>	0.45	0.39	0.36
<i>Adjusted free cash flow per share - diluted [\$CAD]</i>	<i>0.62</i>	<i>0.53</i>	<i>0.52</i>
Weighted average common shares outstanding - basic	398,123	399,883	403,502
Weighted average common shares outstanding - diluted	398,280	399,883	403,686
<i>Dividends declared per common share [\$CAD]</i>	<i>0.15</i>	<i>0.13</i>	<i>0.13</i>
After-tax adjusted return on equity (ROE)	20.3%	18.6%	16.7%

<sup>1</sup> Calculated as net revenue less operating expenses

<sup>2</sup> Calculated as operating income divided by net revenue.

<sup>3</sup> Adjusted operating expenses are calculated as operating expenses less one-time strategic initiatives costs, and share-based compensation. One-time costs in Q1 2026 included \$2 million related to the development of new funding structures and \$4 million for payments to certain Car IQ personnel contingent upon their continued employment. One-time costs in Q4 2025 included \$52 million related to an intangible asset impairment, \$9 million associated with the Car IQ acquisition, \$4 million related to the development of new funding structures, and \$2 million in property-related asset impairment charges.

<sup>4</sup> Considered to be a non-GAAP or supplemental financial measures, which do not have any standard meaning prescribed by GAAP under IFRS and are therefore unlikely to be comparable to similar measures presented by other issuers. For further information, please see the "IFRS to Non-GAAP Reconciliations" section in this MD&A. The Company utilizes non-GAAP or supplemental financial measures, such as adjusted results, originations and VUM to assess its businesses and to measure performance. To arrive at adjusted results, the Company adjusts reported results for "adjusting items". Commencing Q4 2024, VUM includes units associated with Autofleet and commencing Q4 2025, VUM includes units associated with Car IQ.

## Company Overview

Element Fleet Management Corp. ("Element") is the largest publicly traded pure-play automotive fleet manager in the world and a global leader in intelligent fleet and mobility solutions. We help manage the vehicles, data, technology, and decisions that keep our clients' businesses moving. Fleet is our foundation, and intelligent mobility is how we lead. By combining deep fleet expertise with connected technologies, data-driven intelligence, and strategic partnerships, Element helps clients lower total cost of ownership, improve uptime and driver experience, and build more resilient operations. Element manages over 1.5 million vehicles globally and leverages this scale and data to help clients optimize performance, identifying over \$1.6 billion in cost savings opportunities across our clients' fleets in the past year. Through Element Mobility, we are advancing our leadership into the next era of intelligent mobility to deliver measurable business outcomes for our clients. For more information, please visit: [elementfleet.com](https://elementfleet.com).

Element has over 1.5 million vehicles under management ("VUM"<sup>5</sup>) (March 31, 2026).

## Global Growth Strategy

Driven by our Purpose to *Move the world through intelligent mobility* – and grounded in our leadership position in the fleet and mobility industry – we continue to execute a global growth strategy that is delivering significant value to our clients, team members, business, and shareholders. At our core, we deliver integrated fleet solutions, combining large-scale asset financing with end-to-end lifecycle management, and we are enhancing that foundation with a digital-first mindset. By combining our scale with operational excellence and strategic investments, we are well-positioned for long-term success in the evolving mobility landscape. Our focus on digitization and automation enhances the client experience, builds our operational scalability, generates greater data-driven insights, and enables long-term growth across our business. Underpinning this is an unwavering commitment to client success.

As a trusted advisor and orchestrator across the mobility ecosystem, we combine deep fleet expertise with connected technologies, data driven intelligence, and strategic partnerships to help clients optimize performance, lower total cost of ownership, increase uptime, improve driver experience, advance sustainability goals, and build more resilient operations. Our investments in platforms such as Autofleet, alongside embedded payments capabilities through Car IQ, are designed to extend and enhance our core offering. These solutions deepen integration across the fleet lifecycle and create a more connected and seamless client experience, and complement the core financing and fleet services offerings that we provide .

Element is leading the next era of fleet and mobility through our client-driven global team, combining proven scale and lifecycle expertise with mobility intelligence to execute with discipline and turn complexity into opportunity.

Our three strategic priorities focus on:

- Continuing to grow organically;
- Deliver industry leading client experience by transforming our holistic digital, analytics, and operational capabilities;
- Expanding beyond the core with new products and services such as Payments, Small-to Medium-Fleets ("SME") and shared mobility

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<sup>5</sup> Every "VUM" is one unique vehicle (a) receiving or subscribed to one or more of our services, and/or (b) financed by us, whether or not subsequently syndicated. In calculating VUM, we apply certain judgments and make certain estimates, including in respect of a small number of single-service usage-based VUM. Certain estimates rely on information provided by our clients that could not be definitively validated. While there are inherent subjectivities in the VUM calculation due to these judgments and estimates, we believe that such judgments and estimates are reasonable.

## Effect of Foreign Currency Exchange Rate Changes

We are exposed to fluctuations in certain foreign currencies from operations we conduct in Mexico, Australia, New Zealand, and Canada. We performed a foreign exchange sensitivity analysis to assess potential mitigating actions. Notwithstanding, our assets, liabilities, and foreign operating results do fluctuate as a result of movements in these currencies against our reporting currency, which is the U.S. dollar. Based on our latest analysis, a 1% depreciation (appreciation) in the value of the U.S. dollar against all of the Mexican peso, Australian dollar, New Zealand dollar, and Canadian dollar simultaneously would be expected to increase (decrease) adjusted operating income by approximately \$3.7 million with Mexico representing approximately 74% of the total aggregate impact.

Average exchange rate	For the three-month period ended		
	March 31, 2026	December 31, 2025	March 31, 2025
U.S. dollar/Canadian dollar	1.372	1.394	1.436
U.S. dollar/Mexican peso	17.577	18.303	20.419
U.S. dollar/Australian dollar	1.441	1.523	1.595
U.S. dollar/New Zealand dollar	1.698	1.743	1.762

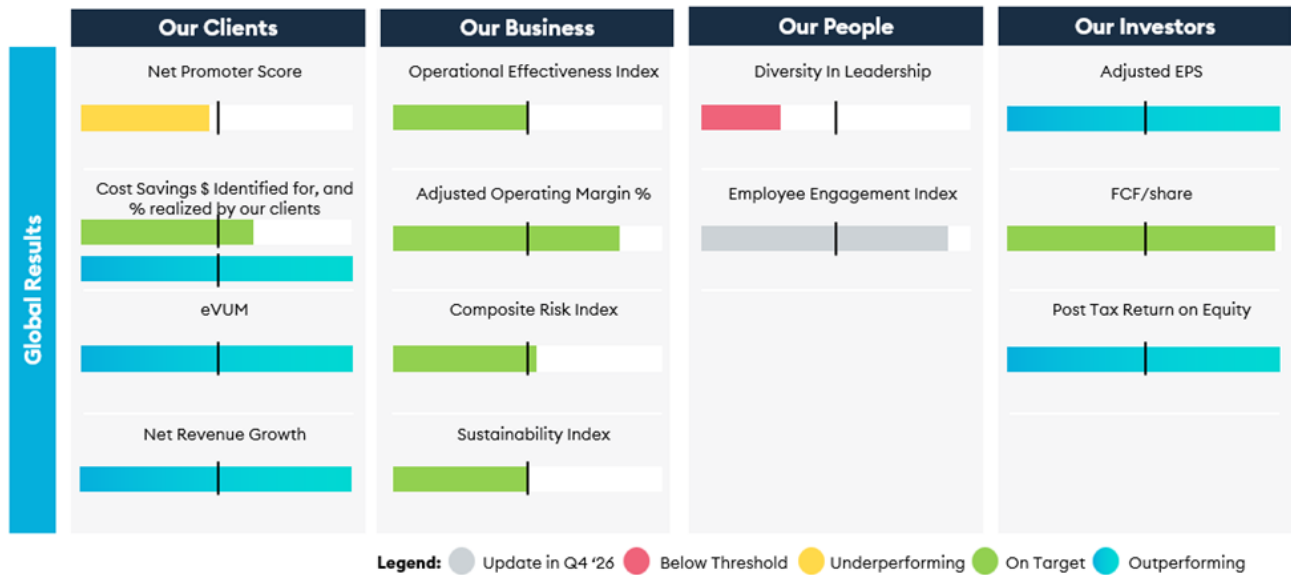
For further information relating to items impacting our Unaudited Interim Condensed Consolidated Financial Statements, please refer to Note 2 (*Summary of Material Accounting Policies*) of our Unaudited Interim Condensed Consolidated Financial Statements dated March 31, 2026.

# Global Balanced Scorecard

We continue to employ our Global Balanced Scorecard (“Global BSC”) to align strategy and performance across the organization, accelerating progress on our priorities across four core pillars: clients, business, people, and investors.

In 2026, the Global BSC metrics remain unchanged, reflecting the strength of our 2025 performance and confidence in our existing approach. The 2026 framework builds on this foundation, extending momentum and reinforcing our focus on delivering long-term stakeholder value.

These updates ensure the Global BSC remains a dynamic and effective tool in monitoring our performance and advancing our long-term strategic objectives.



## Our Clients

### Earning our clients' loyalty

Delivering a reliable and consistent experience for our clients and drivers remains central to our strategy and an important component of long-term value. We focus on earning client loyalty through strong execution at each stage in the client journey, supported by ongoing investment in our service model and digital capabilities.

Our Global Net Promoter Score (“NPS”) remains a key indicator of client sentiment and the strength of our client relationships. In Q1 2026, our global NPS improved to 49, representing a one-point increase from last quarter and reflecting a stable start to the year. These outcomes are driven by consistent execution across core elements of the client experience, informed by ongoing client feedback, and support strong client retention and expansion within existing accounts.

We continue to advance our digital capabilities to deliver a more integrated and intuitive experience, connecting the full fleet lifecycle within a single platform. These investments are designed to reduce complexity, enhance transparency, and enable more efficient, data-driven decision-making for clients. Together, our service model and digital investments support a

seamless client and driver experience and reinforce long-term loyalty, aligned with our Purpose – *to move the world through intelligent mobility.*

### **Creating compelling value for our clients**

Our global Strategic Advisory Services (“SAS”) team is committed to delivering substantial value to our clients. We proactively identify each client’s unique fleet challenges and opportunities, and respond with tailored solutions and strategies.

In Q1 2026, the SAS team made meaningful progress on its global business review in collaboration with our alliance partner, Arval. This initiative is expected to enhance Element’s ability to provide global clients with automated, consolidated views of spend and key performance metrics. A broader release is anticipated in Q2 2026, with early feedback from beta clients being positive.

We also advanced our integration of artificial intelligence (“AI”) across tool sets. An internal AI council has been established to support adoption and identify use cases across the organization. Several generative AI tools have been developed to improve advisor productivity and deliver enhanced insights to clients, with a growing pipeline of additional opportunities under development.

In the quarter, our teams identified and shared \$354 million of fleet operating cost savings opportunities with clients, of which approximately 49% was actioned.

### **Enabling client fleet electrification**

During the first quarter of 2026, Element continued to advance its electrification strategy, shifting from foundational build-out toward commercialization, operating discipline, and scalable execution. The business remains focused on simplifying fleet electrification through an integrated offering spanning home, public, workplace, and depot charging, supported by enhanced digitization, partner alignment, and sales enablement.

In the U.S. and Canada, progress was driven by the rollout of the Element Charging platform, enabling a more unified charging experience. Clients and drivers can access home charging insights, public charging, and consolidated energy reporting in one interface, while Element continues to expand network options and reduce friction across charging environments. The offering was further strengthened through improved home subscription products, reimbursement capabilities, and digitized installation workflows.

In Mexico, the focus remains on scaling EV adoption and advancing charging infrastructure, particularly depot-led solutions. Element entered the year with a clear execution plan, including the rollout of a home subscription product and continued expansion of depot capabilities. In Q1, the business secured new home and depot charging wins with global clients, reflecting strong demand and its ability to localize offerings while supporting client transitions at scale.

In Australia and New Zealand, efforts remain focused on building the operational and system foundations required for scale, including EV readiness across core systems and expansion of home and public charging solutions tailored to local market needs.

Across all regions, Element is strengthening its commercial and operating model through enhanced training, clearer ownership, and more disciplined execution, supporting the transition of electrification into a scalable and increasingly commercial business line. Looking ahead, Element remains focused on expanding platform adoption, increasing product attachment, and enhancing the digital and operational infrastructure required to support long-term growth in sustainable mobility and energy solutions.

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## Our Business

### **Consistently meeting service commitments**

In Q1 2026, maintenance operations delivered strong performance across cost management, service execution, and driver experience.

Negotiated savings reached 16%, reflecting continued strength in our cost-management initiatives. Operational execution improved, with 95% of repairs completed within the original estimated timeframe, up from 85% in Q4 2025. Driver Shop Service satisfaction increased to 97%, reinforcing a strong driver experience. In-network shop utilization held steady at 78%, consistent with Q4 2025, demonstrating continued stability in network performance. Digital engagement continued to grow, reaching 28% of total contact volume, compared to 24% in the prior quarter.

Overall, these results reflect consistent service delivery and support Element's ongoing focus on operational excellence.

### **Prudently managing our risks**

Our Enterprise Risk Council (the "Council") is a cross-functional group led by our Chief Risk Officer. Risk owners from across the organization provide regular updates to the Council on key risks, mitigation steps, and any potential emerging trends.

During Q1 2026, the Council held its quarterly meeting and we refreshed our inventory of risks within our current catalog of enterprise, emerging, and compliance risks. Regularly reviewing the risks that Element could face ensures that we remain resilient in a rapidly changing environment.

Our Enterprise Composite Risk Index ("ECRI") evaluates risks impacting revenue, credit and collections, operations, treasury, information technology and people. The ECRI adheres to our Risk Appetite Statement, providing clear metrics and thresholds for effective risk management. The results and related actions are reported quarterly to the Credit and Risk Committee of the Board of Directors for visibility and agreement.

### **Sustainability: Driving progress for our planet, people, communities, and business**

In May 2025, we published our fifth annual Sustainability Report, which is [available on our website](#). The report outlines our comprehensive approach to measuring and managing our impact.

Highlights from the 2025 Sustainability Report include:

- Exceeded our Scopes 1 and 2 science-based target, achieving an 80% reduction in greenhouse gas emissions compared to our 2019 baseline;
- Actioned our Scope 3 decarbonization strategy, which focuses on reducing emissions intensity from our largest emitting categories (11 & 13) - achieving a 27.5% intensity reduction compared to our 2019 baseline, measured in emissions per dollar of net revenue; and
- Continued to align our disclosures with leading sustainability frameworks and standards including the Task Force on Climate-related Financial Disclosures (TCFD), the Sustainability Accounting Standards Board (SASB), Standard for Professional and Commercial Services and select United Nations Sustainable Development Goals (UNSDGs).

In Q1 2026, we continued to advance our sustainability reporting roadmap to increase alignment with evolving jurisdictional regulatory reporting requirements.

We met our Sustainability Index target in Q1, supported by strong performance across all regions in our share of electric VUM.

### *Supplier diversity*

We are proud to have a longstanding history of promoting supplier diversity, which aligns with our clients' values. Our [Supplier Diversity Program](#) is crafted to create opportunities for diverse suppliers who meet our business, procurement, and contractual standards, while also supporting our clients in achieving their own supplier diversity goals.

We are continually looking for opportunities to improve our program and tracking capabilities to better support our clients' needs. In Q1 2026, tracked diversity spend was below target, primarily driven by lower activity in accident, selling dealers, and delivering dealers categories. Consistent with historical trends, Q1 typically reflects lower volume in the highest spend categories: selling dealers and delivering dealers, with activity expected to increase in the subsequent quarters. We are committed to expanding our diversity spend through targeted outreach and by broadening the categories that are tracked today.

Our dedication is further demonstrated through our corporate memberships with respected organizations including the National Minority Supplier Development Council (NMSDC), Disability:IN Minnesota, the Women's Business Enterprise National Council (WBENC), the Canadian Council for Indigenous Business (CCIB), and the Canadian Aboriginal and Minority Supplier Council (CAMSC). We continue to foster an inclusive and collaborative supply chain.

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## **Our People**

Our team had a strong start to 2026, continuing to deliver for our clients and reinforcing our position as a global leader in intelligent mobility. Guided by our Purpose - *Move the world through intelligent mobility* - and our Values, we remained focused on driving client success, fostering innovation, and supporting our people and communities.

### **Driving Alignment and Momentum**

We began the year with our Senior Leadership Forum, bringing leaders together to align on priorities and reinforce accountability in delivering client outcomes and enterprise impact. This was followed by our Sales Kickoff, which provided clarity on market opportunities, strategic priorities, and execution plans for 2026. Our ongoing Global Roadshow is connecting team members at each of our locations to bring global alignment and clarity to our strategy, and the role they each play to deliver on our objectives and bring our Purpose to life.

### **Linking Performance to Client Outcomes**

Team members have established goals aligned to our Global BSC, Values, and individual development plans. Our new capabilities model supports our leaders to coach our teams to empower others, deliver excellence, champion change and innovation, and drive enterprise impact. For 2026, we enhanced our short-term incentive plan ("STIP") to strengthen alignment with client outcomes by incorporating a Cost Savings Realization Rate metric alongside our NPS, reinforcing our pay-for-performance framework and focus on measurable client value.

### **Engaging and Supporting our Teams**

We celebrated Employee Appreciation Day globally, with team members sharing more than 7,000 recognition messages, strengthening engagement and connection across the organization. We also launched the first of two Pulse surveys for 2026 to gather feedback and prioritize actions that enhance our workplace and support client delivery. Our engagement score remained strong at 79%, reflecting continued alignment across our global teams.

### **Advancing Inclusion and Community Impact**

We continue to prioritize inclusion and belonging, supported by leadership development programs and thought leadership initiatives. While our Global Diversity in Leadership metric remains below target, we are focused on improving representation through ongoing development and external engagement. Our Business Resource Groups (BRGs)<sup>6</sup> led cultural celebrations and community initiatives, including Lunar New Year, Black History Month, and International Women's Day, reinforcing our commitment to being a force for good and strengthening connections across our teams and communities.

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<sup>6</sup> Business Resource Groups (BRGs) are employee-led groups that foster an inclusive culture by bringing together Element employees who have similar backgrounds, experiences, and/or interests, and their allies. BRG participation is voluntary and open to employees in all global regions who are interested in and support the objectives of the BRG, regardless of their background.

# Quarterly Results of Operations

	For the three-month period ended		
	March 31, 2026	December 31, 2025	March 31, 2025
(in US\$000's except per share amounts unless otherwise noted)	\$	\$	\$
<b>Reported results</b>			
<b>Net revenue</b>			
Net interest income and rental revenue	266,531	257,314	239,770
Interest expense	129,013	127,843	128,214
Net financing revenue	137,518	129,471	111,556
Servicing income, net	162,125	162,864	152,482
Syndication revenue, net	23,873	21,088	11,633
<b>Net revenue</b>	<b>323,516</b>	<b>313,423</b>	<b>275,671</b>
<b>Operating expenses</b>			
Salaries, wages and benefits	94,071	89,013	74,884
General and administration expenses	37,039	45,162	34,167
Depreciation and amortization	17,027	71,267	15,773
Share-based compensation	9,335	10,750	10,183
<b>Operating expenses</b>	<b>157,472</b>	<b>216,192</b>	<b>135,007</b>
<b>Other expenses</b>			
Amortization of intangible assets from acquisition	8,979	7,823	7,799
Loss / (Gain) on investments	83	(326)	(3,606)
<b>Other expenses</b>	<b>9,062</b>	<b>7,497</b>	<b>4,193</b>
Income before income taxes	156,982	89,734	136,471
Provision for income taxes	38,440	150,453	34,221
<b>Net (loss) income for the period</b>	<b>118,542</b>	<b>(60,719)</b>	<b>102,250</b>
Weighted average number of shares outstanding [diluted]	398,280	399,883	403,686
EPS [Diluted]	0.30	(0.15)	0.25
<i>Dividends declared, per share [SCAD]</i>			
<i>Common share</i>	<b>0.150000</b>	<i>0.130000</i>	<i>0.130000</i>

	For the three-month period ended		
	March 31, 2026	December 31, 2025	March 31, 2025
(in US\$000's for stated values, except per share amounts)	\$	\$	\$
<b>Adjusted results<sup>7</sup></b>			
<b>Adjusted operating expenses<sup>8</sup></b>	<b>141,573</b>	137,904	124,824
<b>Adjusted operating income<sup>9</sup></b>	<b>181,943</b>	175,519	150,847
<b>Adjusted operating margin<sup>10</sup></b>	<b>56.2%</b>	56.0%	54.7%
<b>Adjusted net income</b>	<b>137,458</b>	132,078	112,758
<b>Adjusted EPS [diluted]</b>	<b>0.35</b>	0.33	0.28

We offer the following commentary on net revenue, operating expenses, pre-tax income margin, net income, and earnings per share for the quarter ended March 31, 2026, which are IFRS measures. In addition, we present and offer commentary on the adjusted results for the quarter ended March 31, 2026, which are non-GAAP financial measures.

<sup>7</sup> Considered to be a non-GAAP or supplemental financial measures, which do not have any standard meaning prescribed by GAAP under IFRS and are therefore unlikely to be comparable to similar measures presented by other issuers. For further information, please see the "IFRS to Non-GAAP Reconciliations" section in this MD&A. We utilize non-GAAP or supplemental financial measures, such as adjusted results to assess our businesses and to measure performance. To arrive at adjusted results, we adjust reported results for "adjusting items".

<sup>8</sup> Adjusted operating expenses are calculated as operating expenses less one-time strategic initiatives costs, Autofleet and Car IQ acquisition-related costs, share-based compensation, and other expenses that are non-recurring in nature.

<sup>9</sup> Calculated as net revenue less adjusted operating expenses.

<sup>10</sup> Calculated as adjusted operating income divided by net revenue.

**Net revenue**

Net revenue of \$324 million in Q1 2026 increased by \$48 million or 17%, compared to Q1 2025 ("year-over-year"), driven by growth across all revenue streams. Compared to Q4 2025 ("quarter-over-quarter"), net revenue grew by \$10 million or 3%, largely reflecting higher net financing and syndication revenues.

*Services income, net*

Services revenue for Q1 2026 was \$162 million, increasing by \$10 million or 6% year-over-year, mainly attributable to VUM growth. On a quarter-over-quarter basis, services revenue decreased by \$1 million.

*Net financing revenue*

Net financing revenue for Q1 2026 was \$138 million, increasing by \$26 million or 23% year-over-year. The increase was primarily driven by growth in net earnings assets and higher gains on sale ("GOS"), as well as the continued execution of our strategic leasing initiatives. These factors were partially offset by higher funding costs, including incremental debt from the Car IQ acquisition, along with higher provisions for credit losses related to a client-specific item.

Compared to Q4 2025, net financing revenue increased by \$8 million or 6% quarter-over-quarter, largely due to the continued benefits from our optimized leasing strategy and higher GOS, partially offset by higher provisions for credit losses.

*Net financing revenue yield on average net earning assets*

(in US\$000's unless otherwise noted)	For the three-month period ended		
	March 31 2026	December 31, 2025	March 31, 2025
Average net earning assets	8,839,618	8,793,408	7,618,350
Net interest income and rental revenue	12.23%	11.61%	12.59%
Interest expense	5.92%	5.77%	6.73%
Net financing revenue yield on average net earning assets	6.31%	5.84%	5.86%
Average debt outstanding	9,018,957	8,725,152	8,363,864
Average cost of debt (Interest expense / average debt)	5.80%	5.81%	6.13%
Average 1-Month SOFR rates	3.67%	3.85%	4.32%

*Syndication revenue*

We syndicated \$867 million of assets in Q1 2026, an increase of \$293 million or 51% from the prior year, and \$201 million or 30% from the prior quarter.

Syndication revenue in Q1 2026 of \$24 million increased by \$12 million year-over-year, driven by higher volume, the reinstatement of 100% bonus depreciation in July 2025, and a favourable client mix, highlighting sustained investor demand.

Compared to Q4 2025, revenue increased by \$3 million or 13%, primarily due to higher volumes.

**Operating expenses and adjusted operating expenses**

Q1 2026 operating expenses of \$157 million increased by \$22 million or 17% year-over-year, primarily driven by incremental headcount from the Car IQ acquisition, inflationary increases,

continued investment in key initiatives, and higher depreciation and amortization.

On a quarter-over-quarter basis, operating expenses decreased by \$59 million or 27%, largely due to non-recurring depreciation items in the prior quarter, including the \$52 million write-off of the legacy ordering platform and \$2 million of property-related asset impairment charges, partly offset by higher salaries and wages.

On an adjusted basis, operating expenses in Q1 2026 totaled \$142 million, up \$17 million or 13% from Q1 2025, primarily reflecting higher salaries and wages from incremental Car IQ headcount, inflationary increases, along with increased depreciation and amortization.

Compared to Q4 2025, adjusted operating expenses increased by \$4 million or 3%, largely reflecting higher salaries and wages related to the Car IQ acquisition, partly offset by lower professional fees.

Operating expense growth reflects continued investments in digitization and product expansion initiatives. We expect to sustain positive operating leverage as efficiencies from prior investments are realized.

### **Net income and adjusted operating income**

Q1 2026 net income of \$119 million increased by \$16 million or 16% compared to Q1 2025, and \$179 million or 295%, compared to Q4 2025.

On an adjusted basis, net income for Q1 2026 was \$137 million, increasing by \$25 million or 22% year-over-year, and by \$5 million or 4% quarter-over-quarter.

In Q1 2026, AOI increased by \$31 million or 21% year-over-year to \$182 million, supporting adjusted diluted EPS of \$0.35, up \$0.07 or 24% from Q1 2025. On a quarter-over-quarter basis, AOI increased by \$6 million or 4%, with adjusted diluted EPS growing by \$0.01 or 4%.

### **Pre-tax income margin and adjusted operating margin**

Pre-tax income margin in Q1 2026 was 48.5%, compared to 49.5% in Q1 2025 and 28.6% in Q4 2025, primarily reflecting the operating expense drivers discussed above. On an adjusted basis, operating margin in Q1 2026 was 56.2%, reflecting expansion of 150 basis points year-over-year and 20 basis points quarter-over-quarter.

**Originations**

Originations in Q1 2026 were \$1.5 billion, down \$56 million or 4% year-over-year, primarily reflecting the reduction in volume from an originate-to-syndicate client. Excluding this impact, originations growth was solid, supported by underlying client demand and continued conversion of our strong order volumes in Q4 2025.

Compared to Q4 2025, originations increased by \$102 million or 8% quarter-over-quarter, driven by the strength in underlying demand and the conversion of record Q4 2025 order volumes.

The table below sets out the geographic distribution of originations for the three-month period ended as of the indicated date.

(in US\$000's)	March 31, 2026		December 31, 2025		March 31, 2025	
	\$	%	\$	%	\$	%
United States and Canada	<b>1,086,920</b>	<b>74.8</b>	934,042	69.1	1,195,391	79.3
Mexico	<b>271,359</b>	<b>18.7</b>	301,068	22.3	214,752	14.2
Australia and New Zealand	<b>94,573</b>	<b>6.5</b>	116,187	8.6	98,726	6.5
<b>Total</b>	<b>1,452,852</b>	<b>100.0</b>	1,351,297	100.0	1,508,869	100.0

## Summary of Quarterly Information

The following table sets out selected financial information as reported for each of the eight most recent quarters, the most recent of which ended March 31, 2026. This information has been prepared on the same basis as our audited consolidated financial statements for the year-ended December 31, 2025. All necessary adjustments have been included in the amounts stated below to present fairly the unaudited quarterly results when read in conjunction with our audited consolidated financial statements and the related notes to those statements.

(in US\$ 000's except per share amounts and ratios or unless otherwise noted)	Q1 2026	Q4 2025	Q3 2025	Q2 2025	Q1 2025	Q4 2024	Q3 2024	Q2 2024	Q1 2024
	\$	\$	\$	\$	\$	\$	\$	\$	\$
Net revenue	<b>323,516</b>	313,423	306,390	290,026	275,671	270,890	279,636	274,577	262,457
Adjusted operating income	<b>181,943</b>	175,519	177,664	161,850	150,847	143,343	161,427	152,853	143,607
After-tax adjusted operating income	<b>137,458</b>	132,078	133,684	120,983	112,758	107,507	119,537	115,404	108,423
Net income (loss)	<b>118,542</b>	(60,719)	125,232	112,366	102,250	92,057	98,565	102,698	93,817
EPS, basic	<b>0.30</b>	(0.15)	0.31	0.28	0.25	0.23	0.24	0.26	0.23
EPS, diluted	<b>0.30</b>	(0.15)	0.31	0.28	0.25	0.23	0.24	0.25	0.23
Adjusted EPS, basic	<b>0.35</b>	0.33	0.33	0.30	0.28	0.27	0.29	0.29	0.27
Adjusted EPS, diluted	<b>0.35</b>	0.33	0.33	0.30	0.28	0.27	0.29	0.28	0.26
Total assets	<b>13,557,421</b>	13,884,069	14,083,309	13,861,507	13,152,632	12,700,714	12,638,542	12,874,525	13,336,018
Net earning assets	<b>8,439,501</b>	8,855,217	8,790,444	8,290,165	7,576,701	7,403,724	7,789,048	8,114,717	8,034,053
Total debt	<b>9,381,099</b>	9,538,652	9,344,838	9,296,691	8,908,953	8,331,106	8,346,905	8,610,341	9,060,476
Originations	<b>1,452,852</b>	1,351,297	1,722,292	1,894,380	1,508,869	1,497,822	1,715,828	1,976,014	1,541,883
Allowance for credit losses	<b>15,344</b>	10,807	8,533	8,870	7,137	6,168	6,069	5,351	5,794
As a % of total finance receivables before allowance	<b>0.20</b>	0.13	0.10	0.10	0.09	0.08	0.08	0.07	0.08
Senior revolving credit facilities - drawn	<b>1,368,888</b>	1,261,147	1,575,792	1,650,254	1,398,496	1,553,350	1,033,890	1,222,012	796,104
Borrowings	<b>8,195,711</b>	8,445,816	7,926,430	7,791,451	7,647,389	6,910,439	7,438,240	7,489,404	8,225,463
Convertible debentures <sup>11</sup>	—	—	—	—	—	—	—	—	126,108

<sup>11</sup> We redeemed all of our convertible debentures on June 26, 2024.

# Financial Position

The following table presents a summary of our comparative financial positions, as at:

(in US\$000's unless otherwise noted)	<b>March 31, 2026</b>	December 31, 2025	March 31, 2025
	<b>\$</b>	\$	\$
<b>ASSETS</b>			
Cash	<b>267,127</b>	159,219	497,956
Restricted funds	<b>395,234</b>	344,843	282,575
Finance receivables	<b>7,838,074</b>	8,316,347	7,691,972
Equipment under operating leases	<b>2,852,268</b>	2,836,154	2,428,013
Accounts receivable and other current assets	<b>250,255</b>	245,090	185,132
Derivative financial instruments	<b>64,565</b>	70,194	96,594
Property, equipment and leasehold improvements	<b>117,153</b>	119,097	109,129
Intangible assets	<b>602,515</b>	615,175	629,430
Deferred tax assets	<b>105,314</b>	111,786	201,252
Goodwill	<b>1,064,916</b>	1,066,164	1,030,579
	<b>13,557,421</b>	13,884,069	13,152,632
<b>LIABILITIES AND SHAREHOLDERS' EQUITY</b>			
<b>Liabilities</b>			
Accounts payable and accrued liabilities	<b>1,102,559</b>	1,249,173	1,228,332
Derivative financial instruments	<b>38,020</b>	70,164	34,385
Borrowings	<b>9,564,599</b>	9,706,963	9,045,885
Deferred tax liabilities	<b>155,968</b>	137,502	123,414
	<b>10,861,146</b>	11,163,802	10,432,016
<b>Shareholders' equity</b>	<b>2,696,275</b>	2,720,267	2,720,616
	<b>13,557,421</b>	13,884,069	13,152,632

Total assets and liabilities decreased by \$327 million and \$303 million, respectively, from December 31, 2025, and increased \$405 million and \$429 million, respectively, from March 31, 2025.

Assets were primarily driven by higher finance receivables and equipment under operating leases, while liabilities reflected increased borrowings year-over-year.

Approximately 45% of Element's assets are non U.S. dollar-denominated. As a result, changes in the value of our reporting currency, the U.S. dollar, relative to the Mexico peso, the Australian and New Zealand dollars, and the Canadian dollar, may have an impact on our balance sheet.

## Portfolio Details

### Total finance receivables

The following table breaks down our total finance receivables, which were \$478 million lower at March 31, 2026 than at December 31, 2025, driven primarily by syndications, the sale of units and amortization, partly offset by originations.

(in US\$000's except ratios or unless otherwise noted)	<b>March 31, 2026</b>	December 31, 2025
	\$	\$
Net investment in finance receivables	<b>5,587,233</b>	6,019,063
Impaired lease receivables	<b>20,003</b>	24,464
	<b>5,607,236</b>	6,043,527
Unamortized origination costs and subsidies	<b>(83,195)</b>	(77,297)
Net finance receivables	<b>5,524,041</b>	5,966,230
Prepaid lease payments and Security deposits	<b>(97,410)</b>	(60,686)
Interim funding	<b>1,096,408</b>	1,054,489
Fleet management and other receivables	<b>1,146,879</b>	1,198,810
Continuing involvement asset	<b>183,500</b>	168,311
	<b>7,853,418</b>	8,327,154
Allowance for credit losses	<b>15,344</b>	10,807
<b>Total finance receivables</b>	<b>7,838,074</b>	8,316,347

### Allowance for credit losses and charge-offs, net of recoveries

Credit losses and provisions for the three-month period as of the indicated date.

(in US\$000's except ratios or unless otherwise noted)	<b>March 31, 2026</b>	March 31, 2025
Allowance for credit losses, beginning of period	<b>10,807</b>	6,168
Provision for credit losses	<b>4,557</b>	1,009
Charge-offs, net of recoveries	<b>(9)</b>	(31)
Impact of foreign exchange rates	<b>(11)</b>	(9)
<b>Allowance for credit losses, end of period</b>	<b>15,344</b>	7,137
Charge-offs, net of recoveries, as a % of net investment of finance receivables	<b>—%</b>	—%
<b>Allowance for credit losses, as a % of total finance receivables before allowance</b>	<b>0.20%</b>	0.09%

Element's policy is to assess (a) the probability of default and (b) loss-given-default for all of its clients, both at lease inception and throughout the term of the lease. Element makes these assessments by performing risk reviews of clients on a periodic basis, reviewing the client's financial condition and ability to service the debt, as well as monitoring the value of the underlying security.

We reviewed the inputs to our expected credit loss model throughout the quarter. We also consider forward-looking macroeconomic information (relating to a potential slowing in economic growth), forecasted overall default rates and the impact that potential upward or downward trends in GDP would have on our lease and loan portfolio. Inflation pressure re-emerged following escalation of Middle-East conflict, delaying expected easing of interest rates in 2026. Forward-looking indicator points to slowing business investment and hiring amid heightened geopolitical uncertainty. The growth of our portfolio, when combined with the evolution of our credit mix and the resilience of our client base, resulted in a net increase to our

allowance for credit losses in the quarter which remains modest at 0.20% of total finance receivables.

### **Impaired receivables**

Accounts over 120 days past due are considered impaired and are fully provisioned net of any anticipated recoveries and recorded at their net realizable value. Accounts that are contractually delinquent less than 120 days may nonetheless be assessed as impaired. Individual impairment is assessed by examining contractual delinquency and the client's financial condition, such as the identification of the client approaching bankruptcy or the client being in the process of legal or collateral repossession proceedings with a debtor. Impairments of this nature are provisioned by applying probability-weighted assumptions consistent with industry standards and our experience with respect to the probability of an identified account resulting in a client default. We believe the impaired receivables figure in the first table above appropriately reflects the net realizable value of the finance receivables before any allowance for credit losses.

As of March 31, 2026, impaired receivables remain consistent at \$20 million (December 31, 2025 - \$24 million).

### **Portfolio distribution by geography**

The table below sets forth the geographic distribution of our portfolio of net finance receivables and equipment under operating leases, as at:

(in US\$000's unless otherwise noted)	March 31, 2026		December 31, 2025	
	\$	%	\$	%
United States and Canada	4,571,904	54.6	5,004,599	56.9
Mexico	2,506,232	29.9	2,506,017	28.4
Australia and New Zealand	1,298,173	15.5	1,291,768	14.7
<b>Total</b>	<b>8,376,309</b>	<b>100.0</b>	<b>8,802,384</b>	<b>100.0</b>
Allocated as:				
Net finance receivables	5,524,041	65.9	5,966,230	67.8
Equipment under operating leases, net	2,852,268	34.1	2,836,154	32.2
<b>Total</b>	<b>8,376,309</b>	<b>100.0</b>	<b>8,802,384</b>	<b>100.0</b>

The table below sets forth the geographic distribution of our assets under management, as at:

(in US\$000's unless otherwise noted)	March 31, 2026		December 31, 2025	
	\$	%	\$	%
United States and Canada	10,771,109	73.7	10,801,911	73.2
Mexico	2,539,274	17.4	2,657,926	18.0
Australia and New Zealand	1,297,368	8.9	1,291,245	8.8
<b>Assets under management</b>	<b>14,607,751</b>	<b>100.0</b>	<b>14,751,082</b>	<b>100.0</b>

# Liquidity

Our primary sources of liquidity include daily operating cash flows from services, financing/leasing and syndication, as well as financings obtained under our committed credit and debt facilities, commercial paper program, and public or private issuances of debt. Our primary uses of cash are the funding of service receivables, finance receivables and operating leases, and working capital.

## **Cash flow**

### *Daily cash flow / liquidity*

We continuously monitor and manage our liquidity positions by maintaining controls over all sources and uses of cash flow. We also conduct ongoing comprehensive stress-tests to identify potential risks to cash flow and forward funding capacity. Throughout 2025 and Q1 2026, the results of those tests have confirmed the stability and sustainability of our cash flow and forward funding capacity.

As of March 31, 2026, total credit and debt facilities amounted to \$12.7 billion (of which \$3.6 billion is committed and undrawn). We are continuously advancing our dynamic liquidity management practices which include enhancing our data analysis capabilities and forecasting processes to support sustainable financial management.

### *Statement of cash flows - as presented in the consolidated financial statements*

Cash provided by operating activities for the three-month period ended March 31, 2026 was \$387 million, an increase of \$411 million from the \$24 million used in operating activities for the three-month period ended March 31, 2025. The year-over-year change was primarily the result of a decrease in finance receivables of \$434 million, and an increase in cash flow from operations before changes in operating assets and liabilities of \$68 million. This was partly offset by an increase in net investment and disposal of equipment under operating leases at \$70 million, and a decrease in other non-cash operating assets and liabilities of \$22 million.

Cash used in investing activities for the three-month period ended March 31, 2026 was \$11 million compared to \$2 million for the three-month period ended March 31, 2025. The year-over-year change is driven by a decrease in cash received from investment of \$5 million, an increase in the purchase of intangible assets of \$3 million and an increase in net expenditures for property, equipment and leasehold improvements of \$1 million.

Cash used in financing activities for the three-month period ended March 31, 2026 was \$227 million, compared to \$457 million provided by financing activities for the three-month period ended March 31, 2025. The year-over-year change is primarily due to the lower net issuance of senior notes and borrowings of \$622 million, an increase in restricted funds of \$48 million and an increase in shares repurchased under our normal course issuer bid of \$17 million.

## Free cash flow

We present our view of our adjusted free cash flow in our Supplementary Information document available on our website.

The table below illustrates the reconciliation of "cash flow from operations" to "adjusted free cash flow":

(in US\$000's unless otherwise noted)	For the three-month period ended		
	March 31, 2026	December 31, 2025	March 31, 2025
	\$	\$	\$
Cash flow from operations	387,223	52,990	(23,523)
Depreciation of equipment under operating leases	(170,106)	(152,284)	(130,208)
Change in finance receivables	(452,538)	(419,592)	(16,681)
Change in equipment under operating leases	198,308	201,839	128,468
Sustaining capital investments	(7,709)	(22,720)	(4,780)
Other	225,659	494,165	191,923
<b>Adjusted free cash flow</b>	<b>180,837</b>	<b>154,398</b>	<b>145,199</b>

## Credit and debt facilities

Maintaining our investment-grade balance sheet and access to diversified sources of cost-efficient capital is a strategic imperative for us.

As of March 31, 2026, we had approximately \$3.6 billion of committed, undrawn liquidity available across our senior unsecured revolving credit facilities (\$1.9 billion), secured variable funding note facilities (\$1.4 billion), and cash of \$267 million. Commitments under these facilities are funded by a syndicate of leading Canadian, U.S. and International banks, which provide us with access to efficient liquidity and capital required to support the growth of our business.

As at (in US\$000's unless otherwise noted)	March 31, 2026			
	\$	%	\$	\$
	Facility size	Undrawn amount	Drawn amount	
<b>Senior unsecured revolving credit facilities<sup>(1)</sup></b>	<b>3,250,000</b>	<b>57.9%</b>	<b>1,881,112</b>	<b>1,368,888</b>
<b>Senior notes</b>	<b>3,400,000</b>	<b>—</b>	<b>—</b>	<b>3,400,000</b>
<b>Term loan</b>	<b>84,486</b>	<b>—</b>	<b>—</b>	<b>84,486</b>
Vehicle management asset-backed debt facilities				
Term notes in amortization	882,065	—	—	882,065
Variable funding notes	5,072,853	28.1%	1,427,349	3,645,504
Other	21,557	—	—	21,557
<b>Total vehicle management asset-backed debt</b>	<b>5,976,475</b>	<b>23.9%</b>	<b>1,427,349</b>	<b>4,549,126</b>
<b>Total cash</b>			<b>267,127</b>	
<b>Total capital available for continuing operations</b>			<b>3,575,588</b>	

As at (in US\$000's unless otherwise noted)	December 31, 2025			
	\$	%	\$	\$
	Facility size	Undrawn amount	Drawn amount	
<b>Senior unsecured revolving credit facilities<sup>(1)</sup></b>	3,250,000	61.2%	1,988,853	1,261,147
<b>Senior notes</b>	3,400,000	—	—	3,400,000
<b>Term loan</b>	85,187	—	—	85,187
Vehicle management asset-backed debt facilities				
Term notes in amortization	1,034,182	—	—	1,034,182
Variable funding notes	5,067,635	26.2%	1,328,766	3,738,869
Other	24,386	—	—	24,386
<b>Total vehicle management asset-backed debt</b>	6,126,203	21.7%	1,328,766	4,797,437
<b>Total cash</b>			159,219	
<b>Total capital available for continuing operations</b>			3,476,838	

1. Includes outstanding issuances made under our U.S. Commercial Paper program.

### Senior unsecured revolving credit facilities

The senior unsecured revolving credit facilities are comprised of (i) a \$2.4 billion committed revolving facility with a syndicate of lenders, including Canadian, U.S. and International banks (the "Syndicated Senior Credit Facility"), and (ii) an \$850 million committed revolving facility (the "Committed Credit Facility").

#### i) Syndicated Senior Credit Facility and U.S. Commercial Paper program

The borrowers' obligations under the Syndicated Senior Credit Facility are senior unsecured obligations and are guaranteed by Element and its material subsidiaries. Borrowings under this facility are available in Canadian dollars, U.S. dollars, Australian dollars and New Zealand dollars, and pricing is based on an applicable benchmark (depending on the applicable currency) plus a margin determined in accordance with a debt ratings-based pricing grid.

Our U.S. dollar denominated commercial paper ("US CP") program permits issuances up to a maximum aggregate principal amount of \$750 million. Funds borrowed under this program are short-term, with maturities of 397 days or less, and are issued at a discount. The obligations under the US CP program are unsecured and backstopped by the Syndicated Senior Credit Facility dollar-for-dollar. As of March 31, 2026, we had \$625 million of U.S. CP outstanding.

In November 2025, the Syndicated Senior Credit Facility was amended; the available capacity was reduced by \$25 million to \$2.4 billion, and the maturity date was extended by one year, to November 2028.

#### ii) Committed Credit Facility

The Committed Credit Facility is designated to finance our New Zealand and Mexican operations. Borrowings under this facility are available in U.S. dollars, New Zealand dollars and Mexican pesos, with pricing based on an applicable benchmark (depending on the applicable currency) plus a margin determined in accordance with a debt ratings-based pricing grid. In April 2025, we extended the facility by one year and adjusted the benchmark for borrowings in Mexican pesos to align with market standards. The revolving portion of the facility matures on April 24, 2026, and the non-revolving portion matures on March 25, 2030.

As of March 31, 2026, approximately \$1.4 billion was drawn on the senior unsecured revolving credit facilities (December 31, 2025 - \$1.3 billion) leaving us with access to approximately \$1.9 billion (December 31, 2025 - \$2.0 billion) of available financing under these facilities.

*Australian Overdraft Facility*

In November 2025, Custom Fleet Pty Limited, an Australian subsidiary, entered into a \$27 million (AUD 40 million) overdraft facility with a single relationship bank. Borrowings under the Australian Overdraft Facility are available in Australian Dollars only and are subject to an applicable benchmark based on the currency. Borrowings on the facility are repayable on demand, and are available for general corporate purposes.

As of March 31, 2026, the Company had \$12.1 million (AUD 18 million) outstanding under this facility.

*Senior Notes*

In November 2025, we issued \$500 million 4.641% senior unsecured investment-grade notes with a maturity of November 24, 2030. The proceeds received at the time of closing were used for general corporate purposes, including the repayment of outstanding debt.

As at March 31, 2026, we had \$3.4 billion in outstanding senior unsecured notes (December 31, 2025 - approximately \$3.4 billion).

*Term Loan*

In December 2024, we entered into a sustainability-linked amortizing term loan agreement (“Term Loan”) with a lender. The Term Loan is denominated in Mexican pesos with a facility size of \$84 million (MXN 1.5 billion), which may be increased up to the Mexican peso equivalent of \$100 million with the inclusion of an additional lender. The obligations of the borrower under this facility are unsecured and rank equally with our other unsecured credit facilities. Borrowings under this facility are based on an applicable benchmark plus a margin determined in accordance with a debt ratings-based pricing grid. If certain sustainability-related metrics in connection with our operations in Mexico are achieved, the margin will be reduced. Funds under the Term Loan facility were drawn in January 2025. The facility is set to mature in December 2029, with the first semi-annual principal repayment beginning in June 2026.

As of March 31, 2026, Element had available and unutilized funding capacity of nil (December 31, 2025 - nil) under the existing commitment.

*Vehicle Management Asset-Backed Debt*

Vehicle management asset-backed debt includes term notes and variable funding notes, and other secured funding programs across all regions.

*U.S. Fleet Receivables Securitization Arrangement*

We operate, through an indirect wholly-owned special-purpose subsidiary, two (2) securitization programs to fund U.S. fleet assets.

- (i) Chesapeake II: As part of our transition of moving our U.S. and Canadian leasing operations to Dublin, Ireland, on July 31, 2024, we repaid the outstanding balance on our \$3.0 billion variable funding note facility (“Chesapeake II warehouse”) using funds from the Syndicated Senior Credit Facility, and subsequently terminated the Chesapeake II warehouse.

As of March 31, 2026, we had three series of term notes outstanding under the Chesapeake II program, with an aggregate principal amount of approximately \$0.9 billion (December 31, 2025 - approximately \$1.0 billion).

(ii) Chesapeake IV: In August 2024, we established a new Chesapeake IV warehouse ("CFIV warehouse") facility under the Ireland structure in the amount of \$3.0 billion. In August 2025, the CFIV warehouse maturity was extended to December 2026, and the available capacity was increased to \$3.3 billion. The CFIV warehouse is collateralized by beneficial interests in specified vehicles, leases and related rights.

As of March 31, 2026, \$2.2 billion was drawn against this facility (December 31, 2025 - \$2.2 billion). Currently, there are no term notes outstanding under the Chesapeake IV facility.

#### *Canadian Fleet Receivables Funding Arrangement*

We operate, through an indirect wholly-owned special-purpose limited partnership subsidiary, a program to fund the origination of Canadian fleet assets. The securitization series provides for the issuance of variable funding notes.

Under the Canadian securitization program, we may arrange to sell beneficial interests in specified vehicles, leases and related rights to the subsidiary, which in turn finances such purchases by issuing corresponding series of notes to financial institutions and other institutional investors. Such financings take the form of series issuances of "pass-through notes", which substantially mirror the performance of the specified lease assets corresponding to the series. We may also decide to sell lease assets or related cash flows directly to financial institutions and other institutional investors in certain circumstances. In both cases, we act as the servicer of the underlying fleet lease assets. We also guarantee the performance of its related obligations in certain transactions.

In September 2025, the facility commitment size was reduced by \$144 million (CAD 200 million) to \$719 million (CAD 1 billion).

In November 2025, the facility was extended for a term of 2 years, with a new maturity of November 2027.

As of March 31, 2026, we had available and unutilized funding capacity of \$302 million (CAD 421 million) under the program.

The Canadian securitization program is supported by issuances of letters of credit under a letter of credit facility provided by a Canadian bank. In the fourth quarter of 2025, the facility was amended to increase the commitment from \$34 million (CAD 48 million) to \$35 million (CAD 49 million) and extend the maturity date to November 2027.

As of March 31, 2026, Element had issued outstanding letters of credit for the full amount of the facility.

#### *Australian Fleet Receivables Securitization program*

We operate, through a special purpose trust, a securitization program to fund the origination of Australian fleet assets. The \$754 million (AUD 1.1 billion) securitization facility is supported by a group of financial institutions, and matures in May 2026.

As of March 31, 2026, the facility was fully utilized with \$754 million (AUD 1.1 billion) in outstanding balances.

### *Other Asset-Backed Receivables Financing Agreement*

In June 2025, our Mexican subsidiary entered into a non-recourse financing transaction with a third party, where the future cash flows associated with certain leases were monetized in exchange for an upfront payment of \$12 million (MXN 239 million). The liability is secured by a pledge of the vehicles underlying the applicable leases. As at March 31, 2026, the Company had \$11 million (MXN 192 million) outstanding.

Through an indirect wholly-owned special purpose subsidiary, we participate in an asset-backed receivables financing program with one financial institution for our U.S. service revenue business. In September 2025, the facility was extended for a period of two years to September 2027, and its capacity was increased from \$200 million to \$300 million. As of March 31, 2026, Element had \$50 million in available, unused funding under this commitment.

# Capital Resources

## Capitalization

Our funding activities are well diversified by facility, geography, currency, investor and lender and include both secured and unsecured sources.

Our capitalization is calculated as follows:

<b>As at</b>	<b>March 31, 2026</b>	December 31, 2025
<i>(in US\$000's)</i>	<b>\$</b>	<b>\$</b>
Cash	<b>267,127</b>	159,219
Unsecured debt		
Senior unsecured revolving credit facilities	<b>1,368,888</b>	1,261,147
6.271% Senior Notes due 2026	<b>750,000</b>	750,000
6.319% Senior Notes due 2028	<b>750,000</b>	750,000
5.643% Senior Notes due 2027	<b>750,000</b>	750,000
5.037% Senior Notes due 2030	<b>650,000</b>	650,000
4.641% Senior Notes due 2030	<b>500,000</b>	500,000
Term loan	<b>84,486</b>	85,187
Vehicle Management Asset-Backed Debt		
Revolving term notes in amortization	<b>882,065</b>	1,034,182
Variable funding notes	<b>3,645,504</b>	3,738,869
Other	<b>21,557</b>	24,386
Deferred financing costs	<b>(28,138)</b>	(32,063)
Hedge accounting fair value adjustments	<b>6,737</b>	26,944
Continuing involvement liability	<b>183,500</b>	168,311
<b>Total borrowings</b>	<b>9,564,599</b>	9,706,963
Shareholders' equity		
Common share capital	<b>2,225,025</b>	2,236,915
Other	<b>471,250</b>	483,352
<b>Total Shareholders' Equity</b>	<b>2,696,275</b>	2,720,267
<b>Total Capitalization</b>	<b>12,260,874</b>	12,427,230

Growing profitability, adjusted free cash flow and syndication all contribute to the deleveraging of our balance sheet.

## Normal course issuer bids

On November 18, 2025, the TSX approved our intention to renew our normal course issuer bid (the "NCIB"). Under the NCIB, Element may purchase on the open market (or otherwise as permitted) up to 39,930,568 Common Shares, at our discretion during the period commencing on November 20, 2025 and ending on the earlier of November 19, 2026 and the completion of purchases under the NCIB. The actual number of the Company's common shares, if any, that may be purchased under the NCIB, and the timing of any such purchases, will be determined by the Company, subject to applicable terms and limitations of the NCIB (including any automatic share purchase plan adopted in connection therewith). There cannot be any assurance as to how many common shares, if any, will ultimately be purchased pursuant to the NCIB. Any subsequent renewals of the NCIB will be in the discretion of the Company and subject to further TSX approval.

For the year ended December 31, 2025, we purchased 5,366,200 common shares for cancellation, at a volume weighted average price of CAD \$32.10.

During Q1 2026, we purchased 2,289,400 common shares for cancellation at a volume weighted average price of CAD \$33.33.

To date, 2,878,700 common shares have been purchased for cancellation under the current NCIB, at a volume weighted average price of CAD \$33.96.

Element applies trade date accounting in determining the date on which the share repurchase is reflected in the consolidated financial statements. Trade date accounting is the date on which the Company commits itself to purchase the shares.

### Leverage

We view both debt-to-capital and tangible leverage as indicators of the strength of our financial position. Our bank covenants are set at an 80% debt-to-capital threshold, while our target range is set between 73% to 77%. At March 31, 2026, our debt-to-capital ratio was 76.4% (December 31, 2025: 76.9%).

The Company remains committed to upholding a strong investment-grade balance sheet and will continue to monitor the TLR as a key internal metric.

Our financial leverage is calculated as follows:

As at		March 31, 2026	December 31, 2025
<i>(in US\$000's, except ratios or unless otherwise noted)</i>		\$	\$
Borrowings		9,564,599	9,706,963
Less: Continuing involvement liability		(183,500)	(168,311)
Total debt	(a)	9,381,099	9,538,652
Total shareholders' equity	(b)	2,696,275	2,720,267
		<b>12,077,374</b>	<b>12,258,919</b>
Cash and restricted funds	(c)	662,361	504,062
Total net debt	(d) = (a) - (c)	8,718,738	9,034,590
Debt-to-capital	(d)/[(d)+(b)]	76.4%	76.9%

We were in compliance with all financial and reporting covenants of all of our lenders at March 31, 2026.

### Credit ratings

Our ability to access financing on a cost-effective basis is largely dependent on maintaining strong investment-grade credit ratings. Credit ratings and outlooks assigned by rating agencies are based on their independent assessments and methodologies. The credit ratings are subject to change based on several factors, including but not limited to our financial strength, competitive position, liquidity and other factors not entirely within our control.

#### Credit Ratings<sup>(i)</sup> as at March 31, 2026

Rating agency	Issuer rating	Commercial Paper rating	Outlook
DBRS, Inc.	A (low)	N/A	Stable
Fitch Ratings	BBB+	F2	Stable
Kroll Bond Rating Agency	A-	N/A	Stable
S&P Global Ratings	BBB	A-2	Stable

(i) Credit ratings are not recommendations to purchase, sell or hold a financial obligation in as much as they do not comment on market price or suitability for a particular investor. Ratings are determined by the rating agencies based on criteria established from time to time by them and are subject to revision or withdrawal at any time by the rating organization.

In Q3 2025, DBRS, Inc. affirmed Element's long term issuer credit rating of A (low) with a stable trend, and Fitch Ratings concurrently affirmed its investment-grade issuer rating of BBB+ and commercial paper rating of F2, each with stable outlooks.

In Q4 2025, Kroll Bond Rating Agency affirmed Element's long term issuer credit rating of A- with a stable trend, and Standard & Poor's concurrently affirmed its investment-grade issuer rating of BBB and commercial paper rating of A-2, each with stable outlooks.

## **Risk Management & Risk Factors**

We have risk management processes in place to monitor, evaluate and manage the principal risks we assume in conducting our business. Our primary risks have not changed materially from those described in the "Risk Management & Risk Factors" section of our 2025 Annual MD&A.

We continue to maintain our ECRI, which evaluates risks impacting revenue, credit and collections, operations, treasury, information technology and people. The ECRI aligns with our Risk Appetite Statements, providing clear metrics and thresholds for effective risk management.

## **Economic Conditions & Outlook**

### **Outlook**

Continued demand for our services, supported by ongoing conversion of self-managed fleets and continued market share gains, is expected to support originations and VUM growth in the coming quarters. This assumes no further material foreign exchange fluctuations, and no significant impact related to changes in the trade agreements between the U.S., Mexico, and Canada.

We expect to maintain positive operating leverage in 2026, while continuing to invest in digitization and expanding product offerings.

### *Capital allocation priorities*

Our capital allocation priorities remain as follows:

- Prudently invest in our business;
- Maintain a debt-to-capital ratio between 73% to 77%;
- Grow the common share dividend in keeping with our target payout range of 25% to 35% of last twelve months' adjusted free cash flow per share; and
- Repurchase common shares under our NCIB with excess capital after investments.

Further information on our NCIB can be found above under the 'Normal course issuer bids' section of this MD&A.

### **Economic conditions**

Macro and economic conditions, including rising global trade tensions, geopolitical developments in regions such as the Middle East, potential inflationary pressures, slowing economic activity, an uncertain interest rate environment, rising fuel prices, and a rapidly evolving fleet and mobility landscape offer both opportunities and challenges for our business. We closely monitor these factors and fleet industry trends to refine existing strategies or introduce new ones where appropriate to mitigate risks, optimize fleet ROI and capitalize on opportunities to ensure our long-term success.

### *Inflation*

We closely monitor inflation trends and take appropriate measures to mitigate any adverse effects on our company's financial performance.

To date, inflation has been additive to our business. Our business model allows us to transfer much of the increase in our costs to our clients in a contractually agreed-upon manner. We expect client demand to remain resilient in the upcoming year and that we will continue to generate solid net revenue growth.

Inflation and tight labour markets have also contributed to increases in operating costs. We will continue to explore and execute opportunities to manage our expenses through enhanced operating efficiencies.

### *Recession*

We believe that our value proposition – lowering our clients' total cost of fleet operations and reducing their administrative burden – becomes more attractive and relevant to existing and prospective clients during recessionary periods (where pressure to manage operating costs and realize efficiencies increases). However, we acknowledge that during recessionary periods, business spending and investments may decline and we may experience a decrease in demand for our products or services, leading to lower sales and revenue.

We closely monitor economic indicators and client behaviour to anticipate and respond to any potential recessionary impacts.

There are many factors that contribute to our business model's resilience across economic cycles:

- Element manages vehicles that are primarily viewed as mission-critical by our clients given the roles the vehicles play in our clients' ability to generate revenue and meet stakeholder expectations. Consequently, service consumption and replacement vehicle demand are typically less impacted in a downturn.
- Our "credit first, collateral second" underwriting philosophy mitigates credit losses as we focus on maintaining a strong credit quality client base, diversified across industries and geographies.
- Element leases are typically among the first contracts to be affirmed by administrators in a bankruptcy scenario given the aforementioned mission-critical nature of the leased vehicles.
- The nature of our security positions (e.g. cross-collateralization of leases, and cross-default provisions with respect to our service receivables) as part of our pro-active collateral management practices has proven effective, minimizing real economic losses for Element in the rare cases of client bankruptcy. Historically, our real economic losses as a percentage of total finance receivables have been in the low single-digit basis point range.

### *Interest rates*

Interest rates play an important role in our business by impacting our borrowing costs. When interest rates rise, so do our borrowing costs. This increase can make it more costly to finance our clients' fleets and service activity as well as our own operational activity, including new projects. Conversely, when interest rates decline, they can stimulate economic activity, and potentially increase demand for our products or services. We closely monitor interest rate movements and adjust our financial strategies accordingly.

Moreover, our business model is largely agnostic to base interest rate movements as we match fund our leases based on interest rate type (fixed vs floating). This careful monitoring of borrowing costs ensures new leases reflect appropriate credit spreads. We actively manage our funding facilities to optimize lease interest margins. Once a lease is activated, the interest margin is locked in for the life of the asset on our balance sheet. After activation, our exposure is limited to credit spread risk for the duration of the lease. That said, we maintain a measured and limited exposure to rate movements, aligned with our overall risk appetite and financial objectives.

### *Syndication market*

The vehicle lease syndication market remains robust and expansive, with relatively stable pricing and strong client demand.

Syndication net yields in Q1 2026 were 2.8%, down from elevated levels of 3.2% in Q3 and Q4 2025. Yields in the quarter were supported by the reinstatement of 100% bonus depreciation and client mix specifics. Continued investor demand supports profitable syndication and disciplined management of our debt-to-capital leverage ratio.

## Critical Accounting Policies and Estimates

Management's discussion and analysis of financial condition and results of operations are made with reference to the unaudited interim condensed consolidated financial statements and the accompanying notes for the three-month period ended March 31, 2026. A summary of our material accounting policies is presented in Note 2 to the audited consolidated financial statements and the accompanying notes for the year ended December 31, 2025. The unaudited interim condensed consolidated financial statements and the accompanying notes for the three-month period ended March 31, 2026 have been prepared in conformity with accounting policies disclosed in the audited consolidated financial statements and the accompanying notes for the three-month period ended December 31, 2025.

## Related Party Transactions

Our related parties include the following persons and/or entities: (a) associates, or entities which are controlled or significantly influenced by us; (b) key management personnel, which are comprised of directors and/or officers of the Company and those persons having authority and responsibility for planning, directing and controlling the activities of the Company; and (c) entities controlled by key management personnel.

## Recently Adopted Accounting Standards

### **Amendments to the Classification and Measurement of Financial Instruments**

Effective January 1, 2026, the Company adopted the IASB's *Amendments to the Classification and Measurement of Financial Instruments* (*amendments to IFRS 9 Financial Instruments and IFRS 7 Financial Instruments: Disclosures*) ("Amendments"). The Amendments were applied retrospectively with no restatement to prior periods. The Amendments clarify, among other matters, the date of recognition and derecognition of certain financial assets and financial liabilities and introduce an accounting policy election for certain financial liabilities settled through qualifying electronic payment systems. The Company has evaluated its eligibility to adopt the accounting policy election available to it for financial liabilities settled through electronic payment systems and concluded that it meets the relevant criteria. Therefore, the Company has adopted this election.

For the Company's disbursement processes involving cheques, the electronic-payment-system election is not applicable. Accordingly, cheques issued but not yet cleared at the reporting date do not extinguish the related financial liability and do not reduce cash and cash equivalents until the cheque clears the financial institution and funds are deposited in the payee's bank account. The Amendments were adopted with retrospective application as of January 1, 2026 for the Company's outstanding cheques.

## Future Accounting Changes

All applicable accounting standards effective for periods beginning on or after January 1, 2026 have been adopted by us. The following IFRS pronouncements have been issued but are not yet effective and may have a future impact on our consolidated financial statements.

### **Presentation and disclosure in financial statements**

IFRS 18, *Presentation and Disclosure in Financial Statements* ("IFRS 18") will replace IAS 1, *Presentation of Financial Statements* ("IAS 1"). IFRS 18 substantially carries forward IAS 1 accounting requirements for recognition and measurement of items in the financial statements, with changes to improve Companies' reporting of financial performance which will enhance investors' ability to analyze and compare financial results between Companies. The new standard may impact the structure of the statement of profit or loss, disclosure in the financial statements for certain profit or loss performance measures that are reported outside of the financial statement such as management-defined performance measures, and redefining the principles of aggregate and disaggregate grouping of items based on their shared characteristics. IFRS 18 is to be effective for fiscal years beginning on or after 1 January 2027 and also applies to comparative information. We are currently evaluating the potential impact that the adoption of IFRS 18 will have on our consolidated financial statements.

## **Internal Control over Disclosure and Financial Reporting**

The Chief Executive Officer ("CEO") and the Chief Financial Officer ("CFO") are responsible for establishing and maintaining disclosure controls and procedures to ensure that material information is being recorded, processed, summarized, and reported to senior management, including the certifying officers and other members of the Board of Directors, on a timely basis, so that appropriate decisions can be made regarding public disclosure. In addition, the CEO and CFO are responsible for establishing and maintaining internal controls over financial reporting to a standard that provides reasonable assurance of the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with IFRS.

As of March 31, 2026, we evaluated the design of Element's disclosure controls and procedures as defined under National Instrument 52-109. Based on that evaluation, the CEO and CFO concluded that the design of disclosure controls and procedures was effective.

### *Limitations on the effectiveness of disclosure controls and internal controls over financial reporting*

It should be noted that while our CEO and CFO believe that our internal control system and disclosure controls and procedures provide a reasonable level of assurance that the objectives of the control systems are met, they do not expect that our control systems will prevent all errors and fraud. A control system, no matter how well conceived or operated, can provide only reasonable, not absolute, assurance that the objectives of the control system are met. The design of any system of controls is also based in part upon certain assumptions about the likelihood of future events, and there can be no assurance that any design will succeed in achieving our stated goals under all potential conditions.

We have an established process in place which includes the on-going testing and reporting of the results to senior management and the Board of Directors on the effectiveness of the disclosure controls and internal controls over financial reporting.

For the three-month period ended March 31, 2026, there were no changes in internal controls over financial reporting that have materially affected, or are reasonably likely to materially affect, our internal control over financial reporting.

## IFRS to Non-GAAP Reconciliations, Non-GAAP Measures and Supplemental Information

Our unaudited interim condensed consolidated financial statements have been prepared in accordance with IFRS as issued by the IASB and the accounting policies we adopted in accordance with IFRS. These unaudited interim condensed consolidated financial statements reflect all adjustments that are, in the opinion of management, necessary to present fairly our financial position as at March 31, 2026 and March 31, 2025, the results of operations, comprehensive income and cash flows for the three month period-ended March 31, 2026, December 31, 2025, and March 31, 2025.

Non-GAAP and IFRS key annualized operating ratios and per share information of the operations of the Company:

(in US\$000's except ratios and per share amounts or unless otherwise noted)		As at and for the three-month period ended		
		March 31, 2026	December 31, 2025	March 31, 2025
<b>Key annualized operating ratios</b>				
<b>Leverage ratios</b>				
Financial leverage ratio	$P_2/(P_2+R)$	<b>76.4%</b>	76.9%	74.9%
Average financial leverage ratio	$Q/(Q+V)$	<b>76.6%</b>	75.6%	75.4%
<b>Other key operating ratios</b>				
Allowance for credit losses as a % of total finance receivables before allowance	F/E	<b>0.20%</b>	0.13%	0.09%
Adjusted operating income on average net earning assets	B/J	<b>8.35%</b>	7.92%	7.92%
Adjusted operating income on average tangible total equity of Element	D/(V-L)	<b>51.8%</b>	45.0%	42.2%
<b>Per share information</b>				
Number of shares outstanding	W	<b>397,064</b>	399,250	402,350
Weighted average number of shares outstanding [basic]	X	<b>398,123</b>	399,883	403,502
Weighted average number of shares outstanding [diluted]	Y	<b>398,280</b>	399,883	403,686
Net (loss) income per share [basic]	A/X	<b>\$0.30</b>	(\$0.15)	\$0.25
Net (loss) income per share [diluted]		<b>\$0.30</b>	(\$0.15)	\$0.25
<b>Adjusted EPS [basic]</b>	D/X	<b>\$0.35</b>	\$0.33	\$0.28
<b>Adjusted EPS [diluted]</b>	D/Y	<b>\$0.35</b>	\$0.33	\$0.28

We use a variety of both IFRS and non-GAAP and Supplemental Measures, and non-GAAP ratios to monitor and assess our operating performance. We use these non-GAAP and Supplemental Financial Measures because we believe that they may provide useful information to investors regarding our performance and results of operations.

## IFRS to Non-GAAP Reconciliations

The following table provide a reconciliation of certain IFRS to non-GAAP measures related to our operations and other supplemental information.

(in US\$000's except per share amounts or unless otherwise noted)	For the three-month period ended		
	March 31, 2026	December 31, 2025	March 31, 2025
<b>Reported results</b>	<b>\$</b>	<b>\$</b>	<b>\$</b>
Services income, net	162,125	162,864	152,482
Net financing revenue	137,518	129,471	111,556
Syndication revenue, net	23,873	21,088	11,633
<b>Net revenue</b>	<b>323,516</b>	<b>313,423</b>	<b>275,671</b>
<b>Operating expenses</b>	<b>157,472</b>	<b>216,192</b>	<b>135,007</b>
<b>Operating income</b>	<b>166,044</b>	<b>97,231</b>	<b>140,664</b>
<b>Operating margin</b>	<b>51.3%</b>	<b>31.0%</b>	<b>51.0%</b>
<b>Total expenses</b>	<b>166,534</b>	<b>223,689</b>	<b>139,200</b>
<b>Income before income taxes</b>	<b>156,982</b>	<b>89,734</b>	<b>136,471</b>
<b>Net (loss) income</b>	<b>118,542</b>	<b>(60,719)</b>	<b>102,250</b>
<b>EPS [basic]</b>	<b>0.30</b>	<b>(0.15)</b>	<b>0.25</b>
<b>EPS [diluted]</b>	<b>0.30</b>	<b>(0.15)</b>	<b>0.25</b>
<b>Adjusting items</b>			
<i>Impact of adjusting items on operating expenses:</i>			
Strategic initiatives costs – Salaries, wages, and benefits	4,361	5,802	—
Strategic initiatives costs – General and administrative expenses	2,203	7,646	—
Strategic initiatives costs – Depreciation and Amortization	—	54,090	—
Share-based compensation	9,335	10,750	10,183
Total impact of adjusting items on operating expenses	15,899	78,288	10,183
Total pre-tax impact of adjusting items	15,899	78,288	10,183
Total after-tax impact of adjusting items	12,012	58,912	7,612
Total impact of adjusting items on EPS [basic]	0.03	0.15	0.02
Total impact of adjusting items on EPS [diluted]	0.03	0.15	0.02

(in US\$000's except per share amounts or unless otherwise noted)	For the three-month period ended		
	March 31, 2026	December 31, 2025	March 31, 2025
<b>Adjusted results</b>	<b>\$</b>	<b>\$</b>	<b>\$</b>
<b>Adjusted net revenue</b>	<b>323,516</b>	<b>313,423</b>	<b>275,671</b>
Adjusted operating expenses	141,573	137,904	124,824
<b>Adjusted operating income</b>	<b>181,943</b>	<b>175,519</b>	<b>150,847</b>
<b>Adjusted operating margin</b>	<b>56.2%</b>	<b>56.0%</b>	<b>54.7%</b>
Provision for income taxes	38,440	150,453	34,221
Adjustments:			
Pre-tax income	6,408	23,713	3,750
Partial derecognition of deferred tax assets	—	(131,740)	—
Foreign tax rate differential and other	(363)	1,015	118
<b>Provision for taxes applicable to adjusted results</b>	<b>44,485</b>	<b>43,441</b>	<b>38,089</b>
<b>Adjusted net income</b>	<b>137,458</b>	<b>132,078</b>	<b>112,758</b>
<b>Adjusted EPS [basic]</b>	<b>0.35</b>	<b>0.33</b>	<b>0.28</b>
<b>Adjusted EPS [diluted]</b>	<b>0.35</b>	<b>0.33</b>	<b>0.28</b>

The following table summarizes key statement of financial position amounts for the periods presented.

<b>Selected statement of financial position amounts</b>		<b>For the three-month period ended</b>		
		<b>March 31, 2026</b>	December 31, 2025	March 31, 2025
(in US\$000's unless otherwise noted)		<b>\$</b>	\$	\$
Total Finance receivables, before allowance for credit losses	E	<b>7,853,418</b>	8,327,154	7,699,109
Allowance for credit losses	F	<b>15,344</b>	10,807	7,137
Net investment in finance receivable	G	<b>5,587,233</b>	6,019,063	5,148,688
Equipment under operating leases	H	<b>2,852,268</b>	2,836,154	2,428,013
Net earning assets	I=G+H	<b>8,439,501</b>	8,855,217	7,576,701
Average net earning assets	J	<b>8,839,618</b>	8,793,408	7,618,350
Goodwill and intangible assets	K	<b>1,667,431</b>	1,681,339	1,660,009
Average goodwill and intangible assets	L	<b>1,674,818</b>	1,659,045	1,663,050
Borrowings	M	<b>9,564,599</b>	9,706,963	9,045,885
Less: continuing involvement liability	O	<b>(183,500)</b>	(168,311)	(136,932)
Total debt	P=M-O	<b>9,381,099</b>	9,538,652	8,908,953
Cash and restricted funds	P <sub>1</sub>	<b>662,361</b>	504,062	780,531
Total net debt	P <sub>2</sub> = P-P <sub>1</sub>	<b>8,718,738</b>	9,034,590	8,128,422
Average debt	Q	<b>9,018,957</b>	8,725,152	8,363,864
Total shareholders' equity	R	<b>2,696,275</b>	2,720,267	2,720,616
Common shareholders' equity	T	<b>2,696,275</b>	2,720,267	2,720,616
Average common shareholders' equity	U	<b>2,752,026</b>	2,823,219	2,730,985
Average total shareholders' equity	V	<b>2,752,026</b>	2,823,219	2,730,985

Throughout this MD&A, we use the following terms and ratios which do not have a standardized meaning under IFRS and are unlikely to be comparable to similar measures presented by other organizations. Non-GAAP measures are reported in addition to, and should not be considered alternatives to, measures of performance according to IFRS.

### Adjusted operating expenses

Adjusted operating expenses are equal to salaries, wages and benefits, general and administrative expenses, and depreciation and amortization less adjusting items impacting operating expenses. The following table reconciles our reported expenses to adjusted operating expenses.

		<b>For the three-month period ended</b>		
		<b>March 31, 2026</b>	December 31, 2025	March 31, 2025
(in US\$000's except per share amounts or unless otherwise noted)		<b>\$</b>	\$	\$
<b>Reported Expenses</b>		<b>166,534</b>	223,689	139,200
Less:				
Amortization of intangible assets from acquisitions		<b>8,979</b>	7,823	7,799
Loss / (Gain) on investments		<b>83</b>	(326)	(3,606)
<b>Operating expenses</b>		<b>157,472</b>	216,192	135,007
Less:				
Share-based compensation		<b>9,335</b>	10,750	10,183
Strategic initiatives costs - Salaries, wages and benefits		<b>4,361</b>	5,802	—
Strategic initiatives costs - General and administrative expenses		<b>2,203</b>	7,646	—
Strategic initiatives costs - Depreciation and Amortization		<b>—</b>	54,090	—
<b>Total adjustments</b>		<b>15,899</b>	78,288	10,183
<b>Adjusted operating expenses</b>		<b>141,573</b>	137,904	124,824

**Adjusted operating income or Pre-tax adjusted operating income**

Adjusted operating income reflects net income or loss for the period adjusted for the amortization of debenture discount, share-based compensation, amortization of intangible assets from acquisitions, provision for or recovery of income taxes, loss or income on investments, and adjusting items from the table below.

The following tables reconciles income before taxes to adjusted operating income.

(in US\$000's except per share amounts or unless otherwise noted)	For the three-month period ended		
	March 31, 2026	December 31, 2025	March 31, 2025
	\$	\$	\$
<b>Income before income taxes</b>	<b>156,982</b>	89,734	136,471
<b>Adjustments:</b>			
Share-based compensation	9,335	10,750	10,183
Amortization of intangible assets from acquisition	8,979	7,823	7,799
Loss / (Gain) on investments	83	(326)	(3,606)
<b>Adjusting Items:</b>			
Strategic initiatives costs – Salaries, wages and benefits	4,361	5,802	–
Strategic initiatives costs – General and administrative expenses	2,203	7,646	–
Strategic initiatives costs – Depreciation and Amortization	–	54,090	–
<b>Total pre-tax impact of adjusting items</b>	<b>6,564</b>	67,538	–
<b>Adjusted operating income</b>	<b>181,943</b>	175,519	150,847

**Adjusted operating margin**

Adjusted operating margin is the adjusted operating income before taxes for the period divided by the net revenue for the period.

**After-tax adjusted operating income**

After-tax adjusted operating income reflects the adjusted operating income after the application of the Company's effective tax rates.

**Adjusted net income**

Adjusted net income reflects reported net income less the after-tax impacts of adjusting items. The following table reconciles reported net income to adjusted net income.

(in US\$000's except per share amounts or unless otherwise noted)	For the three-month period ended		
	March 31, 2026	December 31, 2025	March 31, 2025
	\$	\$	\$
<b>Net income (loss)</b>	<b>118,542</b>	(60,719)	102,250
Share-based compensation	9,335	10,750	10,183
Amortization of intangible assets from acquisition	8,979	7,823	7,799
Loss / (Gain) on investments	83	(326)	(3,606)
Strategic initiatives costs – Salaries, wages and benefits	4,361	5,802	–
Strategic initiatives costs – General and administrative expenses	2,203	7,646	–
Strategic initiatives costs – Depreciation and Amortization	–	54,090	–
Provision for income taxes	38,440	150,453	34,221
Provision for taxes applicable to adjusted results	(44,485)	(43,441)	(38,089)
<b>Adjusted net income</b>	<b>137,458</b>	132,078	112,758

**After-tax adjusted operating income attributable to common shareholders**

After-tax adjusted operating income attributable to common shareholders is computed as after-tax adjusted operating income less the cumulative preferred share dividends for the period.

**After-tax adjusted operating income on average tangible total equity**

After-tax adjusted operating income on average tangible equity is the after-tax adjusted operating income for the period, divided by the net of the average total shareholders' equity outstanding throughout the period, less average goodwill and intangible assets.

**Adjusted EPS diluted**

Adjusted EPS diluted computes the diluted after-tax adjusted operating income per share for the period on the assumption that all outstanding options at the end of the period that have an exercise price less than the closing market value on that day, are fully vested on that day and are fully exercised at their exercise price, and a corresponding number of shares are repurchased at the closing market value on that day using the cash proceeds from these option exercises. Convertible debentures are assumed to be converted at the beginning of the period (or at issuance if issued during the period on a time weighted basis) with the other effects of dilution added to the adjusted operating income if they are dilutive. It is computed as the after-tax adjusted operating income attributable to common shareholders for the period, divided by the diluted weighted average number of Common Shares outstanding during the period.

**Assets under management**

Assets under management are the sum of net earning assets, interim funding, and the value of assets syndicated by Element net of depreciation at the end of the period.

**Allowance for credit losses as a percentage of total finance receivables**

Allowance for credit losses as a percentage of total finance receivables is the allowance for credit losses at the end of the period divided by the total finance receivables (gross of the allowance for credit losses) at the end of the period.

**Average common shareholders' equity**

Average common shareholders' equity is calculated as the monthly average common shareholders' equity during the period.

**Average cost of borrowing or average cost of debt**

Average cost of borrowing or average cost of debt is equal to interest expense divided by the average debt outstanding during the period, excluding the continuing involvement liability, and is presented on an annualized basis.

**Average debt outstanding**

Average debt outstanding is calculated as the sum of monthly average borrowings outstanding under all of the Company's borrowings facilities, excluding the continuing involvement liability, and the convertible debentures outstanding throughout the period.

**Average shareholders' equity**

Average shareholders' equity is calculated as the monthly average balance of shareholders' equity during the period.

**Average financial leverage or average financial leverage ratio**

Average financial leverage or average financial leverage ratio is calculated as average debt outstanding during the period excluding the continuing involvement liability, divided by average total shareholders' equity outstanding during the period. Financial leverage refers to the use of debt to acquire/finance additional finance receivables and provides an indication of future potential ability to increase the level of debt when compared to specific industry-standard and/or existing debt covenant.

**Finance assets or total finance assets**

Finance assets are the sum of the total finance receivables and total carrying value of the equipment under operating leases.

**Financial leverage or financial leverage ratio**

Financial leverage or financial leverage ratio is calculated as total debt (the sum of borrowings, excluding the continuing involvement liability, and convertible debentures) outstanding at the end of the period, divided by total shareholders' equity outstanding at the end of the period. Financial leverage refers to the use of debt to acquire/finance additional finance receivables and provides an indication of future potential ability to increase the level of debt when compared to specific industry-standard and/or existing debt covenants.

**Adjusted free cash flow per share**

Adjusted free cash flow per share is calculated by adjusting before-tax adjusted operating income for certain non-cash and cash revenue and expenses to get total cash from operations. Cash expenses of sustaining capital investments, preferred share dividends and cash taxes paid are subtracted from cash from operations to arrive at adjusted free cash flow. Adjusted free cash flow is then divided by the weighted average number of outstanding Common Shares for the period noted. Sustaining capital investments are defined by the Company as expenditures management considers necessary to support long-term growth.

**Average net earning assets**

Average net earning assets is the sum of the average outstanding finance receivables and average equipment under operating leases. Average outstanding finance receivables or average finance receivables is the sum of [i] the average finance receivables net investment balance (gross investment less unearned income) outstanding during the period and [ii] the average investment in managed funds during the period. Average equipment under operating leases is the monthly average equipment under operating leases outstanding during the period and is calculated net of accumulated depreciation.

**Net earning assets**

Net earning assets are the sum of the total net investment in finance receivables and total carrying value of the equipment under operating leases at the end of the period.

**Net financing revenue yield on average net earning assets**

Net financing revenue yield on average net earning assets is calculated as (net interest and rental revenue) divided by (average net earning assets outstanding throughout the period), multiplied by four (i.e. annualized).

**Net interest and rental revenue**

Net interest and rental revenue is calculated as the sum of (a) net interest income and (b) rental revenue net of depreciation, less (c) interest expense. Net interest and rental revenue refers to net financing income earned from finance receivables and equipment under operating leases, after considering financing costs and provision for credit losses.

**Orders**

Orders are legally binding commitments at the time at which the OEM accepts the order. Orders necessarily precede Originations.

**Originations**

An origination occurs once a vehicle that will be financed through Element is produced.

**Period-end vehicles under management (VUM)**

Every "VUM" is one unique vehicle (a) receiving or subscribed to one or more of our services, and/ or (b) financed by us, whether or not subsequently syndicated. Period-end VUM refers to total VUM as at the end of the quarter. In calculating VUM, we apply certain judgements and make certain estimates, including in respect of a small number of single-service usage-based VUM. Certain estimates rely on information provided by our clients that could not be definitively validated. While there are inherent subjectivities in the VUM calculation due to these judgements and estimates, we believe that such judgements and estimates are reasonable.

**Pre-tax income margin**

Pre-tax income margin is income before taxes divided by net revenue.

**Updated Share Information**

The Company is currently authorized to issue (i) an unlimited number of Common Shares without nominal or par value and (ii) an unlimited number of preferred shares, issuable in series.

As at May 6, 2026, the Company had 396,148,116 Common Shares issued and 395,992,360 Common Shares outstanding. In addition, 67,102 options were issued and outstanding under the Company's stock option plan as at May 6, 2026. These convertible securities are convertible into, or exercisable for, Common Shares of the Company. 67,102 of these convertible securities were exercisable at March 31, 2026, for what would have been proceeds to the Company upon exercise of \$0.3 million.

Interim Condensed Consolidated Financial Statements

**Element Fleet Management Corp.**

March 31, 2026

**Element Fleet Management Corp.****INTERIM CONDENSED CONSOLIDATED STATEMENTS OF FINANCIAL POSITION**  
(unaudited, in thousands of United States dollars)

	<b>As at</b>	<b>As at</b>
	<b>March 31,</b>	<b>December 31,</b>
	<b>2026</b>	<b>2025</b>
	<b>\$</b>	<b>\$</b>
<b>ASSETS</b>		
Cash	<b>267,127</b>	159,219
Restricted funds (note 6)	<b>395,234</b>	344,843
Finance receivables (notes 4 and 15)	<b>7,838,074</b>	8,316,347
Equipment under operating leases (note 5)	<b>2,852,268</b>	2,836,154
Accounts receivable and other assets	<b>250,255</b>	245,090
Derivative assets (note 15)	<b>64,565</b>	70,194
Property, equipment and leasehold improvements, net	<b>117,153</b>	119,097
Intangible assets, net	<b>602,515</b>	615,175
Deferred tax assets	<b>105,314</b>	111,786
Goodwill	<b>1,064,916</b>	1,066,164
	<b>13,557,421</b>	13,884,069
<b>LIABILITIES AND SHAREHOLDERS' EQUITY</b>		
<b>Liabilities</b>		
Accounts payable and accrued liabilities	<b>1,102,559</b>	1,249,173
Derivative liabilities (note 15)	<b>38,020</b>	70,164
Borrowings (note 6)	<b>9,564,599</b>	9,706,963
Deferred tax liabilities	<b>155,968</b>	137,502
	<b>10,861,146</b>	11,163,802
<b>Shareholders' equity (note 7)</b>	<b>2,696,275</b>	2,720,267
	<b>13,557,421</b>	13,884,069

See accompanying notes

On behalf of the Board:



Director



Director

## Element Fleet Management Corp.

### INTERIM CONDENSED CONSOLIDATED STATEMENTS OF OPERATIONS (unaudited, in thousands of United States dollars, except for per share amounts)

	Three-month period ended	Three-month period ended
	March 31, 2026	March 31, 2025
	\$	\$
<b>NET REVENUE</b>		
Interest income, net (note 9)	152,905	146,723
Rental revenue and other (note 9)	283,732	223,255
Depreciation of equipment under operating leases (notes 5 and 9)	(170,106)	(130,208)
	<b>266,531</b>	239,770
Interest expense	129,013	128,214
Net financing revenue	137,518	111,556
Fleet service revenue (note 9)	172,148	162,043
Direct costs of fixed rate service contracts (note 9)	(10,023)	(9,561)
Servicing income, net	162,125	152,482
Syndication revenue, net (notes 9 and 16)	23,873	11,633
Net revenue	<b>323,516</b>	275,671
<b>OPERATING EXPENSES</b>		
Salaries, wages and benefits	94,071	74,884
General and administrative expenses	37,039	34,167
Depreciation and amortization (note 14)	17,027	15,773
Share-based compensation (note 8)	9,335	10,183
	<b>157,472</b>	135,007
<b>OTHER EXPENSES</b>		
Amortization of intangible assets from acquisitions	8,979	7,799
Loss / (Gain) on investments	83	(3,606)
Income before income taxes from operations	156,982	136,471
Provision for income taxes (note 10)	38,440	34,221
<b>Net income for the period</b>	<b>118,542</b>	102,250
Basic earnings per share (note 11)	<b>\$ 0.30</b>	\$ 0.25
Diluted earnings per share (note 11)	<b>\$ 0.30</b>	\$ 0.25

See accompanying notes

**Element Fleet Management Corp.****INTERIM CONDENSED CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME**  
(unaudited, in thousands of United States dollars)

	<b>Three-month period ended</b>	Three-month period ended
	<b>March 31, 2026</b>	March 31, 2025
	<b>\$</b>	\$
<b>Net income for the period</b>	<b>118,542</b>	102,250
<b>OTHER COMPREHENSIVE LOSS</b>		
Items that may be reclassified subsequently to profit or loss:		
Cash flow and foreign exchange hedges (loss) / gain	<b>(3,469)</b>	3,933
Net unrealized foreign exchange loss	<b>(36,697)</b>	(83,854)
	<b>(40,166)</b>	(79,921)
Provision for / (Recovery of) income taxes	<b>440</b>	(2,657)
<b>Total other comprehensive loss</b>	<b>(40,606)</b>	(77,264)
<b>Comprehensive income for the period</b>	<b>77,936</b>	24,986

*See accompanying notes*

**Element Fleet Management Corp.**

**INTERIM CONDENSED CONSOLIDATED STATEMENTS OF CHANGES IN SHAREHOLDERS' EQUITY**  
(unaudited, in thousands of United States dollars)

	Common share capital	Retained earnings (deficit)	Accumulated other comprehensive income (loss)	Total shareholders' equity
	\$	\$	\$	\$
Balance, December 31, 2025	<b>2,236,915</b>	<b>687,310</b>	<b>(203,958)</b>	<b>2,720,267</b>
Comprehensive income for the period	—	<b>118,542</b>	<b>(40,606)</b>	<b>77,936</b>
Dividends - Common shares (note 7)	—	<b>(43,448)</b>	—	<b>(43,448)</b>
Options exercised (notes 7 and 8)	<b>395</b>	<b>(71)</b>	—	<b>324</b>
Compensation - escrowed shares (notes 7 and 8)	—	<b>435</b>	—	<b>435</b>
Vesting of escrowed shares (notes 7 and 8)	<b>531</b>	<b>(531)</b>	—	—
Shares repurchased for cancellation, including tax on net value of share repurchases (note 7)	<b>(12,816)</b>	<b>(46,423)</b>	—	<b>(59,239)</b>
Balance, March 31, 2026	<b>2,225,025</b>	<b>715,814</b>	<b>(244,564)</b>	<b>2,696,275</b>
Balance, December 31, 2024	2,264,051	650,400	(140,136)	2,774,315
Comprehensive income for the period	—	102,250	(77,264)	24,986
Dividends - Common shares (note 7)	—	(36,447)	—	(36,447)
Options exercised (notes 7 and 8)	—	—	—	—
Compensation - escrowed shares (note 7 and 8)	—	1,066	—	1,066
Vesting of escrowed shares (note 7 and 8)	507	(507)	—	—
Shares repurchased for cancellation (note 7)	(11,648)	(31,656)	—	(43,304)
Balance, March 31, 2025	2,252,910	685,106	(217,400)	2,720,616

*See accompanying notes*

**Element Fleet Management Corp.**

**INTERIM CONDENSED CONSOLIDATED STATEMENTS OF CASH FLOWS**  
(in thousands of United States dollars)

	<b>Three-month period ended March 31, 2026 \$</b>	Three-month period ended March 31, 2025 \$
<b>OPERATING ACTIVITIES</b>		
Net income for the period	<b>118,542</b>	102,250
Items not affecting cash		
Depreciation of property, equipment and leasehold improvements	<b>3,920</b>	3,529
Amortization of intangible assets, including from acquisitions	<b>22,086</b>	20,043
Amortization of deferred lease costs	<b>8,943</b>	5,311
Amortization of deferred financing costs	<b>4,452</b>	5,566
Depreciation of equipment under operating leases (note 5)	<b>170,106</b>	130,208
Loss/(Gain) on investments	<b>83</b>	(3,606)
Compensation - escrowed shares (note 8)	<b>435</b>	1,066
Provision for credit losses	<b>4,557</b>	1,009
	<b>333,124</b>	265,376
Changes in operating assets and liabilities		
Change in finance receivables	<b>449,056</b>	14,609
Change in equipment under operating leases	<b>(198,308)</b>	(128,468)
Cash payments for interest portion of lease liability	<b>(936)</b>	(894)
Other non-cash operating assets and liabilities	<b>(195,713)</b>	(174,146)
<b>Cash provided by / (used in) operating activities</b>	<b>387,223</b>	(23,523)
<b>INVESTING ACTIVITIES</b>		
Investments	<b>72</b>	4,963
Purchase of property, equipment and leasehold improvements	<b>(1,352)</b>	(1,616)
Reimbursement of property, equipment and leasehold improvements	—	1,626
Proceeds on disposals of property, equipment and leasehold improvements and intangible assets	<b>73</b>	74
Purchase of intangible assets, including computer software	<b>(10,018)</b>	(6,565)
<b>Cash used in investing activities</b>	<b>(11,225)</b>	(1,518)
<b>FINANCING ACTIVITIES</b>		
Cash payments for principal portion of lease liability	<b>(3,041)</b>	(1,647)
Increase in restricted funds	<b>(50,604)</b>	(2,697)
Increase in deferred financing costs	<b>(851)</b>	(6,359)
Issuance of share capital, net	<b>324</b>	—
Shares repurchased, including tax on net value of share repurchases (note 7)	<b>(57,130)</b>	(40,504)
Proceeds on borrowings, net	<b>74,289</b>	93,572
Dividends paid (note 7)	<b>(37,675)</b>	(36,545)
Issuance of senior notes and asset-backed securities (note 6)	—	650,000
Repayment of senior notes and asset-backed securities (note 6)	<b>(152,117)</b>	(199,121)
<b>Cash (used in) / provided by financing activities</b>	<b>(226,805)</b>	456,699
<b>Effects of foreign exchange rates on cash</b>	<b>(78,077)</b>	(62,547)
<b>Net increase in cash during the period</b>	<b>71,116</b>	369,111
Cash, beginning of the period (prior to adjustment for IFRS 9 amendments)	<b>159,219</b>	128,845
Adjustment on initial application of IFRS 9 amendments (January 1, 2026)	<b>36,792</b>	—
Cash, beginning of the period	<b>196,011</b>	128,845
<b>Cash, end of the period</b>	<b>267,127</b>	497,956
<b>Supplemental cash flow information:</b>		
Cash taxes paid	<b>24,895</b>	26,455
Cash interest paid	<b>139,574</b>	132,309

*See accompanying notes*

## **NOTES TO INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS**

(unaudited, in thousands of United States dollars, except where otherwise noted and per share amounts)

March 31, 2026

### **1. CORPORATE INFORMATION**

Element Fleet Management Corp. ("Element" or the "Company"), was incorporated under the *Business Corporations Act (Ontario)* on May 11, 2007 and commenced operations on that date. The registered office of the Company is 161 Bay Street, Suite 3600, Toronto, Ontario. The Company is a public corporation traded on the Toronto Stock Exchange (the "TSX") under the symbol "EFN".

Element is a publicly traded fleet management company with \$13.6 billion in assets with primary operations in the United States, Canada, Mexico, Australia, and New Zealand, supported by a growing global footprint through its Element Mobility platform. Element is a global fleet management and mobility solutions company, providing end-to-end fleet management solutions - from vehicle acquisition, maintenance, and risk management to route optimization, electric vehicle integration, and remarketing, reaching 54 countries worldwide through the Element-Arval Global Alliance. Element has approximately 1.56 million fleet vehicles under management, which include all leased vehicles, including syndicated leases and interim funding (vehicles paid for by the Company but not yet delivered to clients).

### **2. SUMMARY OF MATERIAL ACCOUNTING POLICIES**

#### **Statement of compliance**

These unaudited interim condensed consolidated financial statements are prepared in accordance with International Financial Reporting Standards ("IFRS"), International Accounting Standard 34, *Interim Financial Reporting* ("IAS 34"), as issued by the International Accounting Standards Board.

These unaudited interim condensed consolidated financial statements should be read in conjunction with the consolidated financial statements of the Company as at and for the year ended December 31, 2025, which include information necessary or useful in understanding the Company's business and financial statement presentation. The results reported in these unaudited interim condensed consolidated financial statements should not be regarded as necessarily indicative of results that may be expected for the entire year.

These unaudited interim condensed consolidated financial statements were authorized for issuance by the Board of Directors of the Company on May 6, 2026.

#### **Accounting policies**

These unaudited interim condensed consolidated financial statements have been prepared in conformity with accounting policies disclosed in the consolidated financial statements for the year ended December 31, 2025, except as discussed below.

## **NOTES TO INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS**

(unaudited, in thousands of United States dollars, except where otherwise noted and per share amounts)

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### **Amendments to the Classification and Measurement of Financial Instruments**

Effective January 1, 2026, the Company adopted the IASB's *Amendments to the Classification and Measurement of Financial Instruments (amendments to IFRS 9 Financial Instruments and IFRS 7 Financial Instruments: Disclosures)* ("Amendments"). The Amendments were applied retrospectively with no restatement to prior periods. The Amendments clarify, among other matters, the date of recognition and derecognition of certain financial assets and financial liabilities and introduce an accounting policy election for certain financial liabilities settled through qualifying electronic payment systems. The Company has evaluated its eligibility to adopt the accounting policy election available to it for financial liabilities settled through electronic payment systems and concluded that it meets the relevant criteria. Therefore, the Company has adopted this election.

For the Company's disbursement processes involving cheques, the electronic-payment-system election is not applicable. Accordingly, cheques issued but not yet cleared at the reporting date do not extinguish the related financial liability and do not reduce cash and cash equivalents until the cheque clears the financial institution and funds are deposited in the payee's bank account. The Amendments were adopted with retrospective application as of January 1, 2026 for the Company's outstanding cheques.

### **Future accounting change**

The following IFRS pronouncements have been issued but are not yet effective and may have a future impact on the Company's consolidated financial statements:

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

IFRS 18 will replace IAS 1, Presentation of Financial Statements ("IAS 1"). IFRS 18 substantially carries forward IAS 1 accounting requirements for recognition and measurement of items in the financial statements, with changes to improve Companies' reporting of financial performance which will enhance investors' ability to analyze and compare financial results between Companies. The new standard may impact the structure of the statement of profit or loss, disclosure in the financial statements for certain profit or loss performance measures that are reported outside of the Company's financial statement such as management-defined performance measures, and redefining the principles of aggregate and disaggregate grouping of items based on their shared characteristics. IFRS 18 is to be effective for fiscal years beginning on or after 1 January 2027 and also applies to comparative information. Management is currently evaluating the potential impact that the adoption of IFRS 18 will have on the Company's consolidated financial statements.

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**3. BUSINESS ACQUISITION**

**Car IQ Inc.**

On December 31, 2025, the Company, through its wholly owned subsidiary, Element Mobility Holdco, Inc., acquired 100% of the issued and outstanding shares of Car IQ Inc. (“Car IQ”) for a total purchase price of \$74,156 paid in cash. In connection with the business combination, the Company settled a pre-existing Convertible Promissory Note with Car IQ, originally entered into on May 30, 2025, bearing interest at 6.0% per annum and maturing on May 30, 2028, with a principal amount of \$7,000. The settlement of this pre-existing financial instrument was accounted for separately from the business combination. Car IQ is a U.S.-based fintech company specializing in providing vehicle payment solutions for commercial fleets.

The total consideration transferred by the Company to complete the acquisition of Car IQ is allocated to identifiable assets acquired and liabilities assumed, based on their estimated fair values at the date of the acquisition. Goodwill of \$31,891 is measured as a residual after accounting for identifiable intangible assets from the acquisition and represents the estimated synergies and benefits that Car IQ and its technology bring to Element as a whole. Goodwill is not deductible for tax purposes. Synergies expected from the transaction include Element’s use of Car IQ’s technology capabilities and Car IQ’s access to Element’s operational scale, resources, and established brand reputation.

The determination of the fair value of identifiable assets acquired and liabilities assumed are summarized in the table below and may be adjusted within twelve months of the acquisition date if new information about facts and circumstances become available. The fair value of the net identifiable assets acquired and consideration paid are summarized as follows:

	Fair value recognized on acquisition
	\$
Cash	528
Accounts receivable and other assets	590
Property, equipment and leasehold improvements	425
Intangible assets	45,750
Accounts payable and other liabilities	(864)
Deferred tax liabilities	(4,164)
Fair value of identifiable net assets	42,265
Goodwill on acquisition	31,891
<b>Total acquired cost</b>	<b>74,156</b>
Cash consideration	74,156
<b>Total consideration</b>	<b>74,156</b>

## NOTES TO INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

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In addition to the cash consideration transferred for the acquisition of Car IQ, Element paid \$4,950 to certain Car IQ personnel, contingent upon their continued employment through April 30, 2026. As this payment is conditional on the employees completing the specified post-combination service period and will be forfeited if they do not, it has been accounted for as a separate post-combination compensation arrangement and is not included in the consideration transferred. Employees of Car IQ will not receive their compensation unless they remain for the full post-combination service period. The Company will expense this payment over the life of the service period in Salaries, wages, and benefits in its Consolidated Statement of Operations.

### 4. FINANCE RECEIVABLES

The following tables present finance receivables based on the ultimate obligor's location:

	As at March 31, 2026			
	US and Canada	Australia and New Zealand	Mexico	Total
	\$	\$	\$	\$
Minimum lease payments	5,312,916	325,547	736,468	6,374,931
Unguaranteed residual values	—	71,175	—	71,175
Gross investment	5,312,916	396,722	736,468	6,446,106
Unearned income	(688,420)	(60,679)	(109,774)	(858,873)
<b>Net investment (Subsection A)</b>	<b>4,624,496</b>	<b>336,043</b>	<b>626,694</b>	<b>5,587,233</b>
Impaired lease receivables <sup>1</sup>	14,703	802	4,498	20,003
Unamortized deferred costs and subsidies	(83,195)	—	—	(83,195)
Prepaid lease payments and security deposits	(49,617)	—	(47,793)	(97,410)
Interim funding	1,061,998	—	34,410	1,096,408
Fleet management and other receivables	712,525	128,119	306,235	1,146,879
Continuing involvement asset	183,500	—	—	183,500
Allowance for credit losses (Subsection B)	(11,667)	(932)	(2,745)	(15,344)
<b>Total finance receivables</b>	<b>6,452,743</b>	<b>464,032</b>	<b>921,299</b>	<b>7,838,074</b>

1. The fair market value of vehicles held as collateral against impaired lease receivables as at March 31, 2026 is \$20,491.

**NOTES TO INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS**

(unaudited, in thousands of United States dollars, except where otherwise noted and per share amounts)

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	As at December 31, 2025			
	US and Canada	Australia and New Zealand	Mexico	Total
	\$	\$	\$	\$
Minimum lease payments	5,792,176	309,525	770,810	6,872,511
Unguaranteed residual values	—	69,066	—	69,066
Gross investment	5,792,176	378,591	770,810	6,941,577
Unearned income	(735,154)	(57,575)	(129,785)	(922,514)
Net investment (Subsection A)	5,057,022	321,016	641,025	6,019,063
Impaired lease receivables <sup>1</sup>	18,726	525	5,213	24,464
Unamortized deferred costs and subsidies	(77,297)	—	—	(77,297)
Prepaid lease payments and security deposits	(26,540)	—	(34,146)	(60,686)
Interim funding	895,513	—	158,976	1,054,489
Fleet management and other receivables	812,785	112,896	273,129	1,198,810
Continuing involvement asset	168,311	—	—	168,311
Allowance for credit losses (Subsection B)	(6,967)	(895)	(2,945)	(10,807)
Total finance receivables	6,841,553	433,542	1,041,252	8,316,347

1. The fair market value of vehicles held as collateral against impaired lease receivables as at December 31, 2025 is \$38,516.

**A) Interest rate characteristics of net investment in finance lease receivables and loan receivables**

	As at March 31, 2026		As at December 31, 2025	
	Leases	Loans	Leases	Loans
Net investment	<b>\$5,116,890</b>	<b>\$ 470,343</b>	\$5,567,645	\$ 451,418
Weighted average fixed interest rate	<b>6.88 %</b>	<b>11.09 %</b>	6.93 %	11.28 %
Weighted average floating interest rate	<b>5.99 %</b>	<b>11.08 %</b>	6.06 %	7.23 %
Percentage of portfolio with fixed interest rate	<b>53.05 %</b>	<b>49.31 %</b>	52.26 %	100.00 %

## **NOTES TO INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS**

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### **B) Allowance for credit losses**

The Company continues to monitor its inputs to the expected credit loss ("ECL") model to ensure it appropriately reflects current market conditions. In comparison to prior year, the current economic outlook reflects increased risk of a potential recession, inflation volatility, and ongoing trade policy uncertainty based on information available to the Company as at March 31, 2026.

The Company evaluates its credit risk exposure broadly in line with Standard & Poor's and Moody's ratings outlined below and will adjust internal classifications based on additional information the Company has available to it at the time of the assessment. In conjunction with the Company's evaluation of the probability of default ("PD") as at March 31, 2026, and consistent with the ECL model, the Company reviewed its classifications and updated its internal assessment of PD based on current information.

The Company's lease and loan portfolio is secured by the underlying assets and, in the event of an obligor bankruptcy or insolvency, in cases where leases are affirmed, the obligor assumes the lease as an ongoing obligation and is required to make future payments as originally agreed. Leases are typically affirmed when the leased asset is necessary for the obligor's operations or financial recovery. As a result, the Company can continue collecting post-filing lease payments despite the bankruptcy or insolvency filing. Further, all the vehicles in a client portfolio are cross-collateralized, such that the surplus collateral on (usually older) vehicles can be used to offset under-collateralized positions (usually newer vehicles). Because of these factors, the Company is often able to recover 100% of the net investment.

Overall used vehicle prices have increased in the first quarter of 2026 compared to the first quarter of 2025, driving strong collateral coverage of lease exposure to the majority of our clients. The Company expects used vehicle pricing in 2026 to follow normal seasonal trends, albeit including potential volatility from tariff impacts on new vehicles, while continuing to remain elevated versus historical values. Should a recessionary scenario occur, we would expect an increasing number of drivers to keep their vehicles for longer periods of time (or purchase used, instead of new vehicles) which may also lead to higher used vehicle demand and prices.

In determining the appropriate allowance for credit losses as at March 31, 2026, the Company considered forward-looking macroeconomic information, including potential impacts and continued uncertainty around US trade policy, inflation remaining above target, a projected moderation in growth amid geopolitical uncertainty, which may lead to modest adjustments in interest rates later in 2026, and the impact that potential upward or downward trends in GDP and default rates might have on the Company's lease and loan portfolio in the respective regions. The Company has also evaluated multiple scenarios related to this environment, including how it is expected to affect markets and as it pertains to specific industries or clients most susceptible to be impacted by elevated inflation, energy price volatility and slower growth. Forward-looking macroeconomic expectations, the creditworthiness of our clients and the continued evolution of our portfolio resulted in an increase in the Company's allowance for credit losses to \$15,344 as at March 31, 2026.

## NOTES TO INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

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March 31, 2026

An analysis of the Company's allowance for credit losses under IFRS 9 is as follows:

<b>Finance receivables</b>	<b>Performing</b>	<b>Impaired</b>	<b>Total</b>
	<b>\$</b>	<b>\$</b>	<b>\$</b>
Balance as at January 1, 2026	7,295	3,512	10,807
Transfer to Performing	1	(1)	—
Transfer to Impaired	2	(2)	—
Lease originations	2,109	—	2,109
Changes in models and inputs, derecognition, and repayments	(1,838)	4,286	2,448
<b>Total</b>	<b>7,569</b>	<b>7,795</b>	<b>15,364</b>
Charge-offs, net of recoveries	—	(9)	(9)
Foreign exchange	(51)	40	(11)
<b>Balance as at March 31, 2026</b>	<b>7,518</b>	<b>7,826</b>	<b>15,344</b>

Finance receivables	Performing	Impaired	Total
	\$	\$	\$
Balance as at January 1, 2025	6,105	63	6,168
Transfer to Performing	2	(2)	—
Transfer to Impaired	(1)	1	—
Lease originations	1,532	—	1,532
Changes in models and inputs, derecognition, and repayments	(542)	19	(523)
Total	7,096	81	7,177
Charge-offs, net of recoveries	—	(31)	(31)
Foreign exchange	(8)	(1)	(9)
Balance as at March 31, 2025	7,088	49	7,137

## NOTES TO INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

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A summary view of the Company's allowance for credit losses is as follows:

	<b>Three-month period ended</b>	Three-month period ended
<b>Allowance for credit losses</b>	<b>March 31, 2026</b>	March 31, 2025
	<b>\$</b>	
<b>Allowance for credit losses, beginning of the period</b>	<b>10,807</b>	6,168
Provision for credit losses	<b>4,557</b>	1,009
Charge-offs, net of recoveries	<b>(9)</b>	(31)
Impact of foreign exchange rates	<b>(11)</b>	(9)
<b>Allowance for credit losses, end of the period</b>	<b>15,344</b>	7,137
Allowance as a percentage of total finance receivables before allowance	<b>0.20 %</b>	0.09%

### c) Credit risk exposure

The following table sets out the credit risk exposure for finance receivables, fleet management service receivables, and the impaired values and allowances for credit losses recorded.

	<b>As at March 31, 2026</b>		
	<b>Performing</b>	<b>Impaired</b>	<b>Total</b>
	<b>\$</b>	<b>\$</b>	<b>\$</b>
<b>Finance receivables</b>			
<b>Internal risk rating grade <sup>(1)</sup></b>			
Low	<b>3,596,795</b>	—	<b>3,596,795</b>
Medium	<b>1,922,758</b>	—	<b>1,922,758</b>
High	<b>67,680</b>	—	<b>67,680</b>
Fleet management and other receivables	<b>1,145,511</b>	<b>1,368</b>	<b>1,146,879</b>
Impaired	—	<b>20,003</b>	<b>20,003</b>
	<b>6,732,744</b>	<b>21,371</b>	<b>6,754,115</b>
Allowance for credit losses	<b>(7,518)</b>	<b>(7,826)</b>	<b>(15,344)</b>
Net carrying value	<b>6,725,226</b>	<b>13,545</b>	<b>6,738,771</b>

1. Loan balances of \$28,440, \$440,175 and \$1,728 are included in the Performing category in internal risk rating grade low, medium, and high, respectively, and nil in Impaired.

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	As at December 31, 2025		
Finance receivables	Performing	Impaired	Total
	\$	\$	\$
Internal risk rating grade <sup>(2)</sup>			
Low	3,669,639	—	3,669,639
Medium	2,256,778	—	2,256,778
High	92,646	—	92,646
Fleet management and other receivables	1,196,686	2,124	1,198,810
Impaired	—	24,464	24,464
	7,215,749	26,588	7,242,337
Allowance for credit losses	(7,295)	(3,512)	(10,807)
Net carrying value	7,208,454	23,076	7,231,530

2. Loan balances of \$14,666, \$434,690 and \$2,062 are included in the Performing category in internal risk rating grade low, medium, and high, respectively, and nil in Impaired.

The Company's internal risk rating grades broadly align to external ratings as follows:

<b>Internal risk rating grade</b>	<b>Standard &amp; Poor's</b>	<b>Moody's</b>
Low risk	AAA to BBB-	Aaa to Baa3
Medium risk	BB+ to B-	Ba1 to B3
High risk	CCC+ and below	Caa1 and below
Impaired receivables	Default	Default

**NOTES TO INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS**

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**5. EQUIPMENT UNDER OPERATING LEASES**

The Company acts as a lessor in connection with operating leases and recognizes the leased assets in its unaudited interim condensed consolidated statements of financial position. The lease payments received are recognized in income as rental revenue. Leased assets under operating leases were as follows:

	<b>As at March 31, 2026</b>	As at March 31, 2025
	<b>\$</b>	\$
<b>COST</b>		
<b>At the beginning of the period</b>	<b>4,181,314</b>	3,588,503
Additions	<b>268,406</b>	200,825
Transfers	<b>(1,874)</b>	(463)
Disposals	<b>(192,254)</b>	(201,035)
Foreign exchange rate adjustments	<b>(6,473)</b>	(4,530)
<b>Cost</b>	<b>4,249,119</b>	3,583,300
<b>ACCUMULATED DEPRECIATION</b>		
<b>At the beginning of the period</b>	<b>1,345,160</b>	1,153,073
Depreciation charge for the period	<b>170,106</b>	130,208
Disposals	<b>(114,520)</b>	(125,984)
Foreign exchange rate adjustments	<b>(3,895)</b>	(2,010)
<b>Accumulated depreciation</b>	<b>1,396,851</b>	1,155,287
<b>Net carrying amount</b>	<b>2,852,268</b>	2,428,013

## NOTES TO INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

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### 6. BORROWINGS

The Company's outstanding borrowings were as follows:

	As at March 31, 2026			
	Balance outstanding	Weighted average interest rate <sup>(1)</sup>	Pledged finance receivables and equipment under operating leases	Cash reserves <sup>(3)</sup>
	\$	%	\$	\$
Term notes in amortization	882,065	5.61	972,135	10,989
Variable funding notes	3,645,504	4.61	4,843,644	53,437
Other	21,557	8.39	24,293	—
Vehicle management asset-backed debt	4,549,126	4.82	5,840,072	64,426
Senior unsecured revolving credit facilities <sup>(2)</sup>	1,368,888	5.44	—	—
Senior notes	3,400,000	5.67	—	—
Term Loan	84,486	9.56	—	—
	9,402,500	5.26	5,840,072	64,426
Deferred financing costs	(28,138)			
Hedge accounting fair value adjustments	6,737			
Continuing involvement liability	183,500			
<b>Total borrowings</b>	<b>9,564,599</b>			

	As at December 31, 2025			
	Balance outstanding	Weighted average interest rate <sup>(1)</sup>	Pledged finance receivables and equipment under operating leases	Cash reserves <sup>(3)</sup>
	\$	%	\$	\$
Term notes in amortization	1,034,182	5.65	1,137,418	12,257
Variable funding notes	3,738,869	4.58	4,831,701	52,244
Other	24,386	8.41	26,706	—
Vehicle management asset-backed debt	4,797,437	4.83	5,995,825	64,501
Senior unsecured revolving credit facilities <sup>(2)</sup>	1,261,147	5.78	—	—
Senior notes	3,400,000	5.67	—	—
Term Loan	85,187	9.81	—	—
	9,543,771	5.30	5,995,825	64,501
Deferred financing costs	(32,063)			
Hedge accounting fair value adjustments	26,944			
Continuing involvement liability	168,311			
<b>Total borrowings</b>	<b>9,706,963</b>			

1. Represents the weighted average stated interest rate of outstanding debt at period-end, and excludes amortization of deferred financing costs, premiums or discounts, stand-by fees and the effects of hedging.
2. Includes \$625,000 (December 31, 2025 - \$300,000) of outstanding issuances made under the U.S. Commercial Paper program that are backstopped by the revolving credit facility.
3. Represents collateral for our secured borrowing arrangements and are included in Restricted Funds (see note below).

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The Company was in compliance with all financial and reporting covenants with all of its lenders at March 31, 2026.

### **Vehicle management asset-backed debt**

Vehicle management asset-backed debt includes term notes, variable funding notes, and other secured funding programs across all regions. The vehicle management asset-backed debt is secured by either a security interest and/or legal ownership in fleet assets and other finance receivables.

As at March 31, 2026, the Company had drawn \$4,549,126 under its vehicle management asset-backed debt facilities (December 31, 2025 - \$4,797,437), leaving available capacity in variable funding notes of \$1,427,349 (December 31, 2025 - \$1,328,766).

### **Senior unsecured revolving credit facilities**

As of March 31, 2026, the Company had drawn \$1,368,888 from the Senior Unsecured Revolving Credit Facilities (December 31, 2025 - \$1,261,147), leaving \$1,881,112 in available financing (December 31, 2025 - \$1,988,853). Of the drawn amount, \$625,000 was issued through the U.S. Commercial Paper Program (December 31, 2025 - \$300,000). This program is unsecured and directly backstopped by the revolving credit facility.

### **Senior notes**

As at March 31, 2026, the Company had \$3,400,000 in outstanding senior unsecured notes (December 31, 2025 - \$3,400,000).

### **Term loan**

The facility is a sustainability-linked amortizing term loan facility with one lender. The first semi-annual principal repayment will begin in June 2026, with a maturity date of December 2029. The loan is denominated in Mexican pesos with a facility size of MXN \$1,530,971 (US \$84,486).

As at March 31, 2026, the Company had drawn MXN \$1,530,971 (US \$84,486) under this term loan facility (December 31, 2025 - MXN \$1,530,971 (US \$85,187)).

### **Restricted funds**

As at March 31, 2026, restricted funds of \$395,234 (December 31, 2025 - \$344,843) include:

- i. Cash reserves of \$64,426 (December 31, 2025 - \$64,501), which represent collateral for secured borrowing arrangements;
- ii. Cash of \$320,496 (December 31, 2025 - \$247,126) includes amounts accumulated in collection accounts that are received on assets financed pursuant to the secured borrowing facilities, and are subsequently utilized in accordance with applicable provisions, as well as other payments received that are due back to clients in accordance with their contracts; and
- iii. Cash of \$10,312 (December 31, 2025 - \$33,216) provided to counter-parties as collateral against derivative liabilities.

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**7. SHARE CAPITAL**

The Company is currently authorized to issue (i) an unlimited number of common shares without nominal or par value and (ii) an unlimited number of preferred shares, issuable in series.

	<b>Common shares</b>	
	<b>Shares</b>	<b>Amount</b>
	<b>#</b>	<b>\$</b>
Balance, December 31, 2024	404,502,366	2,264,051
Shares repurchased	(5,366,200)	(29,281)
Exercise of options	10,230	52
Release of escrowed shares to employees	103,832	2,093
<b>Balance, December 31, 2025</b>	<b>399,250,228</b>	<b>2,236,915</b>
Shares repurchased, including tax on net value of share repurchases	<b>(2,289,400)</b>	<b>(12,816)</b>
Exercise of options	<b>77,330</b>	<b>395</b>
Release of escrowed shares to employees	<b>25,958</b>	<b>531</b>
<b>Balance, March 31, 2026</b>	<b>397,064,116</b>	<b>2,225,025</b>

**Share repurchase**

On November 18, 2025, the TSX approved the Company's notice of intention to renew its Normal Course Issuer Bid ("NCIB"). The renewal allows the Company to repurchase on the open market (or as otherwise permitted), at its discretion during the period commencing on November 20, 2025 and ending on the earlier of November 19, 2026 or the completion of purchases under the NCIB, up to 39,930,568 common shares of the Company, subject to the normal terms and limitations of such bids, which include the number of common shares purchased in any 12 month period being limited to 10% of the common shares outstanding at the commencement of such period.

For the three-month period ended March 31, 2026, 2,289,400 common shares have been repurchased for cancellation for \$55,605 including commission, at a volume weighted average price of C\$33.33 per common share. For the three-month period ended March 31, 2025, 2,178,000 common shares have been repurchased for cancellation for \$43,304 including commission, at a volume weighted average price of C\$28.55 per common share. The Company applies trade date accounting in determining the date on which the share repurchase is reflected in the unaudited interim condensed consolidated financial statements. The trade date is the date on which the Company commits itself to purchase the shares.

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**Share issuance**

On October 1, 2024, the Company acquired Autofleet. As part of the purchase price consideration, 985,410 shares were issued. In addition, 311,504 shares were issued to the founders and are held in escrow and vest over a period of three years, in twelve equal quarterly installments, upon fulfillment of certain employment conditions. As at March 31, 2026, 155,748 shares have been released from escrow (December 31, 2025 – 129,790).

**Common share dividends**

For the three-month period ended March 31, 2026, the Company declared \$43,448 in common share dividends C\$0.15, per common share (March 31, 2025 – \$36,447 or C\$0.13 per common share).

As at March 31, 2026, the accrued common share dividends were \$42,827 (December 31, 2025 – \$37,930).

**8. SHARE-BASED COMPENSATION**

Share-based compensation expense consists of the following:

	<b>Three-month period ended</b>	
	<b>March 31, 2026</b>	March 31, 2025
	<b>\$</b>	\$
Deferred share units	<b>1,682</b>	47
Performance share units	<b>1,918</b>	4,742
Restricted share units	<b>5,300</b>	4,328
Escrowed shares	<b>435</b>	1,066
	<b>9,335</b>	10,183

## NOTES TO INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

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### Stock options

The changes in the number of stock options during the periods were as follows:

	Number of options	Weighted average exercise price
	#	C\$
Outstanding, December 31, 2024	154,662	5.73
Exercised <sup>(1)</sup>	(10,230)	5.73
<b>Outstanding, December 31, 2025</b>	<b>144,432</b>	<b>5.73</b>
Exercised <sup>(1)</sup>	(77,330)	5.73
<b>Outstanding, March 31, 2026</b>	<b>67,102</b>	<b>5.73</b>

1. Weighted average share price of options exercised during the three-month period ended March 31, 2026 was C\$31.01 (year ended December 31, 2025 – C\$30.77).

### Deferred share units, performance share units, restricted share units and escrowed shares

	Deferred share units	Performance share units	Restricted share units	Escrowed shares
	#	#	#	#
Outstanding, December 31, 2024	929,879	1,696,518	1,800,231	285,546
Granted	79,759	1,495,042	525,796	—
Forfeited	—	(42,769)	(114,894)	—
Redeemed	(337,771)	(1,530,796)	(861,041)	(103,832)
<b>Outstanding, December 31, 2025</b>	<b>671,867</b>	<b>1,617,995</b>	<b>1,350,092</b>	<b>181,714</b>
Granted	24,266	1,068,602	504,275	—
Forfeited	—	(2,232)	(29,660)	—
Redeemed / vested	—	(1,218,694)	(536,716)	(25,958)
<b>Outstanding, March 31, 2026</b>	<b>696,133</b>	<b>1,465,671</b>	<b>1,287,991</b>	<b>155,756</b>

**NOTES TO INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS**

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**9. REVENUE**

Set out below is the disaggregation of the Company's revenue before interest expense.

	<b>Three-month period ended</b>	
	<b>March 31,</b>	March 31,
	<b>2026</b>	2025
	<b>\$</b>	<b>\$</b>
<b>Major service lines</b>		
Interest income, net	<b>152,905</b>	146,723
Rental revenue	<b>254,855</b>	197,678
Gain on sale of equipment under operating leases	<b>28,877</b>	25,577
Depreciation of equipment under operating leases	<b>(170,106)</b>	(130,208)
Financing revenue before interest expense	<b>266,531</b>	239,770
Service revenue, net	<b>139,198</b>	129,968
Vehicle sales and end of contract fees	<b>22,927</b>	22,514
Servicing income, net	<b>162,125</b>	152,482
Syndication revenue, net	<b>23,873</b>	11,633
Net revenue before interest expense	<b>452,529</b>	403,885
<b>Primary geographical markets</b>		
US and Canada	<b>286,427</b>	267,636
Australia and New Zealand	<b>57,102</b>	53,787
Mexico	<b>109,000</b>	82,462
Net revenue before interest expense	<b>452,529</b>	403,885
<b>Timing of revenue recognition</b>		
Revenue earned at a point in time	<b>156,282</b>	137,513
Revenue earned over time	<b>296,247</b>	266,372
Net revenue before interest expense	<b>452,529</b>	403,885

Revenue earned at a point in time includes gain on sale of equipment under operating leases, commissions from repairs due to accidents, fuel, title and registration fees, syndication revenue, and vendor commissions. Revenue earned over time includes interest income and rental revenue, fleet maintenance and accident management fees, and telematics fees.

## **NOTES TO INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS**

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### **A) Contract balances**

	<b>As at March 31, 2026</b>	As at December 31, 2025
	\$	\$
Contract assets	<b>8,349</b>	10,311

Contract assets represent the costs the Company incurs to enter into service contracts with clients including certain commissions. Contract assets are recorded in the unamortized deferred costs and subsidies line within note 4. For the three-month period ended March 31, 2026, the Company has recorded \$2,711 of amortization on its service contract assets (March 31, 2025 - \$1,886).

### **B) Performance obligations**

*Fixed-fee Service Contracts.* The Company provides separately priced and contracted service contracts to its fleet clients that include fuel cards, accident management services, and maintenance services. These service contracts generally have open-ended terms and can be in place as long as the client uses the underlying vehicle that is being serviced. Fees are billed monthly and revenue is recognized over the term of the agreement proportionally over the passage of time.

## **10. INCOME TAXES**

The Company calculates the period income tax expense using the tax rate that would be applicable to the expected total annual earnings. IAS 34 requires this annual tax rate to be reviewed each quarter and applied to the profits earned to date.

The effective income tax rate was 24.45% for the three-month period ended March 31, 2026 (three-month period ended March 31, 2025 - 25.09%). The effective tax rate is lower than prior year reflecting year-over-year variances in pre-tax income and other tax related adjustments.

The Organisation for Economic Co-operation and Development's Pillar Two global corporate minimum tax has been enacted or substantively enacted in certain jurisdictions the Company operates. The legislation became effective for the Company's financial year beginning January 1, 2024. The Company remains in scope of the enacted or substantively enacted legislation and has performed an assessment of its potential exposure to Pillar Two income taxes. Based on the assessment, there are a limited number of jurisdictions where the Company is liable and has accrued a liability for the tax which is not material.

**NOTES TO INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS**

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During April 2026, Element received a tax assessment from the Mexican Tax Authority for the 2019 tax year asserting additional taxes payable of approximately \$70,000. The Company disagrees with the assessment, intends to file an administrative appeal, and believes its filing positions are supportable and amounts accrued to date are sufficient to cover any probable exposure.

**11. EARNINGS PER SHARE**

Basic earnings per share is as follows:

	<b>Three-month period ended</b>	
	<b>March 31, 2026</b>	March 31, 2025
Net income available to common shareholders	<b>\$ 118,542</b>	\$ 102,250
Weighted average number of common shares outstanding – basic (number)	<b>398,123,105</b>	403,502,345
Basic earnings per share	<b>\$ 0.30</b>	\$ 0.25

Diluted earnings per share is as follows:

	<b>Three-month period ended</b>	
	<b>March 31, 2026</b>	March 31, 2025
Net income available to common shareholders adjusted for the effects of dilution	<b>\$ 118,542</b>	\$ 102,250
Weighted average number of common shares outstanding – basic (number)	<b>398,123,105</b>	403,502,345
Dilutive stock options (number)	<b>55,589</b>	123,639
Dilutive escrowed shares (number)	<b>101,470</b>	59,700
Weighted average number of common shares outstanding – diluted (number)	<b>398,280,164</b>	403,685,684
Diluted earnings per share	<b>\$ 0.30</b>	\$ 0.25

The weighted average number of common shares outstanding – diluted excludes nil instruments that were anti-dilutive for the three months ended March 31, 2026 and March 31, 2025.

**NOTES TO INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS**

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**12. CAPITALIZATION**

The Company's objectives when managing capital are to ensure sufficient liquidity to support its financial objectives and strategic plans, to ensure its financial covenants are met and to maximize shareholder value. Element's funding activities are well diversified by facility, geography, investor, and lender and include both secured and unsecured sources.

The Company's capitalization is as follows, as at:

<b>As at</b>	<b>March 31, 2026</b>	December 31, 2025
	<b>\$</b>	<b>\$</b>
Cash	<b>267,127</b>	159,219
Unsecured debt		
Senior unsecured revolving credit facilities	<b>1,368,888</b>	1,261,147
6.271% Senior Notes due 2026	<b>750,000</b>	750,000
5.643% Senior Notes due 2027	<b>750,000</b>	750,000
6.319% Senior Notes due 2028	<b>750,000</b>	750,000
5.037% Senior Notes due 2030	<b>650,000</b>	650,000
4.641% Senior Notes due 2030	<b>500,000</b>	500,000
Term Loan	<b>84,486</b>	85,187
Vehicle Management Asset-Backed Debt		
Term notes in amortization	<b>882,065</b>	1,034,182
Variable funding notes	<b>3,645,504</b>	3,738,869
Other	<b>21,557</b>	24,386
Deferred financing costs	<b>(28,138)</b>	(32,063)
Continuing involvement liability	<b>183,500</b>	168,311
Hedge accounting fair value adjustments	<b>6,737</b>	26,944
<b>Total borrowings</b>	<b>9,564,599</b>	9,706,963
Shareholders' equity		
Common share capital	<b>2,225,025</b>	2,236,915
Other	<b>471,250</b>	483,352
<b>Total Shareholders' Equity</b>	<b>2,696,275</b>	2,720,267
<b>Total Capitalization</b>	<b>12,260,874</b>	12,427,230

## **NOTES TO INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS**

(unaudited, in thousands of United States dollars, except where otherwise noted and per share amounts)

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### **13. GEOGRAPHIC INFORMATION**

The Company primarily operates in the US and Canada, Australia and New Zealand, and Mexico. Assets in jurisdictions outside these primary markets are included in "All other countries" below.

Selected assets by geography are as follows:

	<b>As at March 31, 2026</b>				
	<b>US and Canada</b>	<b>Australia and New Zealand</b>	<b>Mexico</b>	<b>All other countries</b>	<b>Total</b>
	\$	\$	\$	\$	\$
<b>Select assets</b>					
Finance receivables	<b>6,452,743</b>	<b>464,032</b>	<b>921,299</b>	—	<b>7,838,074</b>
Equipment under operating leases	<b>17,719</b>	<b>961,330</b>	<b>1,873,219</b>	—	<b>2,852,268</b>
Goodwill and intangible assets	<b>1,517,784</b>	<b>29,215</b>	<b>18,099</b>	<b>102,333</b>	<b>1,667,431</b>
Property, equipment and leasehold improvements	<b>76,655</b>	<b>15,245</b>	<b>11,303</b>	<b>13,950</b>	<b>117,153</b>
	<b>8,064,901</b>	<b>1,469,822</b>	<b>2,823,920</b>	<b>116,283</b>	<b>12,474,926</b>
	<b>As at December 31, 2025</b>				
	US and Canada	Australia and New Zealand	Mexico	All other countries	Total
	\$	\$	\$	\$	\$
<b>Select assets</b>					
Finance receivables	6,841,553	433,542	1,041,252	—	8,316,347
Equipment under operating leases	8,002	970,226	1,857,926	—	2,836,154
Goodwill and intangible assets	1,531,995	28,866	18,288	102,190	1,681,339
Property, equipment and leasehold improvements	78,537	15,602	11,734	13,224	119,097
	8,460,087	1,448,236	2,929,200	115,414	12,952,937

Geographic selected assets are based on the location of the assets.

### **14. LEASES**

The Company leases its office space and certain office equipment. The Company accounts for the lease components (fixed payments including rent and variable payments that depend on an index or rate) separately from the non-lease components (e.g. common-area maintenance costs).

**NOTES TO INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS**

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Most leases include one or more options to renew, with renewal terms that can extend the lease term from one to 10 years or more. The exercise of lease renewal options is at the sole discretion of the Company and is included in determining the lease liability and right-of-use asset if the Company assesses it is highly likely to exercise the lease renewal options at the inception of the lease. Subsequent to the inception of the lease, management continues to evaluate the likelihood of exercising the lease renewal options to ensure it aligns with the Company's business strategy. Adjustments to the lease liability and right-of-use asset as a result of a modification to the expected lease term are made in accordance with IFRS 16.

The depreciable life of assets and leasehold improvements are limited by the expected lease term, unless there is a transfer of title or purchase option reasonably certain of exercise. Certain of the Company's leases include rental payments adjusted periodically for inflation. The Company's lease agreements do not contain any material residual value guarantees or material restrictive covenants.

Management evaluates all facilities to ensure the Company's footprint continues to support business activities, employees and client needs. In support of this and to align with the Company's growth strategy, the Company closed certain facilities in the US, Canada, Australia and New Zealand during the year ended December 31, 2020. The remaining lease liability for the closed facilities is \$187 as at March 31, 2026 (December 31, 2025 - \$208).

		As at March 31, 2026	As at December 31, 2025
		\$	\$
<b>Assets</b>	<b>Classification</b>		
Right-of-use assets	Buildings, net of accumulated amortization <sup>(1)</sup>	<b>75,468</b>	76,594
<b>Liabilities</b>	<b>Classification</b>		
Lease liabilities	Accounts payable and accrued liabilities	<b>90,822</b>	92,028

1. As at March 31, 2026, right-of-use assets are recorded net of accumulated amortization of \$59,631 (December 31, 2025 - \$57,632).

		Three-month period ended	
		March 31, 2026	March 31, 2025
		\$	\$
<b>Lease cost</b>	<b>Classification</b>		
Amortization of leased assets	Depreciation and amortization	<b>2,048</b>	1,761
Interest on lease liabilities	Interest expense	<b>936</b>	894
Net lease cost		<b>2,984</b>	2,655

**NOTES TO INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS**

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March 31, 2026

<b>Maturity of lease liabilities</b>	<b>As at March 31, 2026</b>	
	<b>\$</b>	
	<hr/>	
2026		<b>(5,470)</b>
2027		<b>6,508</b>
2028		<b>6,491</b>
2029		<b>6,059</b>
2030		<b>6,510</b>
Thereafter		<b>70,724</b>
		<hr/>
Lease Term and Discount Rate	<b>As at March 31, 2026</b>	As at December 31, 2025
	<hr/>	
Weighted-average remaining lease term (years)	<b>14.3</b>	14.6
Weighted-average discount rate	<b>4.33 %</b>	4.34 %

**15. FAIR VALUE OF FINANCIAL INSTRUMENTS**

Fair value is defined as the price that would be received to sell an asset, or paid to transfer a liability, between market participants in an orderly transaction in the principal market at the measurement date under current market conditions (i.e., the exit price). The determination of fair value requires judgment and is based on market information, where available and appropriate. Fair value measurements are categorized into three levels within a fair value hierarchy (Level 1, 2, or 3) based on the valuation inputs used in measuring the fair value, as outlined below.

- Level 1 – Unadjusted quoted market prices in active markets for identical assets or liabilities the Company can access at the measurement date. Bid prices, ask prices or prices within the bid and ask, which are the most representative of the fair value, are used as appropriate to measure fair value. Fair value is best evidenced by an independent quoted market price for the same instrument in an active market. An active market is one where transactions are occurring with sufficient frequency and volume to provide quoted prices on an ongoing basis.
- Level 2 – Quoted prices for identical assets or liabilities in markets that are inactive or observable market quotes for similar instruments, or use of valuation techniques where all significant inputs are observable. Inactive markets may be characterized by a significant decline in the volume and level of observed trading activity or through large or erratic bid/offer spreads. In instances where traded markets do not exist or are not considered sufficiently active, we measure fair value using valuation models.
- Level 3 – Non-observable or indicative prices or use of valuation techniques where one or more significant inputs are non-observable.

## **NOTES TO INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS**

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### **Valuation methods and assumptions**

#### **Finance lease receivables, finance loan receivables, and borrowings on finance receivables**

The assertion that the carrying value of the finance receivables and borrowings approximates fair value requires the use of estimates and significant judgment. The finance receivables securing the borrowings were credit scored based on an internal model that is not used in market transactions. They comprise a large number of transactions with commercial clients in different businesses, are secured by liens on various types of equipment and may be guaranteed by third parties and cross collateralized. The fair value of any receivable would be affected by a potential buyer's assessment of the transaction's credit quality, collateral value, guarantees, payment history, yield, term, documents and other legal matters, and other subjective considerations. Value received in a fair market sale transaction would be based on the terms of the sale, the buyer's views of the economic and industry conditions, the Company's and the buyer's tax considerations, and other factors.

Certain short-term borrowings, including the Company's US Commercial Paper program, are classified as level 1 under the fair value hierarchy.

#### **Derivatives**

The fair values of derivatives are determined by the derivative counterparty using the related interest rate swap curves, foreign exchange forward values, intrinsic values and/or the Company's stock price for the total return swaps.

#### **Investments**

Fair value through profit and loss ("FVTPL") investments are valued based on bids received in the private market or using valuation techniques and/or inputs that are based on unobservable market data.

#### **Accounts receivable, accounts payable, and accrued liabilities**

The carrying value of the accounts receivable, accounts payable, and accrued liabilities approximates their fair value.

The tables below summarize the Company's fair value measurement hierarchy for its financial assets and financial liabilities. There were no transfers between Level 2 and Level 3 for the years presented and there were no significant changes in valuation techniques or the range of significant non-observable inputs used in measuring the Company's Level 3 financial assets and liabilities during the year.

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	As at March 31, 2026				Total
	Level 1	Level 2	Level 3	Total	
	Quoted market price	Observable market inputs	Non-observable market inputs		
Carrying value	\$	\$	\$	\$	\$
<b>Financial assets</b>					
Assets not carried at fair value					
Cash	267,127	267,127	—	—	267,127
Finance lease receivables <sup>1</sup>	7,184,231	—	—	7,184,231	7,184,231
Finance loans receivables	470,343	—	—	470,343	470,343
Accounts receivable and other assets	246,188	—	—	246,188	246,188
Assets held at fair value					
Derivative assets					
Foreign exchange contracts	15,465	—	15,465	—	15,465
Interest rate swaps	39,667	—	39,667	—	39,667
Equity swaps	9,433	—	9,433	—	9,433
Investments classified as FVTPL	4,067	—	—	4,067	4,067
<b>Total financial assets</b>	<b>8,236,521</b>	<b>267,127</b>	<b>64,565</b>	<b>7,904,829</b>	<b>8,236,521</b>
<b>Financial liabilities</b>					
Liabilities not carried at fair value					
Accounts payable and accrued liabilities	1,102,559	—	—	1,102,559	1,102,559
Borrowings on finance receivables <sup>1</sup>	9,381,099	625,000	—	8,756,099	9,381,099
Liabilities held at fair value					
Derivative liabilities					
Foreign exchange contracts	26,536	—	26,536	—	26,536
Interest rate swaps	11,484	—	11,484	—	11,484
<b>Total financial liabilities</b>	<b>10,521,678</b>	<b>625,000</b>	<b>38,020</b>	<b>9,858,658</b>	<b>10,521,678</b>

1. As at March 31, 2026, the finance lease receivables and borrowings on finance receivables exclude the continuing involvement asset and liability, respectively, of \$183,500.

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	As at December 31, 2025				Total
	Level 1	Level 2	Level 3		
	Quoted market price	Observable market inputs	Non-observable market inputs	Carrying value	
	\$	\$	\$	\$	\$
<b>Financial assets</b>					
Assets not carried at fair value					
Cash	159,219	159,219	—	—	159,219
Finance lease receivables <sup>1</sup>	7,696,618	—	—	7,696,618	7,696,618
Finance loans receivables	451,418	—	—	451,418	451,418
Accounts receivable and other assets	240,869	—	—	240,869	240,869
Assets held at fair value					
Derivative assets					
Foreign Exchange contracts	2,641	—	2,641	—	2,641
Interest rate swaps	34,751	—	34,751	—	34,751
Equity Swaps	32,802	—	32,802	—	32,802
Investments classified as FVTPL	4,221	—	—	4,221	4,221
<b>Total financial assets</b>	<b>8,622,539</b>	<b>159,219</b>	<b>70,194</b>	<b>8,393,126</b>	<b>8,622,539</b>
<b>Financial liabilities</b>					
Liabilities not carried at fair value					
Accounts payable and accrued liabilities	1,249,173	—	—	1,249,173	1,249,173
Borrowings on finance receivables <sup>1</sup>	9,538,652	300,000	—	9,238,652	9,538,652
Liabilities held at fair value					
Derivative liabilities					
Foreign exchange contracts	46,048	—	46,048	—	46,048
Interest rate swaps	24,116	—	24,116	—	24,116
<b>Total financial liabilities</b>	<b>10,857,989</b>	<b>300,000</b>	<b>70,164</b>	<b>10,487,825</b>	<b>10,857,989</b>

1. As at December 31, 2025, the finance lease receivables and borrowings on finance receivables exclude the continuing involvement asset and liability, respectively, of \$168,311.

**NOTES TO INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS**

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**16. SYNDICATIONS**

The following represents the detail of the Company's syndicated assets that qualify for full derecognition:

		<b>As at March 31, 2026</b>	As at December 31, 2025
	<b>Classification</b>	<b>\$</b>	<b>\$</b>
Allowance for early termination	Accounts payable and accrued liabilities	<b>229</b>	467
Deferred servicing fee	Finance receivables	<b>21</b>	26

The following represents the detail of the Company's syndicated assets subject to continuing involvement:

		<b>As at March 31, 2026</b>	As at December 31, 2025
	<b>Classification</b>	<b>\$</b>	<b>\$</b>
Continuing involvement in syndicated assets	Finance receivables	<b>183,500</b>	168,311
Liabilities associated with continuing involvement in syndicated assets	Secured borrowings	<b>183,500</b>	168,311
Allowance for early termination	Accounts payable and accrued liabilities	<b>20,767</b>	19,569
Net book value of assets related to deals remaining in continuing involvement	N/A	<b>4,993,442</b>	4,595,078

The following represents the detail of the Company's syndicated assets for the:

		<b>Three-month period ended</b>	
	<b>Classification</b>	<b>March 31, 2026</b>	March 31, 2025
		<b>\$</b>	<b>\$</b>
Syndication revenue, net	Syndication revenue, net	<b>23,873</b>	11,633
Net book value of assets syndicated	n/a	<b>866,772</b>	573,830

**NOTES TO INTERIM CONDENSED CONSOLIDATED FINANCIAL  
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**17. COMPARATIVE FIGURES**

Certain comparative figures have been reclassified to conform to the current period's presentation.