Q1 2025 Report to Shareholders

element

The following management discussion and analysis ("MD&A") dated April 30, 2025, 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, 2025. 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, 2025 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 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 and on the Company's website at 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 APRIL 30, 2025. 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 STRATEGIC INITIATIVES AND THE EXPECTED BENEFITS AND COSTS OF SUCH INITIATIVES; 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 IN RESPECT OF SUSTAINABILITY AND RELATED MATTERS; 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 STRATEGIC INITIATIVES AND THE EXPECTED BENEFITS AND COSTS OF SUCH INITIATIVES; ELEMENT'S ABILITY TO ACHIEVE ITS SUSTAINABILITY OBJECTIVES; ELEMENT ACHIEVING ITS DIGITAL PLATFORM AMBITIONS; 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 INDUSTRY; 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; 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; ANY IMPACT THAT PANDEMICS OR OTHER HEALTH EVENTS MAY HAVE ON ELEMENT'S FINANCIAL CONDITION, OPERATING RESULTS AND CASH FLOWS. 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 FACTORS" IN ELEMENT'S ANNUAL INFORMATION FORM FOR THE YEAR ENDED DECEMBER 31, 2024. 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, 2025	December 31, 2024	March 31, 2024
	$	$	$
Reported results			
Servicing income, net	**152,482**	161,461	147,053
Net financing revenue	**111,556**	103,453	107,178
Syndication revenue, net	**11,633**	5,976	8,226
Net revenue	**275,671**	270,890	262,457
Operating expenses	**135,007**	141,234	132,499
Operating income[1]	**140,664**	129,656	129,958
Operating margin[2]	**51.0 %**	47.9 %	49.5 %
Total expenses	**139,200**	149,463	139,478
Income before income taxes	**136,471**	121,427	122,979
Net Income	**102,250**	92,057	93,817
Earnings per share (EPS) - diluted	**0.25**	0.23	0.23
Adjusted results[4]			
Adjusted net revenue	**275,671**	270,890	262,457
Adjusted operating expenses[3]	**124,824**	127,547	118,850
Adjusted operating income (AOI)[1]	**150,847**	143,343	143,607
Adjusted operating margin[2]	**54.7 %**	52.9 %	54.7 %
Adjusted net income	**112,758**	107,507	108,423
Adjusted EPS [diluted]	**0.28**	0.27	0.26
Other highlights			
Originations[4]	**1,508,869**	1,497,822	1,541,883
Vehicles under management (VUM)[4] - end of period	**1,514**	1,517	1,490
Adjusted free cash flow per share - diluted[4]	**0.36**	0.30	0.33
Weighted average common shares outstanding - basic	**403,502**	404,578	389,161
Weighted average common shares outstanding - diluted	**403,686**	404,726	404,118
Dividends declared per common share [$CAD]	***0.13***	*0.13*	*0.12*
After-tax adjusted return on equity (ROE)	**16.7 %**	15.4 %	15.4 %

[1] Calculated as net revenue less operating expenses adjusted for strategic project costs. Strategic project costs totaled $2 million in Q1 2024 (nil in Q4 2024) attributable to leasing initiatives in Ireland. These strategic costs were completed in Q3 2024, and, in aggregate, were $2 million below planned investment as previously communicated.
[2] Calculated as operating income divided by net revenue.
[3] Adjusted operating expenses are calculated as operating expenses less one-time strategic initiatives costs, share-based compensation and amortization of convertible debenture discount.
[4] 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.

Company Overview

Element Fleet Management Corp. ("Element") is the largest publicly traded, pure-play automotive fleet manager in the world. As a Purpose-driven company, we provide a full range of sustainable and intelligent mobility solutions to optimize and enhance fleet performance for our clients across North America, Australia, and New Zealand.

Our services address every aspect of our clients' fleet requirements, from vehicle acquisition, maintenance, route optimization, risk management, and remarketing, to advising on decarbonization efforts, integration of electric vehicles and managing the complexity of gradual fleet electrification. Clients benefit from Element's expertise as one of the largest fleet solutions providers in its markets, offering economies of scale and insight used to reduce operating costs and enhance efficiency and performance.

At Element, we maximize our clients' fleet so they can focus on growing their business. driven by our Purpose to *Move the world through intelligent mobility*.

Element has 1.5 million vehicles under management ("VUM"[5]) (March 31, 2025).

Global Growth Strategy

Driven by our Purpose to *Move the world through intelligent mobility* – and bolstered by our leadership position in the fleet and mobility industry, we continued to focus on executing a global growth strategy that is delivering significant value to our clients, team members, business, and shareholders. By merging a digital-first mindset 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. At the core of our efforts is an unwavering commitment to prioritizing client success.

As we look ahead, we are well positioned to capitalize on the investments made in 2024 and leverage the advanced digital capabilities and scalable platform that we acquired in Autofleet.

Our conviction to define the future of mobility by moving the world intelligently has galvanized our teams globally. The fleet and mobility industry are evolving, and we see tremendous opportunities ahead for Element.

Our three strategic priorities focus on:

- Continuing to grow organically
- Transforming our holistic digital, analytics, and operational capabilities
- Expanding beyond the core with new products and services such as Insurance, Small- to Medium-Fleets and shared mobility

[5] 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. Additionally, we instituted certain designated hedges that further mitigate the effects of FX exposure on our financial performance. 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 $3.5 million with Mexico representing approximately 71% of the total aggregate impact.

Average exchange rate	**For the three-months ended**		
	March 31, 2025	December 31, 2024	March 31, 2024
U.S. dollar/Canadian dollar	**1.436**	1.399	1.348
U.S. dollar/Mexican Peso	**20.419**	20.078	16.971
U.S. dollar/Australian dollar	**1.595**	1.534	1.520
U.S. dollar/New Zealand dollar	**1.762**	1.693	1.632

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 Interim Condensed Consolidated Financial Statements dated March 31, 2025.

Foreign currency translation fluctuations had a material impact on our year-over-year financial comparatives, particularly due to the depreciation of the Mexico Peso and Australian Dollar. As previously disclosed, we are committed to highlighting the impacts of foreign currency translation when they are material to our financial comparatives. This approach ensures transparency and provides stakeholders with greater visibility into our core operating performance.

The following table illustrates the estimated impact of foreign currency translation on key income statement items, as a result of changes in average exchange rates. The below estimates were calculated by applying the current quarter monthly average rates to the prior quarters' months. The quarter-over-quarter financial currency translation impacts were not material.

	For the three months ended
(in US$000's except per share amounts)	March 31, 2025 vs. March 31, 2024
Adjusted results	
Adjusted net revenue	(16,740)
Adjusted operating expenses	(3,785)
Adjusted operating income (AOI)	(12,955)
Adjusted EPS [diluted]	(0.02)

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 2025, we have refined the Global BSC to sharpen focus on the areas that matter most and reinforce our commitment to stakeholder value. Key updates include:

- Electric Vehicles Under Management (replacing EV Acceptance Rate): This metric better reflects our role in enabling clients' electrification journeys and supporting their decarbonization objectives.
- Net Revenue Growth (now expressed as a percentage rather than an absolute value): This change enhances visibility into our ability to generate sustainable, organic growth, including expansion beyond our core offerings.
- Cost Savings Realization Rate (replacing Cost Savings Actioned by Clients): This revised metric measures the percentage of identified savings that are actually realized by clients, underscoring the tangible value we deliver.
- Diversity in Leadership (replacing Diversity Representation): We sharpened the focus of this measure to emphasize progress in increasing representation within leadership roles.
- Adjusted Return on Common Equity (replacing Pre-Tax Return on Common Equity): This updated financial metric is aligned with external disclosure standards and provides greater transparency into shareholder returns.

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

Certain metrics in the above table were adversely impacted by factors not accounted for in the target. This includes specific adjustments and fluctuations in foreign currency exchange rates. These elements influence comparative growth rates, as outlined in greater detail under "Quarterly Results of Operations".

Our Clients

Earning our clients' loyalty

Elevating the client and driver experience remains a strategic focus. One of the key indicators of our success in delivering exceptional client experience is our NPS.

For Q1 2025, our global NPS was 47, representing a decrease of two points from the year-end 2024 score of 49. This result was in line with our Q1 projections, taking into account historical quarterly trends. We remain committed to increasing our NPS score above 50 by year-end 2025.

We are committed to earning our clients' loyalty by continuously improving the delivery of our current services and transforming our clients' digital experience, a key driver of our NPS. We expect the acquisition of Autofleet, and planned rollout of digital capabilities will enable us to drive further change. Our co-created Purpose to *Move the world through intelligent mobility* continues to serve as a guiding principle, reinforcing our dedication to client success. Additionally, our strengthened governance process, based on key NPS drivers, will enable continued elevation of the client and driver experience.

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 then respond with tailored solutions and strategies.

In Q1 2025, our SAS team introduced a streamlined business review format to enhance the efficiency and value of insightful quarterly client engagements. This condensed format is particularly well-suited for clients seeking a high-level overview of operations, as well as for fleet managers that oversee fleet operations alongside other responsibilities. By simplifying the presentation of key performance metrics and operational trends, this tool enhances clarity and decision-making for diverse client needs.

The review includes a three-year trend analysis of both spend and key performance indicators (KPIs), enabling a quick assessment of whether performance is improving or declining over time. Additionally, the integration of benchmarking data allows for immediate identification of any variances in spend or KPIs relative to best-in-class standards, helping to highlight potential areas for improvement.

In Q1 2025, our teams identified and shared over $382 million of fleet operating cost savings opportunities with clients, of which approximately 52% was actioned by clients.

Enabling client fleet electrification

We continue to drive the expansion of our Electric vehicle ("EV") programs across our client base while building a scalable, future-ready electrification platform. Our work on the global managed charging platform is progressing well, positioning us to deliver seamless and efficient charging solutions for our clients.

In the U.S. and Canada, we are scaling home charging subscriptions across some of our largest clients, complemented by enhanced change management initiatives including, expanded driver training, targeted support and outreach, and enhanced reimbursement processes. Additionally, we launched a pilot workplace charging initiative at one of our U.S. Element offices, establishing a real-world test environment to refine our depot and energy management capabilities.

In Mexico, we are advancing both home and depot charging infrastructure projects, onboarding new clients and expanding charger deployments. We successfully completed new home charging installations across three new clients. Furthermore, we conducted key technical site visits for clients and prospects, reinforcing our commitment to supporting their electrification strategies from the start of their planning through to implementation. As part of our focus on leading the industry in electrification, we are finalizing preparations for our annual EV Day in May 2025.

In both Australia and New Zealand, we continue to deploy home and depot chargers for strategic clients, supporting their fleet electrification goals.

Our Business

Consistently meeting service commitments

Our maintenance team entered 2025 with strong momentum, continuing to deliver value through disciplined cost management, network optimization, and service excellence. In Q1 2025, we negotiated savings of approximately 16% per transaction, enabling clients to manage repair costs more effectively. Additionally, approximately 83% of repairs were completed within the original estimated timeframe. Driver Shop Service Satisfaction remained strong at 96%, underscoring our continued commitment to quality service.

We maintained a high level of in network utilization, enabling consistent service standards and providing cost benefits for our clients. Increasing digital engagement remains a key focus.

Prudently managing our risks

Our Enterprise Risk Council (the “Council”) is a cross-functional group led by our Chief Financial Officer. Risk owners from across Element regularly update the Council on their risks, the steps towards mitigation, and any potential emerging trends.

During Q1 2025, we held our quarterly Council meeting and refreshed our inventory of risks within our current catalog of our 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") regularly 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 were shared with 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 June 2024, we released our 2024 Sustainability Report titled “*Sustainable Momentum: Building on Progress*”, which is available on our website. This fourth annual publication outlines our comprehensive approach for measuring and reporting on our impact.

Highlights from the 2024 Sustainability Report include:

- Committing to setting near-term Science Based Targets;
- Aligning our disclosures to the Task Force on Climate-related Financial Disclosures (TCFD); and

- Measuring and addressing our impact through Scopes 1, 2, and 3 greenhouse gas emissions disclosure.

In Q1 2025, we continued the development of our sustainability reporting roadmap to increase alignment with the International Financial Reporting Standards (IFRS) Sustainability Disclosure Standards and the Corporate Sustainability Reporting Directive (CSRD) in future reports.

Our Sustainability Index on the Global BSC is underperforming in the quarter by one point, primarily due to opportunities to improve diversity in leadership representation, while other key metrics including internal fleet electrification and third-party sustainability ratings remain on track.

We expect to publish our 2025 Sustainability Report in Q2 2025.

Supplier diversity

We take pride in our longstanding commitment to promoting supplier diversity, which aligns seamlessly with the values of our clients. 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.

Our dedication is demonstrated through our memberships with respected organizations including the National Minority Supplier Development Council (NMSDC), Disability:IN Minnesota, and the Women's Business Enterprise National Council (WBENC) in the U.S., as well as the Canadian Council for Aboriginal Business (CCAB) and the Canadian Aboriginal and Minority Supplier Council (CAMSC). Through these partnerships, we strive to cultivate an inclusive and collaborative supply chain.

Our People

Our dedicated team had a strong start to the year as we continued to deliver for our clients and for each other in support of our growth ambitions.

Kicking off the year

We began the year with three events that set the tone for 2025 with our leaders and team members - beginning with our Senior Leadership Forum, followed by our annual Sales Kickoff for our Commercial team and finally our Global Town Hall for all team members. These events provided the opportunity to dive deeper into our growth strategy, progress to date and roadmap for the future. A common thread throughout was the collective direction to move with urgency and focus, while embracing a digital-first approach to stay ahead of the rapid pace of evolution in the fleet and mobility industries.

Launching our Values

Our 2025 kickoff events also set the stage for an important milestone for Element – the launch of our Values. As was the case with our Purpose, our Values were co-created with input from our people, resulting in three powerful statements that define who we are, how we work, and why we are here. Our focus for the balance of 2025 will be on embedding our Values in all we do.

- We are always a force for good: We uphold the highest standards of consistency, reliability, and accountability at all times.

- We are experts defining the future of mobility: This is a commitment to innovation and building skills and knowledge that help shape the future in support of our clients.

- We are driven by client success: Our clients sit at the center of all we do. Together, we are motivated, determined, and committed to excellence in everything we do.

Recognizing and listening to our People

Our Engagement Surveys are important tools in gathering feedback from team members globally. This year, we are planning two Pulse surveys, to complement our annual global Employee Engagement Survey. Our Pulse surveys are sent to approximately 800 team members, to collect feedback on the actions we are taking to enhance our team member experience. We also celebrated Employee Appreciation Day in March, with our team members sharing more than 6,400 e-cards through our Bravo recognition system alongside local and remote team events to mark the day.

Connecting pay to performance

In February 2025, we announced above-target Short-Term Incentive Plan (STIP) payouts, recognizing our people for their tremendous contributions leading to record results in 2024. Our people also began goal setting activities for the year, working with their managers, to develop a plan that aligns performance with our Balanced Scorecard, our Values, and individual development goals.

Championing Diversity

For Q1, our Diversity in Leadership metric is showing underperformance versus our objectives. Focused on our goal of increasing women in our leadership globally, we are actively working to drive meaningful progress with opportunities for networking, learning and development. We remain committed to fostering a culture of belonging in our workplace and our communities. Through our Business Resource Groups (BRGs)[6] and Intersection Network we honored and celebrated Lunar New Year, Black History Month, International Women's Day/Women's History Month, and World Down Syndrome Day. Our ADEPT BRG team members took the plunge supporting Special Olympics Maryland, participating in the annual Polar Bear Plunge and our CARE BRG volunteers packed 300 winter emergency car kits that were donated to the Lift Garage. As we continue to champion diversity at all levels in our organization, our ANZ team was named top 101 Employer for Women in 2025 by Work180, and named an Australian Institute of Training & Development Award finalist for Best Diversity and Inclusion Program: Green Light Emerging Leadership Program for Women.

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[6] 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, 2025	December 31, 2024	March 31, 2024
(in US$000's except per share amounts unless otherwise noted)	**$**	$	$
Reported results			
Net revenue			
Net interest income and rental revenue	**239,770**	238,967	241,161
Interest expense	**128,214**	135,514	133,983
Net financing revenue	**111,556**	103,453	107,178
Servicing income, net	**152,482**	161,461	147,053
Syndication revenue, net	**11,633**	5,976	8,226
Net revenue	**275,671**	270,890	262,457
Operating expenses			
Salaries, wages and benefits	**74,884**	76,401	74,562
General and administration expenses	**34,167**	35,390	32,135
Depreciation and amortization	**15,773**	15,756	14,278
Amortization of convertible debenture discount	**—**	—	793
Share-based compensation	**10,183**	13,687	10,731
Operating expenses	**135,007**	141,234	132,499
Other expenses			
Amortization of intangible assets from acquisition	**7,799**	7,819	6,979
Loss (gain) on investments	**(3,606)**	410	—
Other expenses	**4,193**	8,229	6,979
Income before income taxes	**136,471**	121,427	122,979
Provision for income taxes	**34,221**	29,370	29,162
Net income for the period	**102,250**	92,057	93,817
Weighted average number of shares outstanding [diluted]	**403,686**	404,726	404,118
EPS [Diluted]	**0.25**	0.23	0.23
Dividends declared, per share [$CAD]			
Common share	***0.130000***	*0.130000*	*0.120000*
Preferred Shares, Series C [1]	**—**	—	*0.388130*
Preferred Shares, Series E [2]	**—**	—	*0.368938*

1. We redeemed all outstanding Series C preferred shares on June 30, 2024.
2. We redeemed all outstanding Series E preferred shares on September 30, 2024.

	For the three-month period ended		
	March 31, 2025	December 31, 2024	March 31, 2024
(in US$000's for stated values, except per share amounts)	**$**	$	$
Adjusted results[7]			
Adjusted operating expenses[8]	**124,824**	127,547	118,850
Adjusted operating income[9]	**150,847**	143,343	143,607
Adjusted operating margin[10]	**54.7 %**	52.9 %	54.7 %
Adjusted net income	**112,758**	107,507	108,423
Adjusted EPS [diluted]	**0.28**	0.27	0.26

[7] 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".
[8] Adjusted operating expenses are calculated as operating expenses less one-time strategic initiatives costs, Autofleet acquisition-related costs, share-based compensation and amortization of convertible debenture discount.
[9] Calculated as net revenue less adjusted operating expenses.
[10] Calculated as adjusted operating income divided by net revenue.

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, 2025, which are IFRS measures. In addition, we present and offer commentary on the adjusted results for the quarter ended March 31, 2025, which are non-GAAP financial measures.

Net revenue

Q1 2025 net revenue of $276 million increased $13 million or 5% from Q1 2024. This growth was driven by growth across all revenue categories. As previously disclosed, Q1 2024 net revenue benefitted from $7 million in services revenue from certain items. Excluding these items, net revenue grew 8% compared to Q1 2024. Additionally, the impact of foreign exchange translation was material year-over-year, particularly the Mexican Peso and Australian dollar, which depreciated against the U.S. dollar by approximately 20% and 5%, respectively, reducing net revenue by $17 million.

Quarter-over-quarter, net revenue increased by $5 million or 2% from Q4 2024. This increase was primarily led by higher net financing revenue, higher syndication revenue and higher gains on sale ("GOS") due to seasonal factors. This was partly offset by lower services revenue, which benefitted from certain timing-related factors in Q4 2024 that made it an exceptionally strong services quarter.

Services income, net

Q1 2025 services revenue increased $5 million or 4% year-over-year to $152 million. This growth reflects higher penetration and utilization rates of our service offerings from new and existing clients. As previously disclosed, Q1 2024 services revenue benefitted from $7 million in certain items. Excluding this amount, services revenue grew by 9% year-over-year. Partly offsetting this increase was the impact of foreign currency exchange translation, which reduced services revenue by $6 million.

Quarter-over-quarter, services revenue decreased $9 million or 6% from a record Q4 2024, which benefitted from timing-related factors referenced above under 'Net revenue growth'.

Net financing revenue

Q1 2025 net financing revenue grew $4 million or 4% year-over-year led largely by strong growth in financing income driven by both pricing and funding initiatives. Partly offsetting this was higher funding costs associated with financing the redemptions of our preferred shares (previously recorded below the AOI line) and the impact of incremental debt due to the acquisition of Autofleet. The year-over-year decrease in GOS resulted from unfavourable foreign currency translation, as on an underlying basis higher vehicle volume more than offset used vehicle price normalization. The aggregate impact of foreign currency exchange translation reduced net financing revenue by $11 million year-over-year.

Q1 2025 net financing revenue increased by a strong $8 million or 8% from Q4 2024. This quarter-over-quarter increase was led by higher yield on assets, higher GOS relative to a seasonally weaker Q4 2024 and lower funding costs.

Net financing revenue yield on average net earning assets

	For the three-month period ended		
(in US$000's unless otherwise noted)	**March 31 2025**	December 31, 2024	March 31, 2024
Average net earning assets	**$ 7,618,350**	$ 7,848,023	$ 7,825,155
Net interest income and rental revenue	**12.59 %**	12.18 %	12.33 %
Interest expense	**6.73 %**	6.91 %	6.85 %
Net financing revenue yield on average net earning assets	**5.86 %**	5.27 %	5.48 %
Average debt outstanding	**$ 8,363,864**	$ 8,313,527	$ 8,239,147
Average cost of debt (Interest expense / average debt)	**6.13 %**	6.52 %	6.50 %
Average 1-Month SOFR rates	**4.32 %**	4.33 %	5.33 %

Syndication revenue

We syndicated $574 million of assets in Q1 2025 - $101 million or 21% more volume year-over-year and $461 million or 45% lower volume quarter-over-quarter. The quarter-over-quarter decrease was largely as a result of the bulk sale of a Canadian lease portfolio to Blackstone in December 2024 in the amount of $346 million (CAD$474 million).

Q1 2025 syndication revenue increased by $3 million or 41% year-over-year, primarily attributable to higher net yields and higher syndication volume. This higher net yield largely reflects the Company's syndication mix and a more attractive interest rate environment which more than offset the scheduled reduction in bonus depreciation in 2025, which reduces net yields. Overall, investor demand for Element-originated debt product remains robust.

Q1 2025 syndication revenue increased by $6 million or 95% quarter-over-quarter primarily due to higher net yields from syndication mix, which compared favourably to Q4 2024 net yields that were negatively impacted by the setup costs associated with the bulk sale of the Canadian lease portfolio.

Operating expenses and adjusted operating expenses

Q1 2025 operating expenses of $135 million increased $3 million or 2% year-over-year. This increase was primarily driven by higher general and administrative expenses related to business development, professional fees and Autofleet operating expenses of $3 million in the quarter. Higher depreciation and amortization also contributed to the increase. As previously disclosed, Q1 2024 included $2 million in one-time strategic project costs related to the centralization of our U.S. and Canadian leasing functions in Ireland, whereas no such costs were incurred in Q1 2025. Operating expenses were also impacted by favourable foreign currency translation year-over-year.

Q1 2025 operating expenses decreased $6 million or 4% quarter-over-quarter. The reduction was mainly due to lower share-based compensation and lower general and administrative expenses.

On an adjusted basis, Q1 2025 operating expenses of $125 million were $6 million or 5% higher year-over-year largely due to the same factors discussed in reported operating expense year-over-year comparison above. Excluding Autofleet, adjusted operating expenses increased by 2%, compared to Q1 2024. The impact of foreign currency exchange translation was a $4 million tailwind to adjusted operating expenses.

Adjusted operating expenses decreased by $3 million or 2% quarter-over-quarter, largely due to the same factors discussed in reported operating expense quarter-over-quarter comparison above.

We expect operating expense growth to continue to moderate for the remainder of 2025 as the benefits of our investments made in 2024 begin to materialize.

Net income and adjusted operating income

Q1 2025 net income of $102 million increased by $8 million or 9% from Q1 2024 and increased $10 million or 11% from Q4 2024.

On an adjusted basis, Q1 2025 net income of $113 million was $4 million or 4% higher year-over-year and $5 million or 5% higher quarter-over-quarter.

AOI was $151 million this quarter, an increase of $7 million or 5% year-over-year resulting in adjusted EPS of $0.28, up 8% from Q1 2024. The impact of foreign currency exchange translation reduced AOI by $13 million on a year-over-year basis.

AOI increased by $8 million or 5% quarter-over-quarter. Q1 2025 adjusted EPS was up 4% quarter-over-quarter.

Pre-tax income margin and adjusted operating margin

The Q1 2025 pre-tax income margin was 49.5%, as compared to 46.9% in Q1 2024 and 44.8% in Q4 2024.

Q1 2025 adjusted operating margin was 54.7% and adjusted return on common equity was 16.7%. Excluding the benefit to services revenue in Q1 2024 noted under 'Net revenue growth', adjusted operating margins expanded 125 basis points year-over-year.

Originations

We originated $1.5 billion of assets in Q1 2025, down year-over-year reflecting foreign exchange translation headwinds impacting our Mexico and Australia and New Zealand originations, partially offset by increased volumes in the U.S. and Canada. Q1 2025 originations increased $11 million or 1% quarter-over-quarter led largely by higher originations in the U.S. and Canada.

Order volumes have been strong over the past two quarters. We continue to expect this client order momentum, bolstered by improvements made through our U.S. & Canada leasing strategic initiative based in Ireland, to drive solid origination volumes in the coming quarters. 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, 2025**		December 31, 2024		March 31, 2024	
	$	**%**	$	%	$	%
United States and Canada	**1,195,391**	**79.2**	1,060,837	70.8	1,182,987	76.7
Mexico	**214,752**	**14.2**	303,410	20.3	259,143	16.8
Australia and New Zealand	**98,726**	**6.5**	133,575	8.9	99,753	6.5
Total	**1,508,869**	**100.0**	1,497,822	100.0	1,541,883	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, 2025. This information has been prepared on the same basis as our audited consolidated financial statements, and 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 2025**	Q4 2024	Q3 2024	Q2 2024	Q1 2024	Q4 2023	Q3 2023	Q2 2023	Q1 2023
Net revenue	**275,671**	270,890	279,636	274,577	262,457	245,129	248,696	240,623	224,652
Adjusted operating income	**150,847**	143,343	161,427	152,853	143,607	134,928	140,607	132,686	122,273
After-tax adjusted operating income	**112,758**	107,507	119,537	115,404	108,423	99,806	106,861	100,178	93,539
Net income	**102,250**	92,057	98,565	102,698	93,817	81,567	95,971	89,373	78,687
EPS, basic	**0.25**	0.23	0.24	0.26	0.23	0.20	0.24	0.22	0.19
EPS, diluted	**0.25**	0.23	0.24	0.26	0.23	0.19	0.23	0.21	0.18
Adjusted EPS, basic	**0.28**	0.27	0.29	0.29	0.27	0.25	0.26	0.25	0.23
Adjusted EPS, diluted	**0.28**	0.27	0.29	0.29	0.26	0.24	0.25	0.24	0.22
Total assets	**13,152,632**	12,700,714	12,638,542	12,874,525	13,336,018	12,430,536	12,101,324	11,959,106	11,123,782
Net earning assets	**7,576,701**	7,403,724	7,789,048	8,114,717	8,034,053	7,610,333	7,327,686	7,063,377	6,527,491
Total debt	**8,908,953**	8,331,106	8,346,905	8,610,341	9,060,476	8,064,097	7,737,840	7,656,545	7,006,332
Originations	**1,508,869**	1,497,822	1,715,828	1,976,014	1,541,883	1,489,595	1,556,967	1,888,817	1,404,647
Allowance for credit losses	**7,137**	6,168	6,069	5,351	5,794	5,539	6,947	7,613	7,535
As a % of total finance receivables before allowance	**0.09**	0.08	0.08	0.07	0.08	0.08	0.10	0.11	0.12
Senior revolving credit facilities - drawn	**1,398,496**	1,553,350	1,033,890	1,222,012	796,104	825,319	923,120	1,288,390	1,959,812
Borrowings	**7,647,389**	6,910,439	7,438,240	7,489,404	8,225,463	7,192,813	6,760,142	6,298,892	4,970,289
Convertible debentures[11]	**—**	—	—	—	126,108	127,816	124,419	125,653	122,018

[11] 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)	**March 31, 2025**	December 31, 2024	March 31, 2024
	$	$	$
ASSETS			
Cash	**497,956**	128,845	696,043
Restricted funds	**282,575**	279,776	335,908
Finance receivables	**7,691,972**	7,570,218	7,473,180
Equipment under operating leases	**2,428,013**	2,435,430	2,685,015
Accounts receivable and other current assets	**185,132**	202,168	197,553
Derivative financial instruments	**96,594**	97,922	62,164
Property, equipment and leasehold improvements	**109,129**	112,540	114,466
Intangible assets	**629,430**	642,471	631,288
Deferred tax assets	**201,252**	201,114	184,224
Goodwill	**1,030,579**	1,030,230	956,177
	13,152,632	12,700,714	13,336,018
LIABILITIES AND SHAREHOLDERS' EQUITY			
Liabilities			
Accounts payable and accrued liabilities	**1,228,332**	1,338,188	1,098,935
Derivative financial instruments	**34,385**	21,566	41,552
Borrowings	**9,045,885**	8,463,789	9,021,567
Convertible debentures	**—**	—	126,108
Deferred tax liabilities	**123,414**	102,856	103,268
	10,432,016	9,926,399	10,391,430
Shareholders' equity	**2,720,616**	2,774,315	2,944,588
	13,152,632	12,700,714	13,336,018

Total assets and liabilities increased by $452 million and $506 million, respectively, from December 31, 2024; and decreased $183 million and $41 million, respectively, from March 31, 2024.

Total assets and liabilities had year-over-year increases in finance receivables, accounts payable, and borrowings. Offsetting these increases was lower cash and lower equipment under operating leases, and the redemption of our convertible debentures in June 2024.

Approximately 44% 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 $122 million higher at March 31, 2025 than at December 31, 2024, driven primarily by originations.

(in US$000's except ratios or unless otherwise noted)	**March 31, 2025**	December 31, 2024
	$	$
Net investment in finance receivables	**5,148,688**	4,968,294
Impaired lease receivables	**5,004**	6,329
	5,153,692	4,974,623
Unamortized origination costs and subsidies	**(60,885)**	(60,606)
Net finance receivables	**5,092,807**	4,914,017
Prepaid lease payments and Security deposits	**(146,242)**	(144,117)
Interim funding	**1,281,980**	1,245,729
Fleet management service receivables	**719,678**	884,335
Other	**613,954**	543,739
Continuing involvement asset	**136,932**	132,683
	7,699,109	7,576,386
Allowance for credit losses	**7,137**	6,168
Total finance receivables	**7,691,972**	7,570,218

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

Credit losses and provisions as at and for the three-month period ended March 31, 2025 and the twelve-month period ended December 31, 2024 are as follows.

	Three-month period ended	Year ended
(in US$000's except ratios or unless otherwise noted)	**March 31, 2025**	December 31, 2024
Allowance for credit losses, beginning of period	**6,168**	5,539
(Recovery of) provision for credit losses	**1,009**	1,511
Charge-offs, net of recoveries	**(31)**	(523)
Impact of foreign exchange rates	**(9)**	(359)
Allowance for credit losses, end of period	**7,137**	6,168
Charge-offs, net of recoveries, as a % of net investment of finance receivables	**— %**	0.01%
Allowance for credit losses, as a % of total finance receivables before allowance	**0.09 %**	0.08%

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 specific 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 inputs to our expected credit loss model throughout the quarter. We also consider forward-looking macroeconomic information, (in light of a potential slowing economy) forecasted overall default rates and the impact that potential upward or downward trends in GDP would have on our lease and loan portfolio. We expect inflation to trend upward from changes in global trade policies, and that interest rates will continue to ease in 2025. The growth of our portfolio, when combined with the evolution of our credit mix and the resilience of our client base, resulted in a modest net increase of $1 million to our allowance for credit losses in the quarter.

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 an 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.

Impaired receivables of $5 million as at March 31, 2025 remained relatively consistent from the prior year.

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, 2025**		December 31, 2024	
	$	**%**	$	%
United States and Canada	**4,271,849**	**56.8**	4,097,949	55.8
Mexico	**2,024,239**	**26.9**	2,040,503	27.7
Australia and New Zealand	**1,224,732**	**16.3**	1,210,995	16.5
Total	**7,520,820**	**100.0**	7,349,447	100.0
Allocated as:				
Net finance receivables	**5,092,807**	**67.7**	4,914,017	66.9
Equipment under operating leases, net	**2,428,013**	**32.3**	2,435,430	33.1
Total	**7,520,820**	**100.0**	7,349,447	100.0

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

(in US$000's unless otherwise noted)	**March 31, 2025**		December 31, 2024	
	$	**%**	$	%
United States and Canada	**10,758,819**	**76.7**	10,566,178	75.8
Mexico	**2,048,317**	**14.6**	2,158,094	15.5
Australia and New Zealand	**1,224,435**	**8.7**	1,210,512	8.7
Assets under management	**14,031,571**	**100.0**	13,934,784	100.0

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 assess and proactively manage our liquidity position by ensuring we have controls over all sources and uses of cash flow. We also conduct ongoing comprehensive stress-tests to identify early indications of any risks to our cash flow and forward funding capacity. Throughout 2024 and Q1 2025, the results of those tests have confirmed the stability and sustainability of our cash flow and forward funding capacity.

Notwithstanding our operating cash flows and total size of all credit and debt facilities of $13.0 billion (of which $4.6 billion is committed and undrawn) at March 31, 2025, we continue our efforts to sustainably enhance our dynamic liquidity management capabilities, including data analysis capacity and forecasting.

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

Cash used in operating activities for the three-month period ended March 31, 2025 was $24 million, a change of $279 million from the $303 million used in operating activities for the three-month period ended March 31, 2024. The year-over-year change was primarily the result of higher syndications and repayments of finance receivables, a decrease in investment in equipment under operating leases and investment in finance receivables, a decrease in non-cash operating assets and liabilities, and a decrease in proceeds on disposal of equipment under operating leases.

Cash used in investing activities for the three-month period ended March 31, 2025 was $2 million compared to $19 million for the three-month period ended March 31, 2024. The year-over-year change is driven by an increase in cash received from investments of $5 million, a decrease in the purchase of various computer software totaling $6 million, and a decrease in expenditures for property, equipment and leasehold improvements of $6 million.

Cash provided by financing activities for the three-month period ended March 31, 2025 was $457 million, compared to $987 million provided by financing activities for the three-month period ended March 31, 2024. The decrease is primarily due to the lower senior note issuance, lower net repayments made on our borrowings facilities, a decrease in restricted funds and an increase in shares repurchased under our normal course issuer bid.

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 "adjusted free cash flow" to "Cash Flow from Operations":

	For the three-month period ended		
(in US$000's unless otherwise noted)	**March 31, 2025**	December 31, 2024	March 31, 2024
	$	$	$
Adjusted free cash flow	**145,199**	119,739	134,446
Depreciation of equipment under operating leases	**130,208**	125,560	137,331
Investment in finance receivables	**(1,318,012)**	(2,202,162)	(1,362,974)
Repayments of finance receivables	**748,341**	983,530	631,306
Investment in equipment under operating leases	**(200,825)**	(264,445)	(258,111)
Disposals of equipment under operating leases	**72,357**	91,619	76,068
Proceeds from syndication financings	**586,352**	1,051,384	482,483
Sustaining capital investments	**4,780**	19,151	12,947
Preferred share dividends	**—**	—	2,951
Other	**(191,923)**	(32,284)	(158,962)
Cash flow from operations	**(23,523)**	(107,908)	(302,515)

Credit and debt facilities

Maintaining available access to diversified sources of cost-efficient capital is a strategic imperative for us.

As at March 31, 2025, we had $4.6 billion of committed, undrawn liquidity available across our senior unsecured revolving credit facilities ($1.9 billion), secured variable funding note facilities ($2.2 billion), and cash of $0.5 billion. Commitments under these facilities are funded by a syndicate of leading Canadian, U.S. and International banks, who provide us with access to efficient liquidity and capital required to support the growth of our business.

As at	**March 31, 2025**			
(in US$000's unless otherwise noted)	**$**	**%**	**$**	**$**
	Facility size	**Undrawn amount**		**Drawn amount**
Senior unsecured revolving credit facilities (1)	**3,275,000**	***57.3 %***	**1,876,504**	**1,398,496**
Senior notes	**3,300,000**	**—**	**—**	**3,300,000**
Term loan	**75,023**	**—**	**—**	**75,023**
Vehicle management asset-backed debt facilities				
Revolving term notes in amortization	**1,580,501**	**—**	**—**	**1,580,501**
Variable funding notes	**4,729,711**	***46.2 %***	**2,184,108**	**2,545,603**
Other	**15,304**	**—**	**—**	**15,304**
Total vehicle management asset-backed debt	**6,325,516**	***34.5 %***	**2,184,108**	**4,141,408**
Total cash			**497,956**	
Total capital available for continuing operations			**4,558,568**	

As at *(in US$000's unless otherwise noted)*	December 31, 2024 $	% 	$	$
	Facility size	Undrawn amount		Drawn amount
Senior unsecured revolving credit facilities	3,275,000	53.6 %	1,721,650	1,553,350
Senior notes	2,650,000	—	—	2,650,000
Term loan	75,619	100 %	75,619	—
Vehicle management asset-backed debt facilities				
Revolving term notes in amortization	1,779,622	—	—	1,779,622
Variable funding notes	5,247,483	55.2 %	2,897,730	2,349,753
Other	16,489	—	—	16,489
Total vehicle management asset-backed debt	7,043,594	41.1 %	2,897,730	4,145,864
Total cash			128,845	
Total capital available for continuing operations			4,823,844	

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 $2.425 billion committed revolving facility with a group of lenders, including Canadian, U.S. and International banks (the "Syndicated Senior Credit Facility") and (ii) a $850 million committed revolving facility (the "Committed Credit Facility"), together the "Senior Unsecured Revolving Credit Facilities".

The Syndicated Senior Credit Facility expires in November 2027, and was last amended in March 2025 to update certain covenants. The obligations of the borrowers under the Syndicated Senior Credit Facility are senior unsecured obligations and are guaranteed by Element and our 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. The Syndicated Senior Credit Facility serves as backstop protection to the US dollar denominated commercial paper ("US CP") program, expiring in December 2026 (described below).

The Committed Credit Facility is used solely for the purposes of financing specified assets of our New Zealand and Mexican operations. Under the Committed Credit Facility, the borrowings are available in U.S. Dollars, New Zealand Dollars and Mexican Pesos, 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. The revolving portion of the facility matures on April 24, 2025, and the non-revolving portion matures on March 24, 2029. In March 2025, the facility was amended to update certain covenants.

U.S. Commercial Paper program

In January 2025, we launched a $750 million U.S. Commercial Paper ("US CP program") program with a syndicate of financial institutions. Notes issued under this program are short-term with maturity of 364 days or less and are issued at a discount. The obligations under the US CP program are unsecured and are backstopped by the Syndicated Senior Credit Facility. As at March 31, 2025, we had no commercial paper outstanding.

As at March 31, 2025 a total of $1.4 billion was drawn on the Senior unsecured revolving credit facilities (December 31, 2024 - $1.6 billion) leaving us with access to $1.9 billion (December 31, 2024 - $1.7 billion) of available financing under these facilities.

Senior notes

In March 2025, we issued $650 million 5.037% senior unsecured investment-grade notes with a maturity of March 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, 2025, we had $3.3 billion in outstanding senior unsecured notes (December 31, 2024 - $2.7 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 MXN $1,530,971,250 (approximately $75 million as at March 31, 2025), 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 we achieve certain sustainability related metrics in connection with our operations in Mexico, the margin will be reduced. Funds under the Term Loan facility were drawn in January 2025. As at March 31, 2025, Element had available and unutilized funding capacity of nil (December 31, 2024 - $75.6 million) under the existing commitment.

Vehicle management asset-backed debt

Vehicle management asset-backed debt includes term notes and variable funding notes.

U.S. Fleet Receivables Securitization Arrangement

We operate, through an indirect wholly-owned special-purpose subsidiaries, two (2) securitization programs to fund U.S. fleet assets. 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 billion variable funding note facility ("Chesapeake II") using funds from the Syndicated Senior Credit Facility, and subsequently terminated the variable note facility.

As at March 31, 2025, we had three series of term notes outstanding under Chesapeake II, having an aggregate principal amount of $1.6 billion (December 31, 2024 - $1.8 billion).

In August 2024, the Company established a new warehouse facility under the Ireland structure ("Chesapeake IV Warehouse") with the same capacity as the Chesapeake II facility of $3 billion. Under this program, Chesapeake IV Warehouse is permitted to borrow up to $3 billion, collateralized by beneficial interests in specified vehicles, leases and related rights. As of March 31, 2025, $1.16 billion was drawn against this facility (December 31, 2024 - $800 million). Currently, there are no term notes outstanding under the Chesapeake IV facility.

Canadian Fleet Receivables Securitization 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 and matures in November 2025.

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 December 2024, we sold approximately $330 million (CAD $475 million) of assets through the pass-through notes structure and subsequently paid down $331 million (CAD $476 million) on the securitization facility. In January 2025, we reduced the commitment size of the securitization facility by $279 million (CAD $400 million) to $838 million (CAD $1.2 billion). As at March 31, 2025, we had available and unutilized funding capacity of $344 million (CAD $493 million) under this facility.

The Canadian securitization facility is also supported by issuances of letters of credit under a $44.3 million (CAD $60 million) letter of credit facility provided by a Canadian bank, expiring in November 2025. In March 2025, the facility was amended to update certain covenants in line with our unsecured credit facilities. As at March 31, 2025 we had issued and 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 $734 million (AUD $1.1 billion) securitization facility is supported by a group of financial institutions, and matures in May 2026. As at March 31, 2025, the facility was fully utilized with $692 million (AUD $1.1 billion) in outstanding balances.

Additional Asset-Backed Receivables Financing Agreement

We are, through an indirect wholly-owned special purpose subsidiary, part of a $200 million asset-backed receivables financing agreement with one lender ("Receivables Agreement") that matures in September 2025. As at March 31, 2025, Element had available and unutilized funding capacity of nil under the existing commitment provided for under the Receivables Agreement.

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:

As at	March 31, 2025	December 31, 2024
(in US$000's)	**$**	$
Cash	**497,956**	128,845
Unsecured debt		
Senior unsecured revolving credit facilities	**1,398,496**	1,553,350
3.850% Senior Notes due 2025	**400,000**	400,000
6.271% Senior Notes due 2026	**750,000**	750,000
6.319% Senior Notes due 2028	**750,000**	750,000
5.643% Senior Notes due 2027	**750,000**	750,000
5.037% Senior Notes due 2030	**650,000**	—
Term loan	**75,023**	—
Vehicle Management Asset-Backed Debt		
Revolving term notes in amortization	**1,580,501**	1,779,622
Variable funding notes	**2,545,603**	2,349,753
Other	**15,304**	16,489
Deferred financing costs	**(30,179)**	(29,307)
Hedge accounting fair value adjustments	**24,205**	11,199
Continuing involvement liability	**136,932**	132,683
Total debt	**9,045,885**	8,463,789
Shareholders' equity		
Common share capital	**2,252,910**	2,264,051
Other	**467,706**	510,264
Total Shareholders' Equity	**2,720,616**	2,774,315
Total Capitalization	**11,766,501**	11,238,104

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

Normal course issuer bids

On November 18, 2024, 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 40,386,699 Common Shares, representing approximately 10% of the "public float" of the Common Shares, at our discretion during the period commencing on November 20, 2024 and ending on the earlier of November 19, 2025 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.

In 2024, we purchased 630,657 common shares for cancellation, for an aggregate amount of approximately $11 million at a volume weighted average price of CAD $23.77 per Common Share, of which 175,357 were purchased under the latest NCIB.

During Q1 2025, we purchased 2,178,000 Common Shares under our NCIB for cancellation at a volume weighted average price of CAD$28.55.

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

In Q4 2024, in collaboration with our lenders, we changed our financial covenants from a tangible leverage ratio to debt-to-capital, which we believe is a more meaningful measure of our leverage. Our bank covenants are set at 80% of debt-to-capital, and we target a range between 73% to 77%. The Company remains committed to maintaining a strong investment grade balance sheet and will continue to monitor TLR as a key internal metric.

At March 31, 2025, our debt-to-capital ratio was 74.9% (December 31, 2024: 74.1%).

Our leverage is calculated as follows:

As at		**March 31, 2025**	December 31, 2024
(in US$000's, except ratios or unless otherwise noted)		**$**	$
Borrowings		**9,045,885**	8,463,789
Less: Continuing involvement liability		**(136,932)**	(132,683)
Total debt	**(a)**	**8,908,953**	8,331,106
Total shareholders' equity	**(b)**	**2,720,616**	2,774,315
		11,629,569	11,105,421
Goodwill and intangible assets	**(c)**	**1,660,009**	1,672,701
Cash and restricted funds	**(d)**	**780,531**	408,621
Total net debt	**(e) = (a) - (d)**	**8,128,422**	7,922,485
Debt-to-capital	**(e)/[(e)+(b)]**	**74.9 %**	74.1 %

We were in compliance with all financial and reporting covenants of all of our lenders at March 31, 2025.

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 reflect their views 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[1] as at March 31, 2025

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

(1) 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 2024, DBRS, Inc. upgraded Element's long term issuer credit rating from BBB (high) to A (low) and revised the trend from Positive to Stable. Additionally, Fitch Ratings affirmed its stable outlook and investment-grade rating of BBB+. In Q4 2024, Kroll Bond Rating Agency affirmed its stable outlook investment-grade rating of A- and Standard & Poor affirmed its stable outlook and investment-grade rating of BBB. For our Commercial Paper program, in Q1 2025, Fitch Ratings assigned a short-term debt rating of F2, and Standard & Poor assigned a short-term debt rating of A-2.

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 2024 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

The ongoing transition of self-managed fleets, robust demand for our services and solutions, and strong order volumes over the past two quarters, are expected to drive solid originations volume 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 remain committed to generating positive operating leverage in 2025, and we expect adjusted operating expense growth to moderate through the remainder 2025.

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

Contemporary economic conditions including rising global trade tensions, potentially inflationary pressures, slowing economic activity, an uncertain interest rate environment, and a rapidly evolving fleet and mobility landscape offer both opportunities and challenges for our business. We closely monitor these macroeconomic 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 2025 and that we will continue to generate net revenue growth.

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

Recession

We believe 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). 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 high 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 (*eg*. 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 at 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 has 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.

Higher syndication net yields in Q1 2025 was largely attributable to syndication mix specifics. We continue to profitably syndicate assets and manage our debt-to-capital leverage ratio. Last quarter, we established a new strategic funding relationship with affiliates of Blackstone involving a portfolio of Canadian fleet lease receivables valued at approximately $346 million (CAD$474 million). This initial transaction, which took place on December 20, 2024, has characteristics similar to that of a bulk syndication. Through this arrangement Element benefits from substantial derecognition of these finance lease receivables, diversifying and optimizing our funding profile, validating the high-quality of our asset origination platform, and supporting our continued growth. This transaction further assists in diversifying our funding sources, reducing leverage and driving our capital-lighter business model. Due to the initial sale, overall yield in Q4 2024 was negatively impacted by setup costs and the necessary unwinding of interest rate hedges related to the portfolio. These costs are not expected to recur in future transactions.

In Q1 2025, the Company made the strategic decision to postpone the syndication of certain assets to the second half of 2025 pending the outcome of proposed U.S. tax legislation changes. Overall, the demand for Element's assets remains strong and this postponement underscores a prudent approach to fiscal discipline.

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, 2025. 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, 2024. The unaudited interim condensed consolidated financial statements and the accompanying notes for the three-month period ended March 31, 2025 have been prepared in conformity with accounting polices disclosed in the audited consolidated financial statements and the accompanying notes for the three-month period ended December 31, 2024.

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.

Future Accounting Changes

The following IFRS pronouncement has been issued but is 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, 2025, 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, 2025, 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, 2025 and March 31, 2024, the results of operations, comprehensive income and cash flows for the three-month period-ended March 31, 2025, December 31, 2024, and March 31, 2024.

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

		As at and for the three-month period ended		
(in U,S,$000's except ratios and per share amounts or unless otherwise noted)		**March 31, 2025**	December 31, 2024	March 31, 2024
Key annualized operating ratios				
Leverage ratios				
Financial leverage ratio	$P_2/(P_2+R)$	**74.9 %**	74.1 %	73.2 %
Average financial leverage ratio	Q/(Q+V)	**75.4 %**	75.0 %	73.8 %
Other key operating ratios				
Allowance for credit losses as a % of total finance receivables before allowance	F/E	**0.09 %**	0.08 %	0.08 %
Adjusted operating income on average net earning assets	B/J	**7.92 %**	7.31 %	7.34 %
Adjusted operating income on average tangible total equity of Element	D/(V-L)	**42.23 %**	39.34 %	32.37 %
Per share information				
Number of shares outstanding	W	**402,350**	404,502	388,926
Weighted average number of shares outstanding [basic]	X	**403,502**	404,578	389,161
Weighted average number of shares outstanding [diluted]	Y	**403,686**	404,726	404,118
Cumulative preferred share dividends during the period	Z	**—**	—	2,919
Other effects of dilution on an adjusted operating income basis	AA	**$ —**	$ —	$ 1,222
Net income per share [basic]	(A-Z)/X	**$ 0.25**	$ 0.23	$ 0.23
Net income per share [diluted]		**$ 0.25**	$ 0.23	$ 0.23
Adjusted EPS [basic]	(D1)/X	**$ 0.28**	$ 0.27	$ 0.27
Adjusted EPS [diluted]	(D1+AA)/Y	**$ 0.28**	$ 0.27	$ 0.26

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.

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

(in US$000's except per share amounts or unless otherwise noted)		For the three-month period ended March 31, 2025	December 31, 2024	March 31, 2024
Reported results				
Services income, net		**152,482**	161,461	147,053
Net financing revenue		**111,556**	103,453	107,178
Syndication revenue, net		**11,633**	5,976	8,226
Net revenue		**275,671**	270,890	262,457
Operating expenses		**135,007**	141,234	132,499
Operating income		**140,664**	129,656	129,958
Operating margin		**51.0 %**	47.9 %	49.5 %
Total expenses		**139,200**	149,463	139,478
Income before income taxes		**136,471**	121,427	122,979
Net income	A	**102,250**	92,057	93,817
EPS [basic]		**$ 0.25**	$ 0.23	$ 0.23
EPS [diluted]		**$ 0.25**	$ 0.23	$ 0.23
Adjusting items				
Impact of adjusting items on operating expenses:				
Strategic initiatives costs – Salaries, wages, and benefits		**—**	—	485
Strategic initiatives costs – General and administrative expenses		**—**	—	1,640
Amortization of convertible debenture discount		**—**	—	793
Share-based compensation		**10,183**	13,687	10,731
Total impact of adjusting items on operating expenses		**10,183**	13,687	13,649
Total pre-tax impact of adjusting items		**10,183**	13,687	13,649
Total after-tax impact of adjusting items		**7,612**	10,265	10,305
Total impact of adjusting items on EPS [basic]		**0.02**	0.03	0.03
Total impact of adjusting items on EPS [diluted]		**0.02**	0.03	0.03

(in US$000's except per share amounts or unless otherwise noted)	For the three-month period ended March 31, 2025	December 31, 2024	March 31, 2024
Adjusted results			
Adjusted net revenue	**275,671**	270,890	262,457
Adjusted operating expenses	**124,824**	127,547	118,850
Adjusted operating income	**150,847**	143,343	143,607
Adjusted operating margin	**54.7 %**	52.9 %	54.7 %
Provision for income taxes	**34,221**	29,370	29,162
Adjustments:			
Pre-tax income	**3,750**	5,481	5,390
Foreign tax rate differential and other	**118**	985	632
Provision for taxes applicable to adjusted results	**38,089**	35,836	35,184
Adjusted net income	**112,758**	107,507	108,423
Adjusted EPS [basic]	**$ 0.28**	$ 0.27	$ 0.27
Adjusted EPS [diluted]	**$ 0.28**	$ 0.27	$ 0.26

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

Selected statement of financial position amounts		For the three-month period ended		
(in US$000's unless otherwise noted)		**March 31, 2025**	December 31, 2024	March 31, 2024
Total Finance receivables, before allowance for credit losses	E	**7,699,109**	7,576,386	7,478,974
Allowance for credit losses	F	**7,137**	6,168	5,794
Net investment in finance receivable	G	**5,148,688**	4,968,294	5,349,038
Equipment under operating leases	H	**2,428,013**	2,435,430	2,685,015
Net earning assets	I=G+H	**7,576,701**	7,403,724	8,034,053
Average net earning assets	J	**7,618,350**	7,848,023	7,825,155
Goodwill and intangible assets	K	**1,660,009**	1,672,701	1,587,465
Average goodwill and intangible assets	L	**1,663,050**	1,675,336	1,588,981
Borrowings	M	**9,045,885**	8,463,789	9,021,567
Unsecured convertible debentures	N	**—**	—	126,108
Less: continuing involvement liability	O	**(136,932)**	(132,683)	(87,199)
Total debt	P=M+N-O	**8,908,953**	8,331,106	9,060,476
Cash and restricted funds	P_1	**780,531**	408,621	1,031,951
Total net debt	$P_2 = P-P_1$	**8,128,422**	7,922,485	8,028,525
Average debt	Q	**8,363,864**	8,313,527	8,239,147
Total shareholders' equity	R	**2,720,616**	2,774,315	2,944,588
Preferred shares	S	**—**	—	181,077
Common shareholders' equity	T=R-S	**2,720,616**	2,774,315	2,763,511
Average common shareholders' equity	U	**2,730,985**	2,768,504	2,747,716
Average total shareholders' equity	V	**2,730,985**	2,768,504	2,928,793

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.

	For the three-month period ended		
	March 31, 2025	December 31, 2024	March 31, 2024
(in US$000's except per share amounts or unless otherwise noted)	**$**	$	$
Reported Expenses	**139,200**	149,463	139,478
Less:			
Amortization of intangible assets from acquisitions	**7,799**	7,819	6,979
Loss (gain) on investments	**(3,606)**	410	—
Operating expenses	**135,007**	141,234	132,499
Less:			
Amortization of convertible debenture discount	**—**	—	793
Share-based compensation	**10,183**	13,687	10,731
Strategic initiatives costs - Salaries, wages and benefits	**—**	—	485
Strategic initiatives costs - General and administrative expenses	**—**	—	1,640
Total adjustments	**10,183**	13,687	13,649
Adjusted operating expenses	**124,824**	127,547	118,850

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.

	For the three-month period ended		
(in US$000's except per share amounts or unless otherwise noted)	**March 31, 2025**	December 31, 2024	March 31, 2024
	$	$	$
Income before income taxes	**136,471**	121,427	122,979
Adjustments:			
Amortization of convertible debenture discount	**—**	—	793
Share-based compensation	**10,183**	13,687	10,731
Amortization of intangible assets from acquisition	**7,799**	7,819	6,979
Loss (gain) on investments	**(3,606)**	410	—
Adjusting Items:			
Strategic initiatives costs - Salaries, wages and benefits	**—**	—	485
Strategic initiatives costs - General and administrative expenses	**—**	—	1,640
Total pre-tax impact of adjusting items	**—**	—	2,125
Adjusted operating income	**150,847**	143,343	143,607

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.

	For the three-month period ended		
(in US$000's except per share amounts or unless otherwise noted)	**March 31, 2025**	December 31, 2024	March 31, 2024
	$	$	$
Net income	**102,250**	92,057	93,817
Amortization of convertible debenture discount	**—**	—	793
Share-based compensation	**10,183**	13,687	10,731
Amortization of intangible assets from acquisition	**7,799**	7,819	6,979
Loss (gain) on investments	**(3,606)**	410	—
Strategic initiatives costs - Salaries, wages and benefits	**—**	—	485
Strategic initiatives costs - General and administrative expenses	**—**	—	1,640
Provision for income taxes	**34,221**	29,370	29,162
Provision for taxes applicable to adjusted results	**(38,089)**	(35,836)	(35,184)
Adjusted net income	**112,758**	107,507	108,423

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 April 30, 2025, the Company had 402,048,912 Common Shares issued and 401,789,324 Common Shares outstanding. In addition, 154,662 options were issued and outstanding under the Company's stock option plan as at April 30, 2025. These convertible securities are convertible into, or exercisable for, Common Shares of the Company. 154,662 of these convertible securities were exercisable at March 31, 2025, for what would have been proceeds to the Company upon exercise of $0.6 million.

Interim Condensed Consolidated Financial Statements

Element Fleet Management Corp.

March 31, 2025

Element Fleet Management Corp.

INTERIM CONDENSED CONSOLIDATED STATEMENTS OF FINANCIAL POSITION
(unaudited, in thousands of United States dollars)

	As at March 31, 2025	As at December 31, 2024
	$	$
ASSETS		
Cash	**497,956**	128,845
Restricted funds (note 6)	**282,575**	279,776
Finance receivables (notes 4 and 16)	**7,691,972**	7,570,218
Equipment under operating leases (note 5)	**2,428,013**	2,435,430
Accounts receivable and other assets	**185,132**	202,168
Derivative financial instruments (note 16)	**96,594**	97,922
Property, equipment and leasehold improvements, net	**109,129**	112,540
Intangible assets, net	**629,430**	642,471
Deferred tax assets	**201,252**	201,114
Goodwill	**1,030,579**	1,030,230
	13,152,632	12,700,714
LIABILITIES AND SHAREHOLDERS' EQUITY		
Liabilities		
Accounts payable and accrued liabilities	**1,228,332**	1,338,188
Derivative financial instruments (note 16)	**34,385**	21,566
Borrowings (note 6)	**9,045,885**	8,463,789
Deferred tax liabilities	**123,414**	102,856
	10,432,016	9,926,399
Shareholders' equity (note 8)	**2,720,616**	2,774,315
	13,152,632	12,700,714

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 March 31, 2025	Three-month period ended March 31, 2024
	$	$
NET REVENUE		
Interest income, net (note 10)	**146,723**	144,603
Rental revenue and other (note 10)	**223,255**	233,889
Depreciation of equipment under operating leases (notes 5 and 10)	**(130,208)**	(137,331)
	239,770	241,161
Interest expense	**128,214**	133,983
Net financing revenue	**111,556**	107,178
Fleet service revenue (note 10)	**162,043**	157,061
Direct costs of fixed rate service contracts (note 10)	**(9,561)**	(10,008)
Servicing income, net	**152,482**	147,053
Syndication revenue, net (notes 10 and 17)	**11,633**	8,226
Net revenue	**275,671**	262,457
OPERATING EXPENSES		
Salaries, wages and benefits	**74,884**	74,562
General and administrative expenses	**34,167**	32,135
Depreciation and amortization (note 15)	**15,773**	14,278
Amortization of convertible debenture discount (note 7)	**—**	793
Share-based compensation (note 9)	**10,183**	10,731
	135,007	132,499
OTHER EXPENSES		
Amortization of intangible assets from acquisitions	**7,799**	6,979
Gain on investments	**(3,606)**	—
Income before income taxes from operations	**136,471**	122,979
Provision for income taxes (note 11)	**34,221**	29,162
Net income for the period	**102,250**	93,817
Basic earnings per share (note 12)	**$ 0.25**	$ 0.23
Diluted earnings per share (note 12)	**$ 0.25**	$ 0.23

See accompanying notes

INTERIM CONDENSED CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME
(unaudited, in thousands of United States dollars)

	Three-month period ended March 31, 2025	Three-month period ended March 31, 2024
	$	$
Net income for the period	**102,250**	93,817
OTHER COMPREHENSIVE LOSS		
Items that may be reclassified subsequently to profit or loss:		
Cash flow and foreign exchange hedges gain/(loss)	**3,933**	(49,702)
Net unrealized foreign exchange (loss)/gain	**(83,854)**	12,914
	(79,921)	(36,788)
Provision for / (Recovery of) income taxes	**(2,657)**	14,701
Total other comprehensive loss	**(77,264)**	(51,489)
Comprehensive income for the period	**24,986**	42,328

See accompanying notes

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

	Common share capital	Preferred share capital	Equity component of convertible debentures	Retained earnings (deficit)	Accumulated other comprehensive income (loss)	Total shareholders' equity
	$	$	$	$	$	$
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 8)	**—**	**—**	**—**	**(36,447)**	**—**	**(36,447)**
Compensation - escrowed shares (notes 8 and 9)	**—**	**—**	**—**	**1,066**	**—**	**1,066**
Vesting of escrowed shares (notes 8 and 9)	**507**	**—**	**—**	**(507)**	**—**	**—**
Shares repurchased for cancellation (note 8)	**(11,648)**	**—**	**—**	**(31,656)**	**—**	**(43,304)**
Balance, March 31, 2025	**2,252,910**	**—**	**—**	**685,106**	**(217,400)**	**2,720,616**
Balance, December 31, 2023	2,109,103	181,077	8,990	424,646	220,012	2,943,828
Comprehensive income for the period	—	—	—	93,817	(51,489)	42,328
Dividends - Preferred shares (note 8)	—	—	—	(2,919)	—	(2,919)
Dividends - Common shares (note 8)	—	—	—	(34,469)	—	(34,469)
Options exercised (notes 8 and 9)	465	—	—	(93)	—	372
Shares repurchased for cancellation (note 8)	(1,545)	—	—	(3,007)	—	(4,552)
Balance, March 31, 2024	2,108,023	181,077	8,990	477,975	168,523	2,944,588

See accompanying notes

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

	Three-month period ended March 31, 2025 $	Three-month period ended March 31, 2024 $
OPERATING ACTIVITIES		
Net income for the period	**102,250**	93,817
Items not affecting cash		
Depreciation of property, equipment and leasehold improvements	**3,529**	4,057
Amortization of intangible assets, including from acquisitions	**20,043**	17,200
Amortization of deferred lease costs	**5,311**	5,911
Amortization of deferred financing costs	**5,566**	4,453
Depreciation of equipment under operating leases (note 5)	**130,208**	137,331
Amortization of convertible debenture discount and deferred costs (note 7)	**—**	1,052
Gain on investments	**(3,606)**	—
Compensation - escrowed shares (note 9)	**1,066**	—
Provision for credit losses	**1,009**	328
	265,376	264,149
Changes in non-cash operating assets and liabilities		
Investment in finance receivables	**(1,320,084)**	(1,365,952)
Repayments of finance receivables	**748,341**	631,306
Investment in equipment under operating leases	**(200,825)**	(258,111)
Proceeds on disposal of equipment under operating leases	**72,357**	76,068
Syndications of finance receivables	**586,352**	482,483
Cash payments for interest portion of lease liability	**(894)**	(784)
Other non-cash operating assets and liabilities	**(174,146)**	(131,674)
Cash used in operating activities	**(23,523)**	(302,515)
INVESTING ACTIVITIES		
Investments	**4,963**	—
Purchase of property, equipment and leasehold improvements	**(1,616)**	(6,482)
Reimbursement of property, equipment and leasehold improvements	**1,626**	—
Proceeds on disposals of property, equipment and leasehold improvements and intangible assets	**74**	75
Purchase of intangible assets, including computer software	**(6,565)**	(12,514)
Cash used in investing activities	**(1,518)**	(18,921)
FINANCING ACTIVITIES		
Cash payments for principal portion of lease liability	**(1,647)**	(1,753)
Increase in restricted funds	**(2,697)**	(82,303)
Increase in deferred financing costs	**(6,359)**	(5,860)
Issuance of share capital, net	**—**	372
Shares repurchased (note 8)	**(40,504)**	(3,673)
Repayments of borrowings, net	**(105,549)**	368,447
Dividends paid (note 8)	**(36,545)**	(37,741)
Issuance of senior notes (note 6)	**650,000**	750,000
Cash provided by financing activities	**456,699**	987,489
Effects of foreign exchange rates on cash	**(62,547)**	(66,429)
Net increase in cash during the period	**369,111**	599,624
Cash, beginning of the period	**128,845**	96,419
Cash, end of the period	**497,956**	696,043
Supplemental cash flow information:		
Cash taxes paid	**26,455**	15,500
Cash interest paid	**132,309**	116,042

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, 2025

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 $13.2 billion in assets and operations in the United States ("US"), Canada, Ireland, Mexico, Australia, New Zealand, and Israel. Element is a leading global fleet management company, providing services and financings for commercial vehicle and equipment fleets, reaching 55 countries worldwide through the Element-Arval Global Alliance. Element provides a comprehensive range of fleet services that span the total lifecycle, from vehicle acquisition and financing to program management and remarketing, with approximately 1.5 million fleet vehicles under management, which include all leased vehicles, including syndicated leases and interim funding.

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, 2024, 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 April 30, 2025.

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, 2024.

NOTES TO INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

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

March 31, 2025

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.

Amendments to the Classification and Measurement of Financial Instruments

In May 2024, the IASB issued Amendments to the Classification and Measurement of Financial Instruments, which amended IFRS 9 and IFRS 7. The amendments address matters identified during the post-implementation review of the classification and measurement requirements of IFRS 9. The amendments clarify how to assess the contractual cash flow characteristics of financial assets that include environmental, social, and governance linked features and other similar contingent features. The amendments also clarify the treatment of non-recourse assets and contractually linked instruments. Furthermore, the amendments clarify that a financial liability is derecognized on the settlement date and provide an accounting policy choice to derecognize a financial liability settled using an electronic payment system before the settlement date if certain conditions are met. Finally, the amendments introduce additional disclosure requirements for financial instruments with contingent features and equity instruments classified at fair value through other comprehensive income.

The amendments will be effective for the Company’s annual period beginning January 1, 2026. Early adoption is permitted, with an option to early adopt the amendments related to the classification of financial assets and associated disclosures only. Management is currently evaluating the potential impact of adopting these amendments on the Company's consolidated financial statements.

3. BUSINESS ACQUISITION

On October 1, 2024, the Company, through its wholly owned subsidiary, EFN (Netherlands) 4 B.V., acquired 100% of the outstanding shares of Autofleet Systems Ltd. (“Autofleet”) for a total purchase price of $109,743, $89,228 in cash and $20,515 in ordinary shares of the

NOTES TO INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

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

March 31, 2025

Company. Autofleet is a provider of an end-to-end software platform to fleet and mobility operators which assists in effectively managing and routing their fleets using various innovative technologies.

The total consideration transferred by the Company to complete the acquisition of Autofleet was allocated to identifiable assets acquired, liabilities assumed, and goodwill acquired, based on their estimated fair values at the date of the acquisition. Goodwill of $78,625 was recognized and represents the estimated synergies and benefits that Autofleet and its technology brings to Element as a whole. Goodwill is not deductible for tax purposes. Synergies expected from the transaction include Element's ability to leverage Autofleet's industry-leading digital capabilities and Autofleet's ability to leverage Element's operational scale, resources, and brand reputation.

The determination of the fair value of 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 assets acquired and consideration paid are summarized as follows:

	Fair value recognized on acquisition
	$
Cash	7,864
Restricted cash	152
Accounts receivable and other assets	951
Property, equipment and leasehold improvements	964
Intangible assets	24,800
Accounts payable and other liabilities	(3,613)
Fair value of identifiable net assets	31,118
Goodwill on acquisition	78,625
Total acquired cost	109,743
Cash consideration(i)	89,228
Share consideration(ii) (note 8)	20,515
Total consideration	109,743

(i) In addition to its share payouts, Element also paid out $6,485 in Escrowed shares to compensate certain key employees of Autofleet for their post-combination service. Vesting of Escrowed shares will occur evenly over 3 years post close and is contingent on post-combination service being provided by such employees. As such, the payout of Escrowed shares was not considered in determining the total purchase price and was accounted for as a separate transaction outside of the overall business combination. Vesting of Escrowed shares will be recorded over the three-year service period as share-based compensation expense with an offsetting charge to equity. $1,066 of compensation expense has been recognized related to Escrowed shares for the three-months ended March 31, 2025 (three-months ended December 31, 2024 - $1,612). Including ordinary and escrow shares, a total of 1,296,914 shares of the Company have been issued as a result of the transaction.

NOTES TO INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

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

March 31, 2025

(ii) Element granted newly issued RSUs to employees of Autofleet who held options that were unvested as at the date of the transaction. Vesting of RSUs is contingent on post-combination service being provided by such employees. Therefore, the newly issued RSUs were not considered in determining the total purchase price and were accounted for as a separate transaction outside of the acquisition. $744 of compensation expense has been recognized related to RSUs issued in conjunction with the acquisition for the three-months ended March 31, 2025 (three-months ended December 31, 2024 - $352).

4. FINANCE RECEIVABLES

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

	As at March 31, 2025			
	US and Canada	Australia and New Zealand	Mexico	Total
	$	$	$	$
Minimum lease payments	4,884,686	279,214	652,948	5,816,848
Unguaranteed residual values	—	67,269	—	67,269
Gross investment	4,884,686	346,483	652,948	5,884,117
Unearned income	(566,053)	(54,170)	(115,206)	(735,429)
Net investment (Subsection A)	4,318,633	292,313	537,742	5,148,688
Impaired lease receivables[1]	4,711	293	—	5,004
Unamortized deferred costs and subsidies	(60,885)	—	—	(60,885)
Prepaid lease payments and security deposits	(95,367)	—	(50,875)	(146,242)
Interim funding	1,257,003	—	24,977	1,281,980
Fleet management receivables	662,383	32,080	25,215	719,678
Other receivables	337,790	77,808	198,356	613,954
Continuing involvement asset	136,932	—	—	136,932
Allowance for credit losses (Subsection B)	(3,469)	(941)	(2,727)	(7,137)
Total finance receivables	6,557,731	401,553	732,688	7,691,972

1. The fair market value of vehicles held as collateral against impaired lease receivables as at March 31, 2025 is $8,038.

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	As at December 31, 2024			
	US and Canada	Australia and New Zealand	Mexico	Total
	$	$	$	$
Minimum lease payments	4,683,721	267,505	658,557	5,609,783
Unguaranteed residual values	—	65,921	—	65,921
Gross investment	4,683,721	333,426	658,557	5,675,704
Unearned income	(542,124)	(52,010)	(113,276)	(707,410)
Net investment (Subsection A)	4,141,597	281,416	545,281	4,968,294
Impaired lease receivables[1]	5,846	483	—	6,329
Unamortized deferred costs and subsidies	(60,606)	—	—	(60,606)
Prepaid lease payments and security deposits	(101,987)	—	(42,130)	(144,117)
Interim funding	1,127,348	—	118,381	1,245,729
Fleet management receivables	818,129	30,920	35,286	884,335
Other receivables	273,728	76,183	193,828	543,739
Continuing involvement asset	132,683	—	—	132,683
Allowance for credit losses (Subsection B)	(2,886)	(951)	(2,331)	(6,168)
Total finance receivables	6,333,852	388,051	848,315	7,570,218

1. The fair market value of vehicles held as collateral against impaired lease receivables as at December 31, 2024 is $9,122.

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

	As at March 31, 2025		As at December 31, 2024	
	Leases	**Loans**	Leases	Loans
Net investment	**$4,823,021**	**$ 325,667**	$4,626,467	$ 341,827
Weighted average fixed interest rate	**7.04 %**	**11.54 %**	6.95 %	11.46 %
Weighted average floating interest rate	**6.79 %**	**7.53 %**	6.87 %	6.38 %
Percentage of portfolio with fixed interest rate	**55.42 %**	**99.99 %**	48.86 %	99.99 %

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. The current economic outlook reflects increased risk of a potential recession, inflation volatility, and ongoing trade uncertainty based on information available to the Company as at March 31, 2025.

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, 2025, 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 leases 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 slightly in the first quarter of 2025 compared to first quarter of 2024 as OEM production returned to historic levels and prices remain materially elevated from a historical basis leading to continued low loss-given default ("LGD") levels as at March 31, 2025. The Company expects used vehicle pricing in 2025 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 recessional 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 of March 31, 2025, the Company considered forward-looking macroeconomic information, including potential impacts from changes to US trade policy by the new administration and associated retaliatory impacts, potential for inflation volatility, slowing growth leading to expected declines in interest rates in 2025, and the impact that potential upward or downward trends in GDP and default rates might have on the Company's lease and loan portfolio. 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 a potential recession. 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 $7,137 as at March 31, 2025.

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

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**

Finance receivables	Performing	Impaired	Total
	$	$	$
Balance as at January 1, 2024	5,477	62	5,539
Transfer to Performing	36	(36)	—
Transfer to Impaired	(35)	35	—
Lease originations	8,416	—	8,416
Changes in models and inputs, derecognition, and repayments	(7,429)	524	(6,905)
Total	6,465	585	7,050
Charge-offs, net of recoveries	—	(523)	(523)
Foreign exchange	(360)	1	(359)
Balance as at December 31, 2024	6,105	63	6,168

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

Allowance for credit losses	Three-month period ended March 31, 2025	Year ended December 31, 2024
	$	$
Allowance for credit losses, beginning of the period	**6,168**	5,539
Provision for credit losses	**1,009**	1,511
Charge-offs, net of recoveries	**(31)**	(523)
Impact of foreign exchange rates	**(9)**	(359)
Allowance for credit losses, end of the period	**7,137**	6,168
Allowance as a percentage of total finance receivables before allowance	**0.09 %**	0.08%

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.

	As at March 31, 2025		
Finance receivables	**Performing**	**Impaired**	**Total**
	$	**$**	**$**
Internal risk rating grade [1]			
Low	**3,256,993**	**—**	**3,256,993**
Medium	**1,848,815**	**—**	**1,848,815**
High	**42,880**	**—**	**42,880**
Fleet management receivables	**719,129**	**549**	**719,678**
Other finance receivables	**613,954**	**—**	**613,954**
Impaired	**—**	**5,004**	**5,004**
	6,481,771	**5,553**	**6,487,324**
Allowance for credit losses	**(7,088)**	**(49)**	**(7,137)**
Net carrying value	**6,474,683**	**5,504**	**6,480,187**

1. Loan balances of $49,114, $276,552 and nil 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, 2024		
Finance receivables	Performing	Impaired	Total
	$	$	$
Internal risk rating grade (2)			
Low	3,166,351	—	3,166,351
Medium	1,748,284	—	1,748,284
High	53,659	—	53,659
Fleet management receivables	883,468	867	884,335
Other finance receivables	543,739	—	543,739
Impaired	—	6,329	6,329
	6,395,501	7,196	6,402,697
Allowance for credit losses	(6,105)	(63)	(6,168)
Net carrying value	6,389,396	7,133	6,396,529

2. Loan balances of $63,070, $278,756 and nil 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:

Internal risk rating grade	**Standard & Poor's**	**Moody's**
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

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:

	As at March 31, 2025	As at December 31, 2024
	$	$
Cost	**3,583,300**	3,588,503
Accumulated depreciation	**1,155,287**	1,153,073
Net carrying amount	**2,428,013**	2,435,430

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6 . BORROWINGS

The Company's outstanding borrowings were as follows:

	As at March 31, 2025			
	Balance outstanding	**Weighted average interest rate[1]**	**Pledged finance receivables and equipment under operating leases**	**Cash reserves**
	$	**%**	**$**	**$**
Revolving term notes in amortization	**1,580,501**	**5.70**	**1,688,797**	**9,759**
Variable funding notes	**2,545,603**	**5.14**	**3,624,580**	**28,314**
Other	**15,304**	**5.11**	**15,300**	**—**
Vehicle management asset-backed debt	**4,141,408**	**5.35**	**5,328,677**	**38,073**
Senior unsecured revolving credit facilities [2]	**1,398,496**	**6.76**	**—**	**—**
Senior notes	**3,300,000**	**5.60**	**—**	**—**
Term Loan	**75,023**	**12.05**	**—**	**—**
	8,914,927	**5.72**	**5,328,677**	**38,073**
Deferred financing costs	**(30,179)**			
Hedge accounting fair value adjustments	**24,205**			
Continuing involvement liability	**136,932**			
Total borrowings	**9,045,885**			

	As at December 31, 2024			
	Balance outstanding	Weighted average interest rate[1]	Pledged finance receivables and equipment under operating leases	Cash reserves
	$	%	$	$
Revolving term notes in amortization	1,779,622	5.73	1,910,172	11,125
Variable funding notes	2,349,753	5.42	3,293,637	28,358
Other	16,489	5.11	16,341	—
Vehicle management asset-backed debt	4,145,864	5.55	5,220,150	39,483
Senior unsecured revolving credit facilities	1,553,350	7.28	—	—
Senior notes	2,650,000	5.74	—	—
	8,349,214	5.93	5,220,150	39,483
Deferred financing costs	(29,307)			
Hedge accounting fair value adjustments	11,199			
Continuing involvement liability	132,683			
Total borrowings	8,463,789			

1. Represents the weighted average all-in interest rate in local currency 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 outstanding issuances made under the U.S. Commercial Paper program.

The Company was in compliance with all financial and reporting covenants with all of its lenders at March 31, 2025.

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Vehicle management asset-backed debt

Vehicle management asset-backed debt includes term notes and variable funding notes.

The term notes and the variable funding notes are secured by either a security interest and/or legal ownership in fleet assets. As at March 31, 2025, the Company had available capacity in variable funding notes of $2,184,108 (December 31, 2024 – $2,897,730) under its vehicle management asset-backed debt facilities.

Senior unsecured revolving credit facilities

As at March 31, 2025, the Company had available capacity under the senior unsecured revolving credit facilities of $1,876,504 (December 31, 2024 - $1,721,650).

US Commercial Paper program

During the first quarter of 2025, the Company launched a $750,000 US Commercial Paper program. Borrowings under this program will be used for general corporate purposes. As at March 31, 2025, the Company had no commercial paper outstanding.

Senior notes

In March 2025, the Company issued $650,000 in aggregate principal amount of 5.037% senior unsecured notes due March 25, 2030. The notes were issued at par. Interest is paid semi-annually in arrears on March 25 and September 25, commencing on September 25, 2025. The proceeds received at the time of closing were used for general corporate purposes and were used to repay debt outstanding.

As at March 31, 2025, the Company had $3,300,000 in outstanding senior unsecured notes (December 31, 2024 - $2,650,000).

Term loan

During the fourth quarter of 2024, the Company entered into a sustainability-linked amortizing term loan facility with one lender with a maturity date of December 2029. The loan is denominated in Mexican pesos with a facility size of MXN $1,530,971,250 (approximately US$75 million as at March 31, 2025). Funds under this facility were drawn in January 2025.

As at March 31, 2025, Element had available and unutilized funding capacity of nil (December 31, 2024 - $75,619) under the existing commitment.

Restricted funds

As at March 31, 2025, restricted funds include (i) cash reserves of $38,073 (December 31, 2024 - $39,483), which represent collateral for secured borrowing arrangements; (ii) cash of $238,407 (December 31, 2024 - $219,392) 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 $6,095 (December 31, 2024 - $20,901) provided to counter-parties as collateral against derivative liabilities.

7. CONVERTIBLE DEBENTURE

April 5, 2019 Issuance

On June 30, 2024, the C$471 4.25% extendible convertible unsecured subordinated debentures matured and were repaid in full, including accrued interest, by the Company, in accordance with the Trust Indenture.

Conversions

During June 2024, holders of the April 2019 Convertible Debentures ("2019 Debentures") redeemed C$170,953 at a conversion price equal to C$11.77391 per share, representing a conversion ratio of approximately 84.93355 shares per C$1,000 principal amount of the 2019 Debentures. As a result of the conversion, holders of the 2019 Debentures received an interest payment of C$3,511 and 14,519,642 common shares.

During May 2024, holders of the 2019 Debentures redeemed C$800 at a conversion price equal to C$11.77391 per share, representing a conversion ratio of approximately 84.93355 shares per C$1,000 principal amount of the 2019 Debentures. As a result of the conversion, holders of the 2019 Debentures received an interest payment of C$14 and 67,946 common shares.

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8. 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.

	Common shares	
	Shares	Amount
	#	$
Balance, December 31, 2023	389,168,735	2,109,103
Issuance for business acquisition	985,410	20,515
Conversion of convertible debentures	14,587,588	134,248
Share repurchase	(630,657)	(3,432)
Exercise of options	365,332	3,106
Release of escrowed shares to employees	25,958	511
Balance, December 31, 2024	**404,502,366**	**2,264,051**
Share repurchase	**(2,178,000)**	**(11,648)**
Release of escrowed shares to employees	**25,958**	**507**
Balance, March 31, 2025	**402,350,324**	**2,252,910**

Share repurchase

On November 18, 2024, 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, 2024 and ending on the earlier of November 19, 2025 or the completion of purchases under the NCIB, up to 40,386,699 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, 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. For the three-month period ended March 31, 2024, 281,500 common shares have been repurchased, for cancellation for $4,552 including commission, at a volume weighted average price of C$21.97 per common share. The Company applies trade date accounting in determining the date on which the share repurchase is reflected in the 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, 2025, 51,916 shares have been released from escrow (December 31, 2024 – 25,958).

Common share dividends

For the three-month period ended March 31, 2025, the Company declared $36,447 in common share dividends or C$0.13 per common share (March 31, 2024 - $34,469 or C$0.12 per common share).

As at March 31, 2025, the accrued common share dividends were $36,563 (December 31, 2024 – $36,582).

On November 13, 2024, the Board approved an increase in the quarterly common share dividend from C$0.12 to C$0.13 per share.

Preferred share redemption

As at March 31, 2025, all preferred shares have been redeemed.

On September 30, 2024, the Company redeemed all of its 5,321,900 Series E Preferred Shares for a redemption price equal to C$25.00 per share for a total of $94,656 together with all accrued and unpaid dividends.

On June 30, 2024, the Company redeemed all of its 5,126,400 Series C Preferred Shares for a redemption price equal to C$25.00 per share for a total of $91,166 together with all accrued and unpaid dividends.

Preferred share dividends

For the three-month period ended March 31, 2025, nil preferred share dividends were declared (March 31, 2024 - $2,919).

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9. SHARE-BASED COMPENSATION

Share-based compensation expense consists of the following:

	Three-month period ended	
	March 31, 2025	March 31, 2024
	$	$
Deferred share units	**47**	(129)
Performance share units	**4,742**	5,897
Restricted share units	**4,328**	4,963
Escrowed shares	**1,066**	—
	10,183	10,731

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, 2023	556,269	8.49
Expired	(36,275)	11.74
Exercised[1]	(365,332)	9.33
Outstanding, December 31, 2024	**154,662**	**5.73**
Expired	—	—
Exercised[1]	—	—
Outstanding, March 31, 2025	**154,662**	**5.73**

1. Weighted average share price of options exercised during the three-month period ended March 31, 2025 was nil (year ended December 31, 2024 – C$24.88).

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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, 2023	828,213	1,897,739	1,841,642	—
Granted	101,666	902,784	874,698	311,504
Forfeited	—	(5,369)	(118,244)	—
Redeemed	—	(1,098,636)	(797,865)	(25,958)
Outstanding, December 31, 2024	**929,879**	**1,696,518**	**1,800,231**	**285,546**
Granted	**22,593**	**1,473,347**	**433,528**	**—**
Forfeited	**(8,238)**	**(36,276)**	**(35,750)**	**—**
Redeemed / vested	**—**	**(1,530,796)**	**(691,062)**	**(25,958)**
Outstanding, March 31, 2025	**944,234**	**1,602,793**	**1,506,947**	**259,588**

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10. REVENUE

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

	Three-month period ended	
	March 31, 2025	March 31, 2024
	$	$
Major service lines		
Interest income, net	**146,723**	144,603
Rental revenue	**197,678**	206,914
Gain on sale of equipment under operating leases	**25,577**	26,975
Depreciation of equipment under operating leases	**(130,208)**	(137,331)
Financing revenue before interest expense	**239,770**	241,161
Service revenue, net	**129,968**	125,259
Vehicle sales and end of contract fees	**22,514**	21,794
Servicing income, net	**152,482**	147,053
Syndication revenue, net	**11,633**	8,226
Net revenue before interest expense	**403,885**	396,440
Primary geographical markets		
US and Canada	**267,636**	252,771
Australia and New Zealand	**53,787**	54,554
Mexico	**82,462**	89,115
Net revenue before interest expense	**403,885**	396,440
Timing of revenue recognition		
Revenue earned at a point in time	**137,513**	124,173
Revenue earned over time	**266,372**	272,267
Net revenue before interest expense	**403,885**	396,440

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.

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

A) Contract balances

	As at March 31, 2025	As at December 31, 2024
	$	$
Contract assets	**11,915**	12,169

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, 2025, the Company has recorded $1,886 of amortization on its service contract assets (March 31, 2024 - $2,169).

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.

11. 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 25.09% for the three-month period ended March 31, 2025 (three-month period ended March 31, 2024 - 23.74%). The effective tax rate is higher 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.

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12. EARNINGS PER SHARE

Basic earnings per share is as follows:

	Three-month period ended	
	March 31, 2025	March 31, 2024
Net income attributable to shareholders	**$ 102,250**	$ 93,817
Cumulative dividends on preferred shares	**—**	(2,919)
Net income available to common shareholders	**$ 102,250**	$ 90,898
Weighted average number of common shares outstanding – basic (number)	**403,502,345**	389,161,041
Basic earnings per share	**$ 0.25**	$ 0.23

Diluted earnings per share is as follows:

	Three-month period ended	
	March 31, 2025	March 31, 2024
Net income available to common shareholders adjusted for the effects of dilution	**$ 102,250**	$ 92,120
Weighted average number of common shares outstanding – basic (number)	**403,502,345**	389,161,041
Convertible debentures (number)	**—**	14,627,599
Dilutive stock options (number)	**123,639**	329,348
Dilutive escrowed shares (number)	**59,700**	—
Weighted average number of common shares outstanding – diluted (number)	**403,685,684**	404,117,988
Diluted earnings per share	**$ 0.25**	$ 0.23

The weighted average number of common shares outstanding - diluted excludes nil instruments that were anti-dilutive for the years ended March 31, 2025 and March 31, 2024.

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13. 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:

As at	**March 31, 2025**	December 31, 2024
	$	$
Cash	**497,956**	128,845
Unsecured debt		
Senior unsecured revolving credit facilities	**1,398,496**	1,553,350
3.850% Senior Notes due 2025	**400,000**	400,000
6.271% Senior Notes due 2026	**750,000**	750,000
5.643% Senior Notes due 2027	**750,000**	750,000
6.319% Senior Notes due 2028	**750,000**	750,000
5.037% Senior Notes due 2030	**650,000**	—
Term facilities	**75,023**	—
Vehicle Management Asset-Backed Debt		
Revolving term notes in amortization	**1,580,501**	1,779,622
Variable funding notes	**2,545,603**	2,349,753
Other	**15,304**	16,489
Deferred financing costs	**(30,179)**	(29,307)
Continuing involvement liability	**136,932**	132,683
Hedge accounting fair value adjustments	**24,205**	11,199
Total debt	**9,045,885**	8,463,789
Shareholders' equity		
Common share capital	**2,252,910**	2,264,051
Other	**467,706**	510,264
Total Shareholders' Equity	**2,720,616**	2,774,315
Total Capitalization	**11,766,501**	11,238,104

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14. GEOGRAPHIC INFORMATION

The Company primarily operates in the US and Canada, Australia and New Zealand, and Mexico. Certain assets located in Ireland and Israel are included in "All other countries" below.

Selected assets by geography are as follows:

	As at March 31, 2025				
	US and Canada	**Australia and New Zealand**	**Mexico**	**All other countries**	**Total**
	$	**$**	**$**	**$**	**$**
Select assets					
Finance receivables	**6,557,731**	**401,553**	**732,688**	**—**	**7,691,972**
Equipment under operating leases	**10,291**	**932,125**	**1,485,597**	**—**	**2,428,013**
Goodwill and intangible assets	**1,518,605**	**24,035**	**14,018**	**103,351**	**1,660,009**
Property, equipment and leasehold improvements	**72,820**	**11,787**	**11,434**	**13,088**	**109,129**
	8,159,447	**1,369,500**	**2,243,737**	**116,439**	**11,889,123**

	As at December 31, 2024				
	US and Canada	Australia and New Zealand	Mexico	All other countries	Total
	$	$	$	$	$
Select assets					
Finance receivables	6,333,852	388,051	848,315	—	7,570,218
Equipment under operating leases	11,903	929,096	1,494,431	—	2,435,430
Goodwill and intangible assets	1,531,790	23,971	13,822	103,118	1,672,701
Property, equipment and leasehold improvements	75,197	12,200	11,974	13,169	112,540
	7,952,742	1,353,318	2,368,542	116,287	11,790,889

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

15. 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).

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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 $248 as at March 31, 2025 (December 31, 2024 - $263).

		As at March 31, 2025	As at December 31, 2024
		$	$
Assets	**Classification**		
Right-of-use assets	Buildings, net of accumulated amortization[1]	**77,983**	79,534
Liabilities	**Classification**		
Lease liabilities	Accounts payable and accrued liabilities	**89,967**	90,566

1. As at March 31, 2025, right-of-use assets are recorded net of accumulated amortization of $49,073 (December 31, 2024 - $47,229).

		Three-month period ended	
		March 31, 2025	March 31, 2024
Lease cost	**Classification**	**$**	$
Amortization of leased assets	Depreciation and amortization	**1,761**	2,167
Interest on lease liabilities	Interest expense	**894**	784
Net lease cost		**2,655**	2,951

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

Maturity of lease liabilities	As at March 31, 2025
	$
2025	**3,913**
2026	**6,515**
2027	**6,376**
2028	**6,414**
2029	**5,890**
Thereafter	**60,859**

Lease Term and Discount Rate	**As at March 31, 2025**	As at December 31, 2024
Weighted-average remaining lease term (years)	**14.8**	14.9
Weighted-average discount rate	**4.22 %**	4.21 %

16. 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.

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.

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, 2025				
		Level 1	Level 2	Level 3	
	Carrying value	Quoted market price	Observable market inputs	Non-observable market inputs	Total
	$	$	$	$	$
Financial assets					
Assets not carried at fair value					
Cash	**497,956**	**497,956**	**—**	**—**	**497,956**
Finance lease receivables[1]	**7,229,373**	**—**	**—**	**7,229,373**	**7,229,373**
Finance loans receivables	**325,667**	**—**	**—**	**325,667**	**325,667**
Accounts receivable and other assets	**180,866**	**—**	**—**	**180,866**	**180,866**
Assets held at fair value					
Derivative financial assets					
Foreign exchange contracts	**57,825**	**—**	**57,825**	**—**	**57,825**
Interest rate swaps	**28,988**	**—**	**28,988**	**—**	**28,988**
Equity swaps	**9,781**	**—**	**9,781**	**—**	**9,781**
Investments classified as FVTPL	**4,266**	**—**	**—**	**4,266**	**4,266**
Total financial assets	**8,334,722**	**497,956**	**96,594**	**7,740,172**	**8,334,722**
Financial liabilities					
Liabilities not carried at fair value					
Accounts payable and accrued liabilities	**1,228,332**	**—**	**—**	**1,228,332**	**1,228,332**
Borrowings on finance receivables[1]	**8,908,953**	**—**	**—**	**8,908,953**	**8,908,953**
Liabilities held at fair value					
Derivative financial liabilities					
Foreign exchange contracts	**14,295**	**—**	**14,295**	**—**	**14,295**
Interest rate swaps	**20,090**	**—**	**20,090**	**—**	**20,090**
Total financial liabilities	**10,171,670**	**—**	**34,385**	**10,137,285**	**10,171,670**

1. As at March 31, 2025, the finance lease receivables and borrowings on finance receivables exclude the continuing involvement asset and liability, respectively, of $136,932.

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	As at December 31, 2024				
		Level 1	Level 2	Level 3	
	Carrying value	Quoted market price	Observable market inputs	Non-observable market inputs	Total
	$	$	$	$	$
Financial assets					
Assets not carried at fair value					
Cash	128,845	128,845	—	—	128,845
Finance lease receivables[1]	7,095,708	—	—	7,095,708	7,095,708
Finance loans receivables	341,827	—	—	341,827	341,827
Accounts receivable and other assets	196,545	—	—	196,545	196,545
Assets held at fair value					
Derivative financial assets					
Foreign Exchange contracts	64,069	—	64,069	—	64,069
Interest rate swaps	23,983	—	23,983	—	23,983
Equity Swaps	9,870	—	9,870	—	9,870
Investments classified as FVTPL	5,623	—	—	5,623	5,623
Total financial assets	7,866,470	128,845	97,922	7,639,703	7,866,470
Financial liabilities					
Liabilities not carried at fair value					
Accounts payable and accrued liabilities	1,338,188	—	—	1,338,188	1,338,188
Borrowings on finance receivables	8,331,106	—	—	8,331,106	8,331,106
Liabilities held at fair value					
Derivative financial liabilities					
Foreign exchange contracts	8,735	—	8,735	—	8,735
Interest rate swaps	12,831	—	12,831	—	12,831
Total financial liabilities	9,690,860	—	21,566	9,669,294	9,690,860

1. As at December 31, 2024, the finance lease receivables and borrowings on finance receivables exclude the continuing involvement asset and liability, respectively, of $132,683.

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17. SYNDICATIONS

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

	Classification	**As at March 31, 2025**	As at December 31, 2024
		$	$
Allowance for early termination	Accounts payable and accrued liabilities	**2,026**	3,105
Deferred servicing fee	Finance receivables	**51**	62

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

	Classification	**As at March 31, 2025**	As at December 31, 2024
		$	$
Continuing involvement in syndicated assets	Finance receivables	**136,932**	132,683
Liabilities associated with continuing involvement in syndicated assets	Secured borrowings	**136,932**	132,683
Allowance for early termination	Accounts payable and accrued liabilities	**16,681**	15,398
Net book value of assets related to deals remaining in continuing involvement	N/A	**4,366,378**	4,329,468

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

		Three-month period ended	
		March 31, 2025	March 31, 2024
	Classification	**$**	$
Syndication revenue, net	Syndication revenue, net	**11,633**	8,226
Net book value of assets syndicated	n/a	**573,830**	473,248

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18. COMPARATIVE FIGURES

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