



Q4 2021 | **Supplementary Information**

as at December 31, 2021

This supplementary information should be read in conjunction with the Company's Management Discussion & Analysis dated December 31, 2021.

In this document, the Company presents measures that do not have a standardized meaning under IFRS and may not be comparable to similarly-named or any other non-GAAP measures presented by other organizations. Descriptions of the non-GAAP measures presented in this document can be found in Element's Management Discussion & Analysis that accompanies the financial statements for the most recent quarter or year, which have been filed on SEDAR (www.sedar.com).

FORWARD-LOOKING STATEMENTS DISCLAIMER

The following pages provide information management believes is relevant to an assessment and understanding of the financial condition, results and operations of Element Fleet Management Corp. (the "Company" or "Element") as at and for the three- and twelve-month periods ended December 31, 2021, and should be read in conjunction with the Company's Management Discussion & Analysis and consolidated financial statements and accompanying notes for the three- and twelve-month periods ended December 31, 2021. All monetary figures are in millions of Canadian dollars unless otherwise noted or for per share amounts. Additional information regarding the Company is available on SEDAR at www.sedar.com and on the Company's website at www.elementfleet.com.

CAUTIONARY STATEMENT

THIS ANALYSIS HAS BEEN PREPARED TAKING INTO CONSIDERATION INFORMATION AVAILABLE TO MARCH 1, 2022. CERTAIN STATEMENTS CONTAINED IN THIS REPORT CONSTITUTE "FORWARD-LOOKING STATEMENTS". IN SOME CASES THE FORWARD-LOOKING STATEMENTS CAN BE IDENTIFIED BY WORDS OR PHRASES SUCH AS "MAY", "CAN", "WILL", "EXPECT", "GUIDANCE", "PLAN", "ANTICIPATE", "TARGET", "INTEND", "POTENTIAL", "ESTIMATE", "BELIEVE" OR THE NEGATIVE OF THESE TERMS, OR OTHER SIMILAR EXPRESSIONS INTENDED TO IDENTIFY FORWARD-LOOKING STATEMENTS, INCLUDING, AMONG OTHERS, STATEMENTS REGARDING ELEMENT'S TRANSFORMATION PLAN, GROWTH PROSPECTS AND OBJECTIVES, EXPECTATIONS REGARDING SYNDICATION, ABILITY TO DRIVE OPERATIONAL EFFICIENCIES, ASSETS, BUSINESS STRATEGY, COMPETITIVE POSITIONING, ABILITY TO CREATE VALUE FOR SHAREHOLDERS, THE EVOLUTION OF ELEMENT'S BUSINESS, THE AVAILABILITY OF FUNDS FROM OPERATIONS, CASH FLOW GENERATION, BUSINESS INTEGRATION, STRATEGIC ASSESSMENT, BUSINESS OUTLOOK, 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 THE NORMAL COURSE ISSUER BID AND ANY RENEWAL THEREOF AND OTHER EXPECTATIONS REGARDING FINANCIAL OR OPERATING PERFORMANCE AND METRICS. SUCH STATEMENTS REFLECT THE COMPANY'S CURRENT VIEWS WITH RESPECT TO FUTURE EVENTS AND ARE SUBJECT TO INHERENT RISKS, UNCERTAINTIES AND NUMEROUS ASSUMPTIONS, INCLUDING, WITHOUT LIMITATION, THE IMPACT OF THE COVID-19 PANDEMIC, GENERAL ECONOMIC CONDITIONS, OPERATIONAL CAPABILITIES, TECHNOLOGICAL DEVELOPMENT, RELIANCE ON DEBT FINANCING, DEPENDENCE ON BORROWERS, INABILITY TO SUSTAIN RECEIVABLES, COMPETITION, INTEREST RATES, REGULATION, INSURANCE, FAILURE OF KEY SYSTEMS, DEBT SERVICE, FUTURE CAPITAL NEEDS AND SUCH OTHER RISKS OR FACTORS DESCRIBED FROM TIME TO TIME IN REPORTS OF ELEMENT, INCLUDING HEREIN AND IN ELEMENT'S MD&A AND ANNUAL INFORMATION FORM, WHICH HAVE BEEN FILED ON SEDAR AND MAY BE ACCESSED AT WWW.SEDAR.COM. THE COVID-19 PANDEMIC HAS CAST ADDITIONAL UNCERTAINTY ON ELEMENT'S INTERNAL EXPECTATIONS, ESTIMATES, PROJECTIONS, ASSUMPTIONS AND BELIEFS. THE DURATION, EXTENT AND SEVERITY OF THE IMPACT THE COVID-19 PANDEMIC, INCLUDING MEASURES TO PREVENT ITS SPREAD, WILL HAVE ON ELEMENT'S BUSINESS REMAINS UNCERTAIN AND DIFFICULT TO PREDICT AT THIS TIME.

BY THEIR NATURE, FORWARD-LOOKING STATEMENTS INVOLVE NUMEROUS ASSUMPTIONS, KNOWN AND UNKNOWN RISKS AND UNCERTAINTIES, BOTH GENERAL AND SPECIFIC, WHICH CONTRIBUTE TO THE POSSIBILITY THAT PREDICTIONS, FORECASTS, PROJECTIONS AND OTHER FORMS OF FORWARD-LOOKING INFORMATION MAY NOT OCCUR OR BE ACHIEVED. MANY FACTORS COULD CAUSE ELEMENT'S ACTUAL RESULTS, PERFORMANCE OR ACHIEVEMENTS TO BE MATERIALLY DIFFERENT FROM ANY FUTURE RESULTS, PERFORMANCE OR ACHIEVEMENTS THAT MAY BE EXPRESSED OR IMPLIED BY SUCH FORWARD-LOOKING STATEMENTS AND READERS ARE CAUTIONED THAT THE LIST OF FACTORS IN THE FOREGOING PARAGRAPH IS NOT EXHAUSTIVE. SHOULD ONE OR MORE OF THESE RISKS OR UNCERTAINTIES MATERIALIZE, OR SHOULD ASSUMPTIONS UNDERLYING THE FORWARD-LOOKING STATEMENTS PROVE INCORRECT, ACTUAL RESULTS MAY VARY MATERIALLY FROM THOSE DESCRIBED HEREIN AS INTENDED, PLANNED, ANTICIPATED, BELIEVED, ESTIMATED OR EXPECTED. ACCORDINGLY, READERS ARE CAUTIONED NOT TO PLACE UNDUE RELIANCE ON FORWARD-LOOKING STATEMENTS OR INTERPRET OR REGARD FORWARD-LOOKING STATEMENTS AS GUARANTEES OF FUTURE OUTCOMES, AS NO FORWARD-LOOKING STATEMENT MAY BE GUARANTEED. EXCEPT AS MAY BE REQUIRED BY APPLICABLE CANADIAN SECURITIES LAWS, THE COMPANY DOES NOT INTEND, AND DISCLAIM ANY OBLIGATION TO UPDATE OR REWRITE ANY FORWARD-LOOKING STATEMENTS WHETHER ORAL OR WRITTEN AS A RESULT OF NEW INFORMATION, FUTURE EVENTS OR OTHERWISE.

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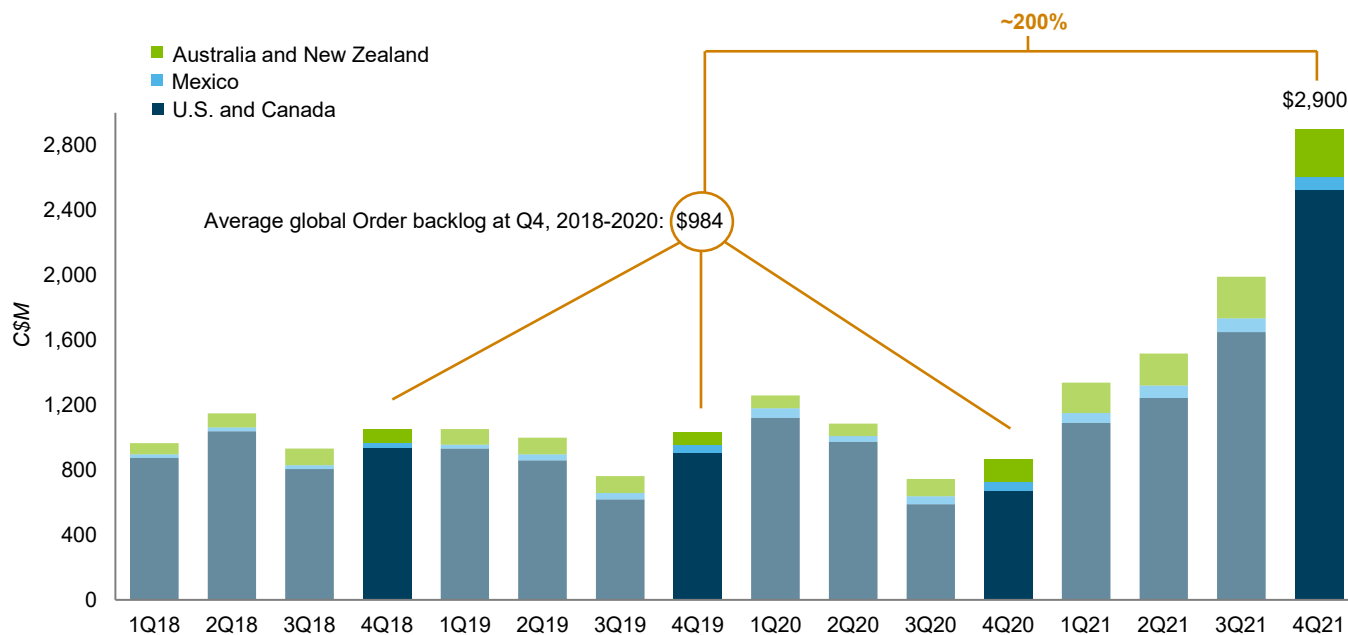
Featured Disclosures this Period

FEATURED DISCLOSURES

1.1 Global Order backlog (excluding Armada, in constant currency (CC))

Robust client demand for new vehicles in all our operating geographies, coupled with unprecedented OEM production delays, has driven our global Order backlog to a record \$2.9 billion, which is ~3.0x our average global Order backlog at year-end.

Orders are OEM commitments to produce vehicles for Element and client commitments to lease or purchase those vehicles from Element, meaning Orders represent guaranteed future revenue, operating income and cash flow. Upon vehicle production, Element compensates the OEM, thereby Originating that vehicle Ordered by that client.



FEATURED DISCLOSURES

1.2.1 Free cash flow per share

Free cash flow per share for the quarter was up 19.1% or 4 cents from Q4 2020 and 23.9% or 5 cents per share on a constant currency basis. Quarter-over-quarter, free cash flow per share grew 9.4% or 2 cents per share, and 10.0% or 2 cents on a constant currency basis. For the full-year 2021, free cash flow per share was up 2.1%, the rounded impact of which is 3 cents per share over 2020, and 7.9% or 8 cents in constant currency.

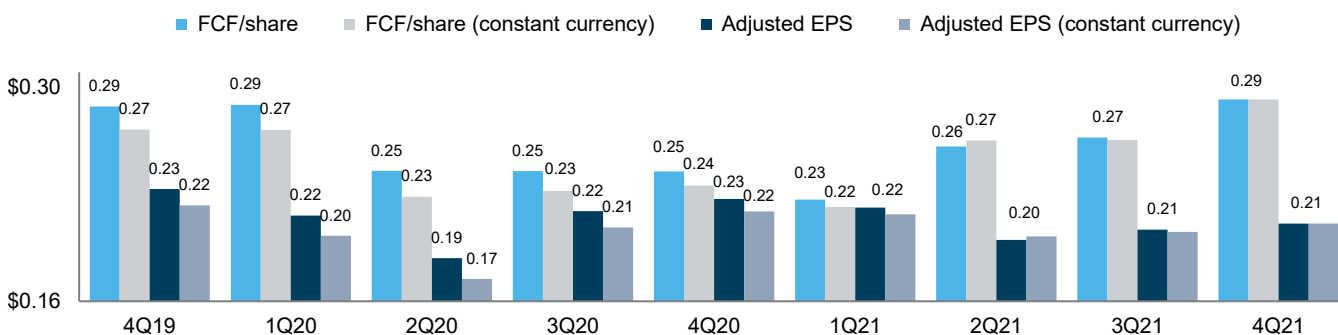
C\$ millions (except free cash flow per common share)	Source	FY19	1Q20	2Q20	3Q20	4Q20	FY20	1Q21	2Q21	3Q21	4Q21	FY21
Adjusted operating income (AOI)	a.	514.0	129.3	111.1	129.0	132.1	501.5	137.3	126.5	125.6	122.6	512.0
Adjust for non-cash items in AOI:												
Depreciation and amortization	b.	42.3	10.7	10.9	10.6	10.4	42.5	10.5	10.4	15.9	13.7	50.5
Amortization of deferred lease costs	c.	29.7	7.0	6.4	6.2	9.3	28.9	8.4	5.4	6.2	6.8	26.7
Amortization of deferred financing costs	c.	48.8	9.5	11.2	8.2	11.1	40.0	5.3	6.1	5.7	5.1	22.2
Amortization of deferred convertible debenture costs	d.	0.8	1.6	1.2	0.3	0.3	3.4	0.3	0.3	0.3	0.3	1.2
Provision for credit losses	c.	2.1	12.1	1.1	(0.9)	(0.6)	11.7	(3.5)	(1.5)	(1.9)	1.4	(5.5)
Amortization of deferred revenue												
Adjust for cash items not included in AOI:												
Cash revenue received in the period, recognition of which is deferred												
Lease costs incurred in the period, recognition of which is deferred												
Cash from operations		587.7	157.7	130.0	147.6	139.5	574.7	140.5	140.3	144.0	147.2	572.0
Subtract required cash expenses:												
Sustaining capital investments	e.	(41.4)	(10.5)	(7.3)	(9.5)	(14.4)	(41.7)	(10.3)	(11.0)	(13.2)	(14.5)	(49.0)
Preferred share dividends	f.	(44.4)	(10.9)	(10.9)	(10.9)	(8.1)	(40.8)	(8.1)	(8.1)	(8.1)	(8.1)	(32.4)
Cash taxes	c.	(45.8)	(10.0)	(4.4)	(19.6)	(9.0)	(43.0)	(22.7)	(9.1)	(11.4)	(5.1)	(48.4)
Free cash flow		456.1	126.3	107.3	107.6	107.9	449.2	99.3	112.1	111.3	119.5	442.2
Weighted avg. # of common shares outstanding (million)	f.	434.8	437.3	437.8	438.8	440.2	438.6	438.5	428.6	416.4	409.2	423.1
Per common share outstanding		1.05	0.29	0.25	0.25	0.25	1.02	0.23	0.26	0.27	0.29	1.05
Free cash flow (constant currency)		431.8	119.1	100.0	101.9	103.8	425.0	97.3	113.4	110.6	119.5	442.2
Per common share outstanding (CC)		0.99	0.27	0.23	0.23	0.24	0.97	0.22	0.27	0.27	0.29	1.05

Sources

- a. MD&A
- b. Financial Statements - Statement of Operations
- c. Financial Statements - Statement of Cash Flows
- d. Financial Statements - Convertible debentures note
- e. This Supplementary Information document
- f. Financial Statements - Earnings per share note

1.2.2 Free cash flow and adjusted operating income per share

Q4 2021 free cash flow per share increased by 4 cents from Q4 2020 as reported and 5 cents per share on a constant currency basis, while adjusted EPS declined 2 cents as reported and 1 cent on a constant currency basis. Q4 2021 free cash flow per share grew 2 cents quarter-over-quarter as reported and 2 cents per share on a constant currency basis, while adjusted EPS remained unchanged both as reported and on a constant currency basis quarter-over-quarter. These differences between FCF/share and adjusted EPS highlight how much lower Element's real (ie. cash) tax costs are than the effective tax rate on our reported earnings.



FEATURED DISCLOSURES

1.3 2022/2023 outlook

With market dynamics and supply chain matters unfolding in a manner consistent with Management's assumptions, we reiterate the outlook and estimates that we provided in November 2021 regarding 2022 and 2023 results as set out below.¹ For certainty: there have been no changes to our 2022 or 2023 estimates since November 2021.

	2022 Estimates	2023 Estimates
Net Revenue	\$975-995 million ~1-3% year-over-year growth ²	\$1,050-1,080 million 8-10% year-over-year growth
Adjusted operating income	\$510-530 million 52-53% operating margin 1-3% year-over-year AOI growth ² \$0.87-0.90 Adjusted EPS	\$570-600 million 53-55% operating margin 10-16% year-over-year AOI growth \$1.00-1.05 Adjusted EPS
Free cash flow (FCF) per share	\$435-455 million \$1.09-1.14 FCF per share 8-13% year-over-year FCF per share growth ²	\$530-560 million \$1.35-1.42 FCF per share 20-27% year-over-year FCF per share growth

1. 2022 and 2023 estimates are based on Q3 2021 FX rates.

2. 2022 estimated growth rates represent variances to forecast 2021 results disclosed in November 2021.

Strategic Priorities

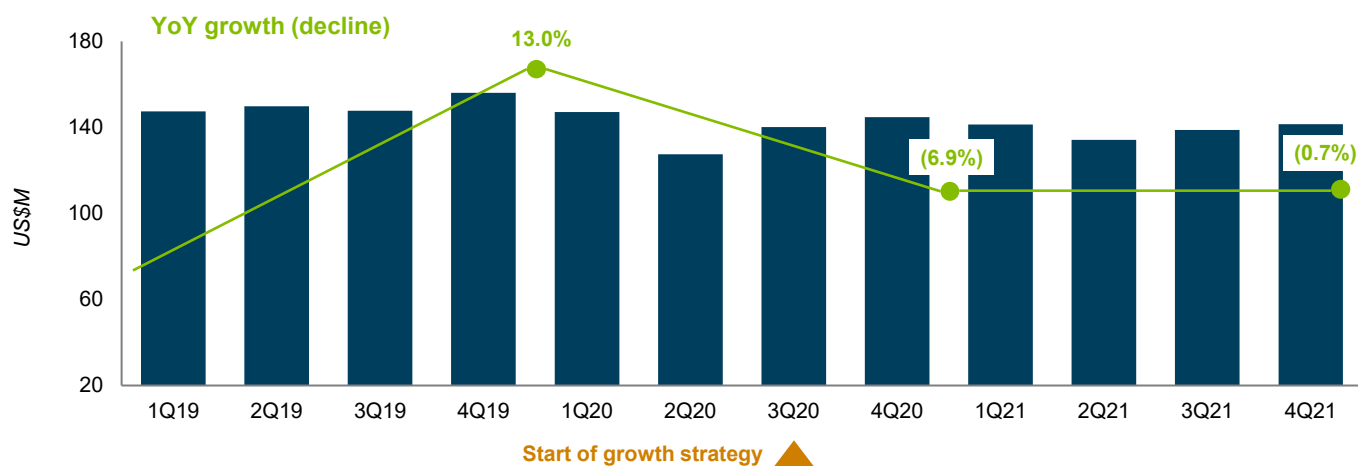
STRATEGIC PRIORITY: Grow annual net revenue 4-6% in normal market conditions

2.1.1 Net revenue growth full-year-over-full-year (YoY) in the U.S./Canada – in U.S. dollars

Automotive OEM production delays driven by the global microchip shortage were particularly acute in the U.S. and Canada in 2021, where our origination volumes and related revenues were negatively impacted. Importantly, the impacted revenue is **not** lost but rather deferred. It is represented by our record vehicle order backlog in the U.S./Canada, which – at year-end 2021 – was approximately 3 times the size it had been at year-end 2018, 2019 or 2020. (Please see section 1.1 of this Supplementary Information document.)

Against the backdrop of this first-ever new vehicle shortage, *as well as* a slower recovery in client vehicle activity levels than expected, U.S./Canadian 2021 net revenue was notably resilient. (Client vehicle activity levels are a key driver of services revenue.)

With client vehicle activity in the U.S./Canada now back at or approximating pre-pandemic levels, and tens of millions of dollars in net revenue deferred but preserved in our record U.S./Canadian order backlog, this region is best positioned to benefit from the gradual normalization of OEM production levels over the course of 2022 and H1 2023. As previously communicated, we expect OEMs to begin drawing down our excess order backlog in H2 2023, which will generate outsized revenue, operating income and cash flow in the U.S./Canada.



STRATEGIC PRIORITY: Grow annual net revenue 4-6% in normal market conditions

ANZ delivered significant net revenue growth in 2021 despite OEM production headwinds in the region, as well as multiple pandemic-driven lockdowns throughout 2021. One of the largest drivers of ANZ's net revenue growth in 2021 was outsized gains on the sale of end-of-lease vehicles into the local, supply-constrained secondary market. In ANZ, we bear the residual value risk on the vehicles we lease and, therefore, as in Mexico, proceeds from end-of-lease sales are for Element's account.

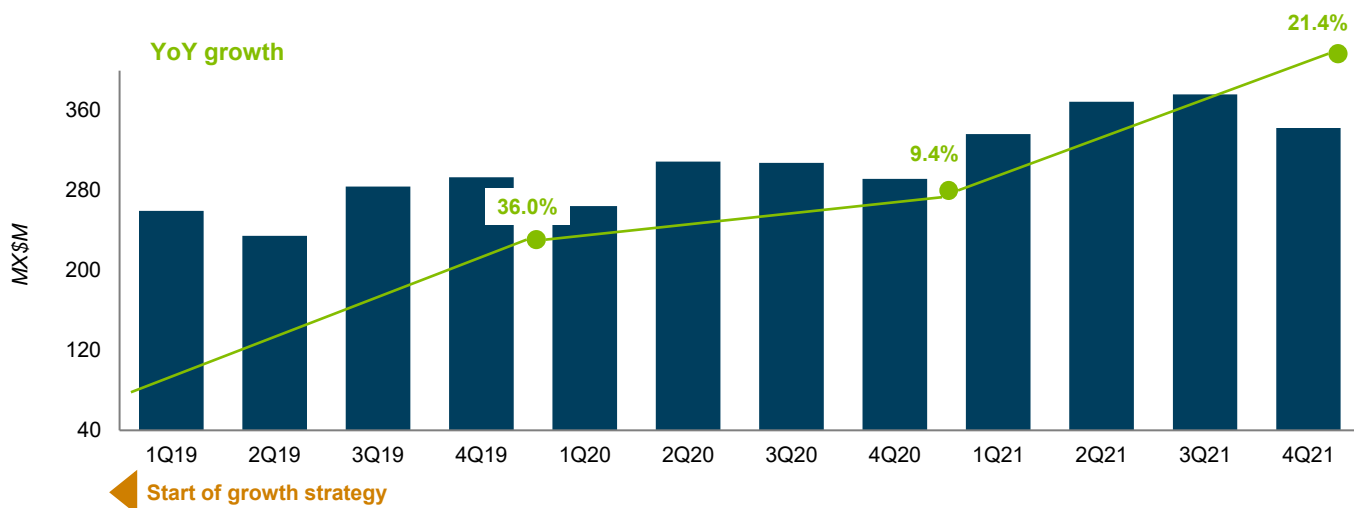
Mexico was the market least impacted by OEM production delays in 2021. Element maintained our high net revenue growth trajectory in the region, benefitting from improved gains on sale (as was the case in ANZ) as well as a continually growing client roster. We distinctly improved services penetration of those clients in Mexico in 2021.

ANZ and Mexico each have their own record-high vehicle order backlogs (see section 1.1 of this Supplementary Information document), which we expect to be drawn-down on approximately the same timeline as in the U.S./Canada.

2.1.2 Net revenue growth YoY in Australia and New Zealand – in local currency (Australian dollars)



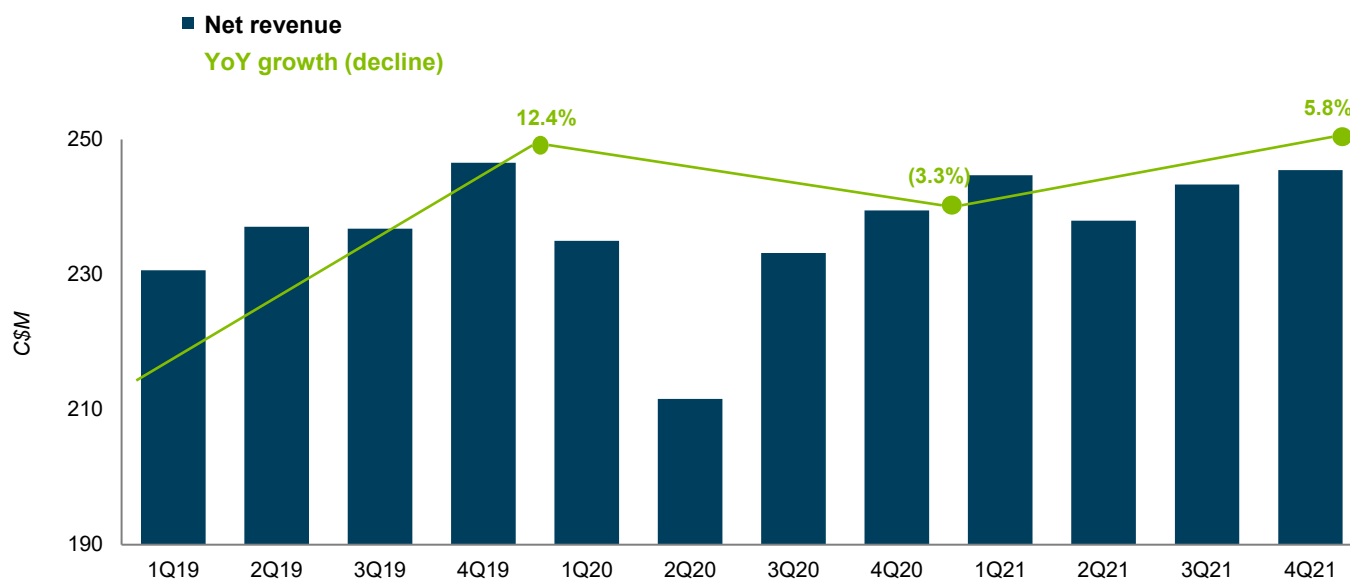
2.1.3 Net revenue growth YoY in Mexico – in local currency (Mexican pesos)



STRATEGIC PRIORITY: Magnify net revenue growth in operating income growth

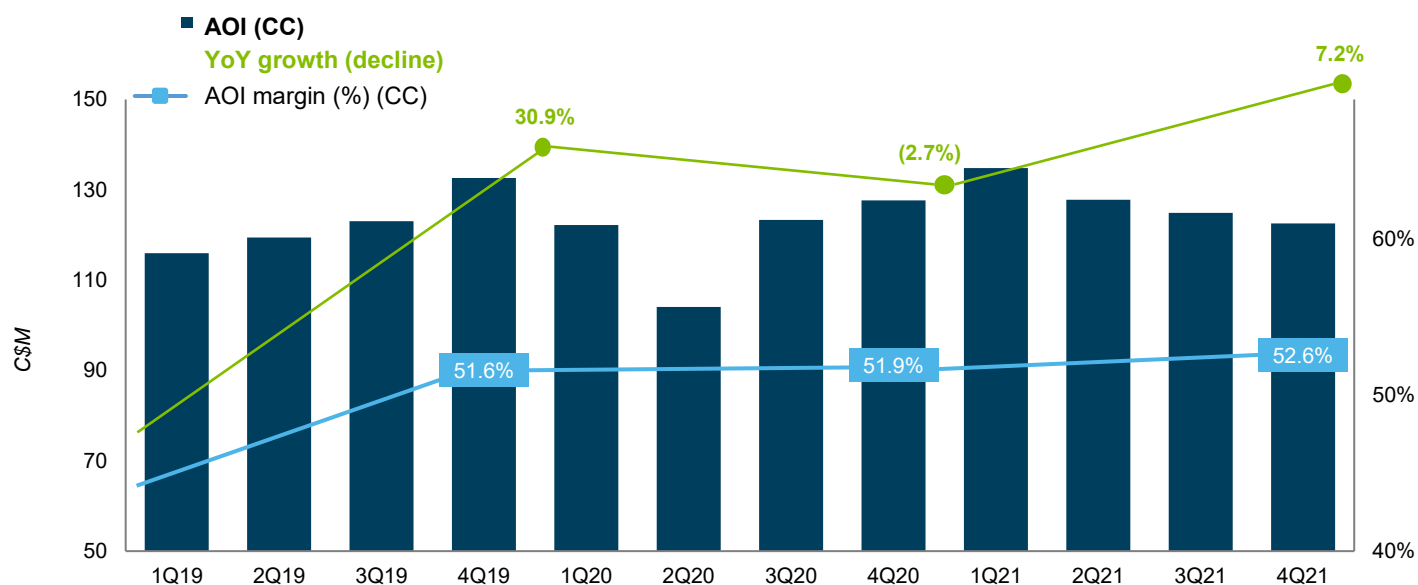
2.2 Global net revenue growth

Global net revenue grew 5.8% in 2021 on a constant currency basis.



2.3 Global operating income growth and operating margin expansion

2021 adjusted operating income (AOI) grew 7.2% over 2020 in constant currency and operating margin (AOI divided by net revenue, each in constant currency) expanded 66 basis points in 2021 from 2020.

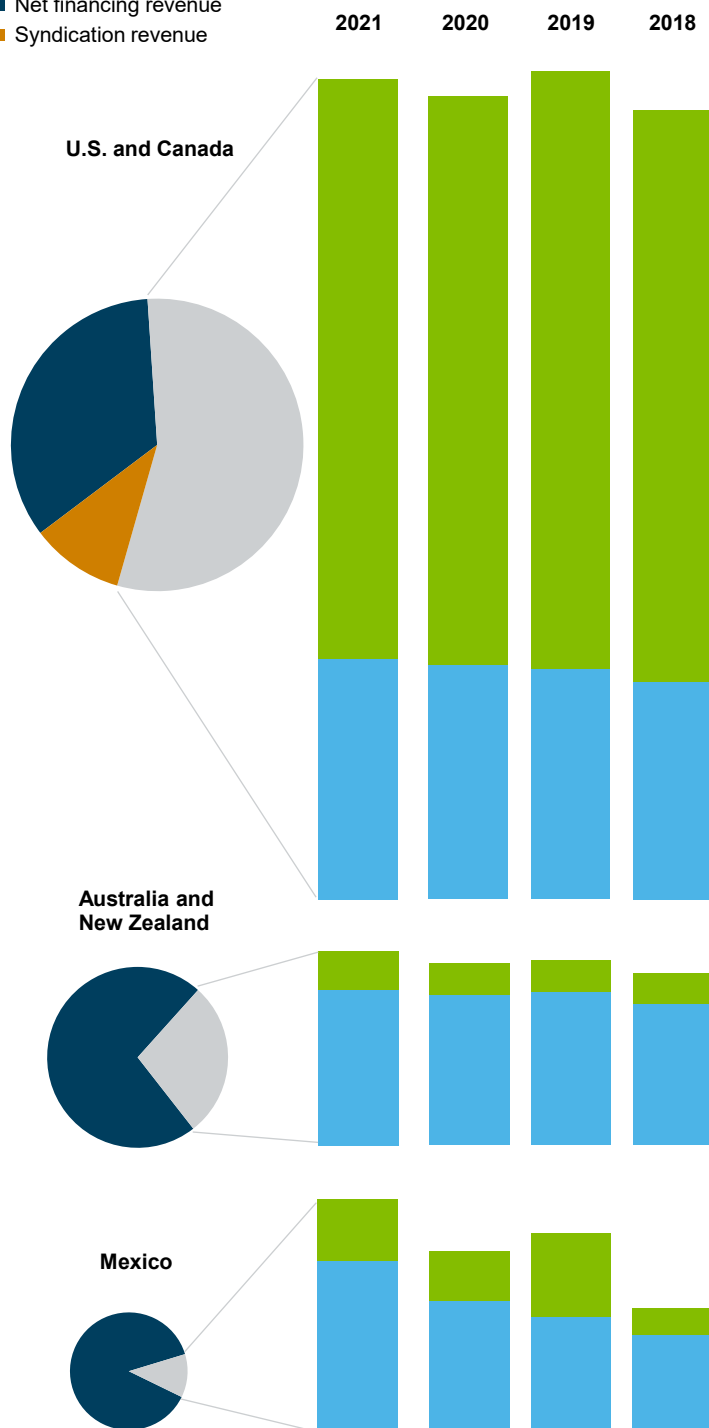


STRATEGIC PRIORITY: Advance a capital-lighter model by growing services revenue

3.1 Net revenue streams by geography, and services revenue by geography, nature and product

We earn varying degrees of services revenue in different geographies, and the nature of that services revenue (usage-based versus recurring) varies by both geography and product across our business. Globally, we have ample opportunity to generate more and a higher proportion of services revenue, which is aligned with our advancement of a capital-lighter business model. Services revenue requires little capital to generate – typically only the net working capital required to pay our outsourced service providers until we are reimbursed by our clients – making services revenue highly accretive to return on equity.

■ Services revenue (in constant currency through 2018)
 ■ Net financing revenue
 ■ Syndication revenue



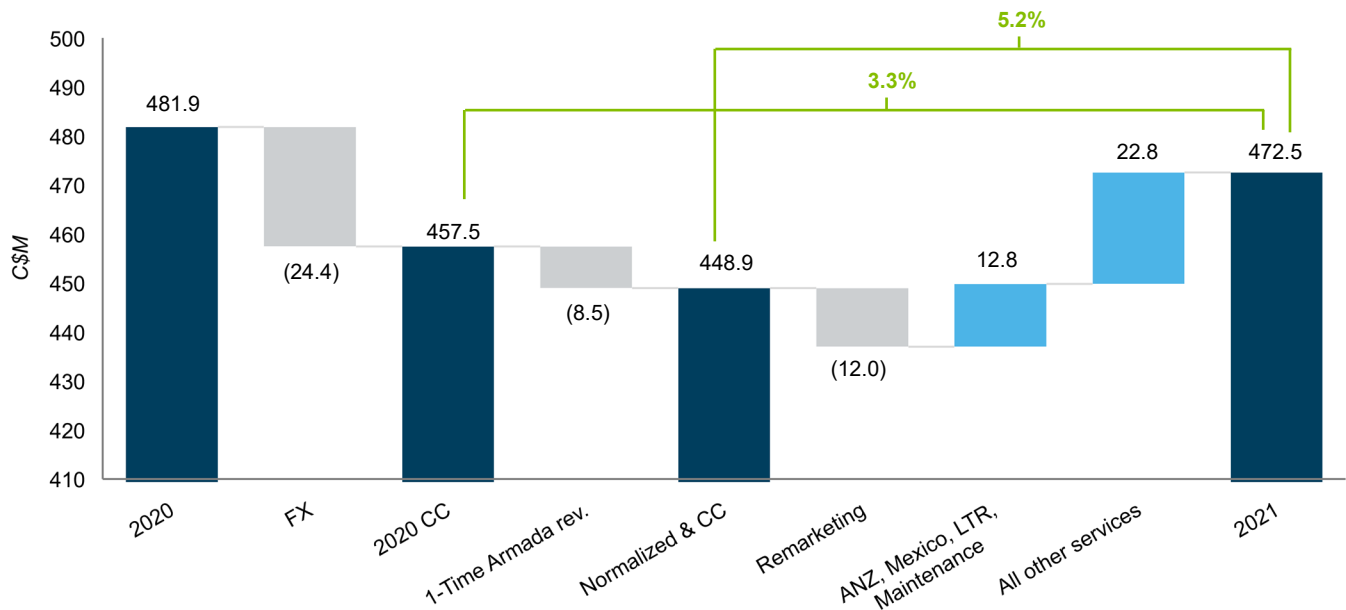
Services revenue by geography, nature and product

Usage-based	Recurring
Note: In most cases, services have both usage-based and recurring components to their revenue. Globally overall, approximately two thirds of our service revenue is usage-based and one third is recurring.	
Accident	Accident
Acquisitions	Driver safety
Fuel	Fuel
Long term rentals	Fleet Partnership Solutions
Maintenance	Maintenance
Taxable benefits	End of contract
Remarketing	
Roadside assistance	
Telematics	Telematics
Titling & registration	Titling & registration
Tolls & violations	
Accident	Accident
Fuel	Fuel
Maintenance	Maintenance
Roadside assistance	Insurance
Telematics	Telematics
Tires	Peace of Mind
Tolls & violations	
Accident	Accident
Fuel	Fuel
Maintenance	Maintenance
Telematics	Telematics
Titling & registration	Titling & registration

STRATEGIC PRIORITY: Advance a capital-lighter model by growing services revenue

3.2 2020 -> 2021 services revenue walk

In 2021, services revenue grew \$14.9 million or 3.3% in constant currency, and \$23.5 million or 5.2% further controlling for one-time services revenue in Q3 of 2020. 2021 services revenue benefited from the growth of ANZ and Mexico contributions, as well as growth in the contributions of long-term rental (LTR) and maintenance revenues in particular. "All other services" revenue growth was led by growth in telematics, fuel revenue, and Armada service consumption. Remarketing revenue (earned only in the U.S./Canada) was negatively impacted by OEM production delays throughout 2021. (With a shortage of new vehicles delivered to clients, there was a shortage of 'old' vehicles to remarket on clients' behalf.)



STRATEGIC PRIORITY: Advance a capital-lighter model through strategic syndication

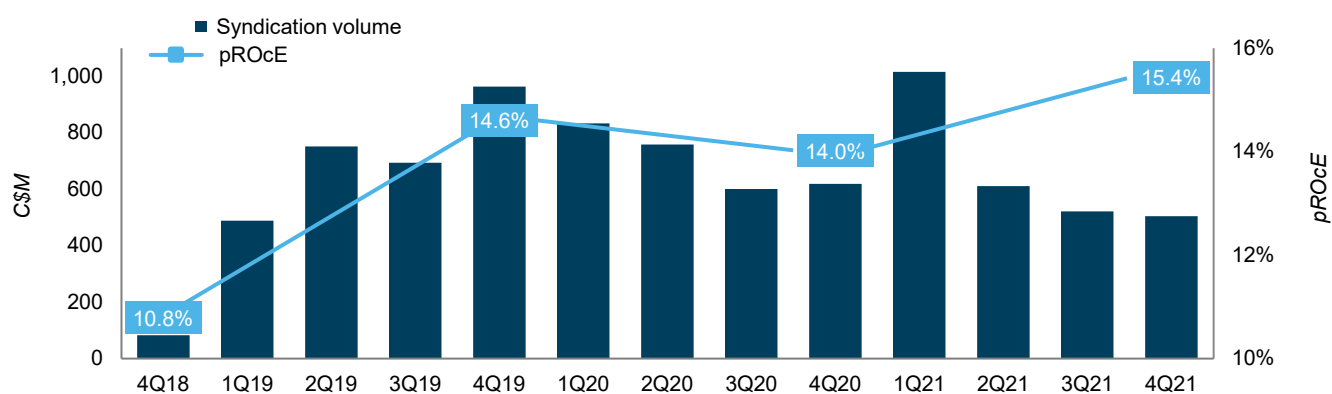
The role of Syndication in our growth strategy

Our sale of fleet assets to financial buyers with a lower cost of capital advances several aspects of Element's profitable growth strategy:

- Syndication generates a highly profitable, recurring revenue stream for the Company;
- Syndication accelerates revenue recognition (without compromising economics), improving the velocity of cash flow; and
- Syndication facilitates a capital-lighter business model. Selling these assets alleviates the need for Element to take on additional leverage – and set aside additional equity – to fund the assets on our balance sheet. This has allowed us to significantly lower Element's tangible leverage ratio and, at the same time, return \$644 million to shareholders in 2021.

3.3 Syndication volume and pre-tax return on common equity

As part of our capital-lighter strategic objective, we syndicate U.S. leases when the economics of doing so are superior to holding the assets on our balance sheet. We plan to expand our syndication activities to Canadian and Mexican leases in 2022.



Definition

pROcE The sum of (before-tax adjusted operating income, minus preferred share dividends) for each of the current and three preceding quarters; divided by (average total equity for the current quarter and same-quarter prior year, minus current quarter preferred share capital).

3.4 Syndication investor growth and new client names syndicated

We continue to evolve the investor base in our syndicated assets and expand our offering in terms of client names syndicated. Further discussion of this growth can be found in the "Results of Operations" sections of our MD&A.

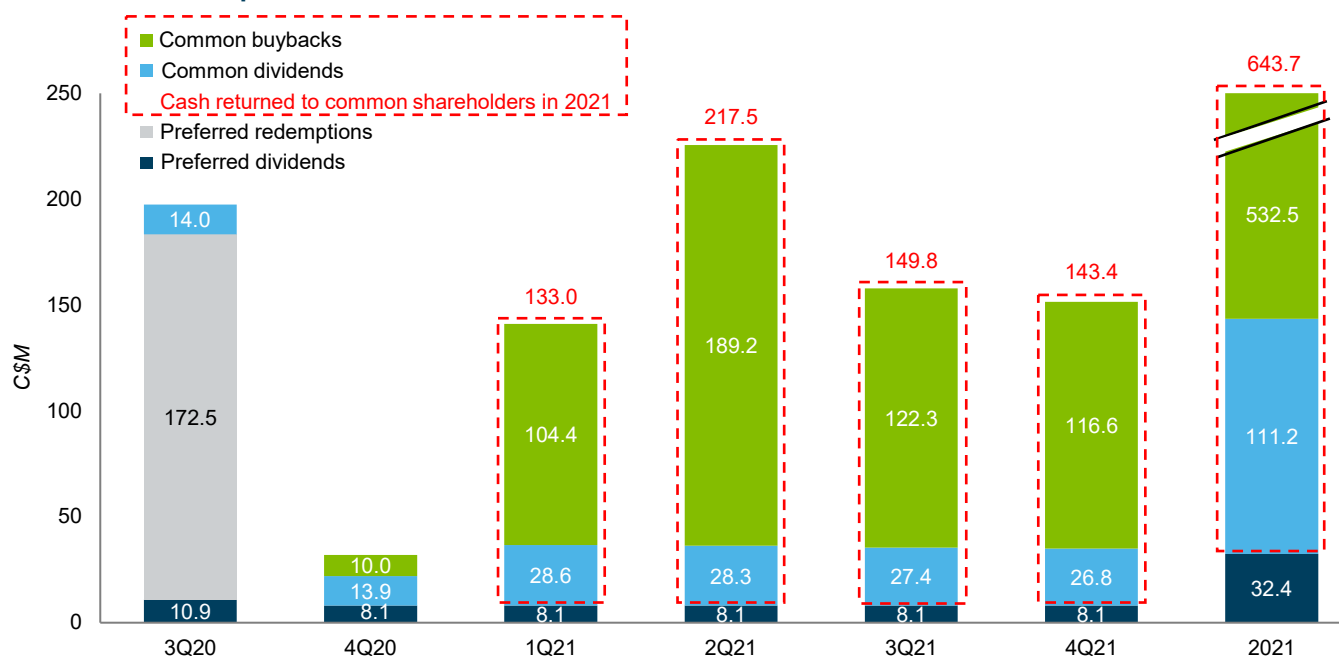
# of Investors	1Q19	2Q19	3Q19	4Q19	1Q20	2Q20	3Q20	4Q20	1Q21	2Q21	3Q21	4Q21
New	2	1	2	1	3	2	4	2	2	2	1	0
Returning	6	6	8	8	6	6	8	10	9	12	13	14
Total	8	7	10	9	9	8	12	12	11	14	14	14
Cumulative ¹	10	11	13	14	17	19	23	25	27	29	30	30

1. The number of investors in our syndicated assets, cumulative, independent of their participation in a deal in any given quarter.

# of Client names syndicated for the first time	1Q19	2Q19	3Q19	4Q19	1Q20	2Q20	3Q20	4Q20	1Q21	2Q21	3Q21	4Q21
New	3	5	3	5	2	8	3	4	9	22	24	13

STRATEGIC PRIORITY: Predictably return excess capital to shareholders

4.1 Return of capital



4.2 NCIB activity

As of January 31, 2022, Element had returned \$577.5 million to common shareholders and repurchased approximately 10% of our common shares under our normal course issuer bids (NCIB). We completed our inaugural NCIB in November 2021, having returned \$473.9 million to common shareholders through the repurchase of 34.4 million shares or 78.4% of the shares authorized for repurchase thereunder. In November 2021, we renewed our NCIB for another year and, as of January 31, 2022, we have returned \$103.6 million to common shareholders through the repurchase of 8.0 million shares or 19.6% of the shares authorized for repurchase thereunder.

	Units	Inaugural NCIB	Renewed NCIB		
			Nov. 2021	Dec. 2021	Jan. 2022
Shares repurchased	Millions	34.4	2.0	3.3	2.7
Weighted avg. share price	CAD	13.77	12.96	12.76	13.06
Cost of repurchases	CAD, millions	473.9	26.3	42.3	35.0
Cumulative shares repurchased...	Millions	34.4	2.0	5.3	8.0
...as a % of shares authorized for repurchase under NCIB		78.4%	5.0%	13.0%	19.6%
...as a % of shares issued and outstanding at commencement of NCIB		7.8%	0.5%	1.3%	2.0%
Shares issued in the period on exercise of options	Millions	4.1	0.1	0.4	0.0
Shares issued and outstanding at period end	Millions	410.0	408.0	405.1	402.4

4.3 Common dividends

On November 10, 2021 we announced a 19% increase to Element's common dividend, from \$0.26 to \$0.31 annually per share, effective immediately and therefore reflected in the Q4 2021 common dividend paid on January 14, 2022. With this increase, our common dividend represents approximately 30% of the Company's last twelve months' (LTM) free cash flow per share, which is the mid-point of the 25% to 35% payout range we plan to maintain going forward.

	Units	3Q20	4Q20	1Q21	2Q21	3Q21	4Q21
Common dividend per share	CAD	0.045	0.065	0.065	0.065	0.065	0.0775
Annualized common dividend per share as a % of LTM FCF per share		16.9%	25.4%	27.0%	26.6%	26.0%	29.6%

Commercial Processes and Results

COMMERCIAL PROCESSES AND RESULTS

5.1 Revenue units contracted in the period

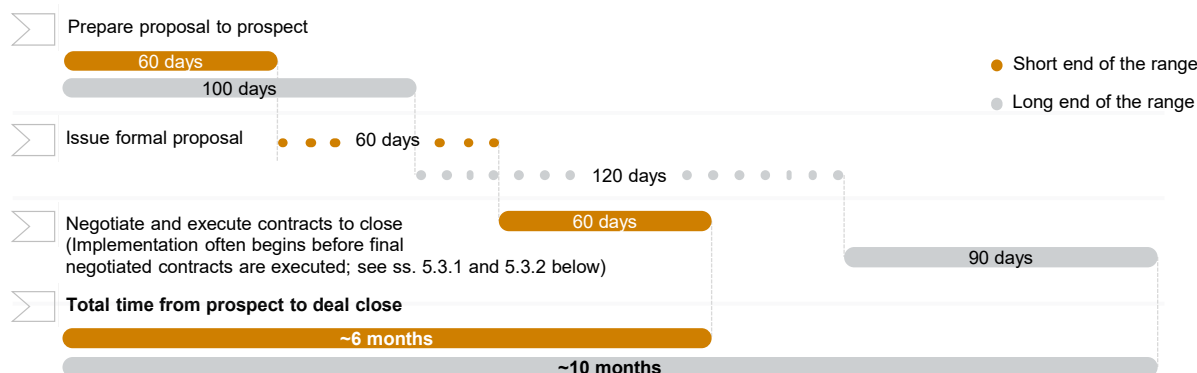
Our aggressive pursuit of organic growth is guided by our global strategy, three planks of which are (i) increasing client profitability and service penetration (share of wallet), (ii) winning new clients from other FMCs (stealing market share) and (iii) converting self-managed fleets into Element clients. Our commercial teams have been successful on all three fronts throughout 2021 in each of our operating geographies. Every "Revenue unit" represents either a lease or a single service to be provided to a specific vehicle. **It's important to note** that we often provide financing and more than one service to a single vehicle. Therefore, **a single vehicle can support multiple "revenue units"**. Revenue units will vary in their timing of implementation and their timing and degree of contribution to net revenue, operating income, cash flow and return on equity. (The figures in this table exclude Armada.)

	4Q21	4Q21	4Q21	4Q21	4Q19	2021	2021	2020	2021	2019
	Revenue units	%	Revenue units	%	Revenue units	Revenue units	%	Revenue units	%	Revenue units
Share of wallet										
Australia and New Zealand	20,444	171%	7,540	434%	3,829	52,196	68%	30,980	90%	27,400
Mexico	3,953	40%	2,829	569%	591	24,166	85%	13,046	79%	13,509
U.S. and Canada	132,318	104%	64,813	186%	46,300	319,359	96%	163,334	60%	199,522
Subtotal	156,715	108%	75,182	209%	50,720	395,721	91%	207,360	65%	240,431
Market share										
Australia and New Zealand	4,596	(8%)	5,014	95%	2,361	10,243	(33%)	15,267	(56%)	23,130
Mexico	4,325	28%	3,370	(23%)	5,607	13,701	(10%)	15,224	(14%)	15,958
U.S. and Canada	20,536	nmf	581	361%	4,452	109,196	462%	19,443	193%	37,211
Subtotal	29,457	229%	8,965	137%	12,420	133,140	167%	49,934	74%	76,299
Self-managed										
Australia and New Zealand	2,840	(67%)	8,533	nmf	0	14,787	(45%)	26,859	315%	3,559
Mexico	2,019	75%	1,154	75%	1,154	14,945	72%	8,712	29%	11,581
U.S. and Canada	23,792	500%	3,965	nmf	2,116	38,951	97%	19,747	(6%)	41,507
Subtotal	28,651	110%	13,652	776%	3,270	68,683	24%	55,318	21%	56,647
Totals										
Australia and New Zealand	27,880	32%	21,087	350%	6,190	77,226	6% ¹	73,106	43%	54,089
Mexico	10,297	40%	7,353	40%	7,352	52,812	43%	36,982	29%	41,048
U.S. and Canada	176,646	155%	69,359	234%	52,868	467,506	131%	202,524	68%	278,240
Global	214,823	120%	97,799	223%	66,410	597,544	91%	312,612	60%	373,377

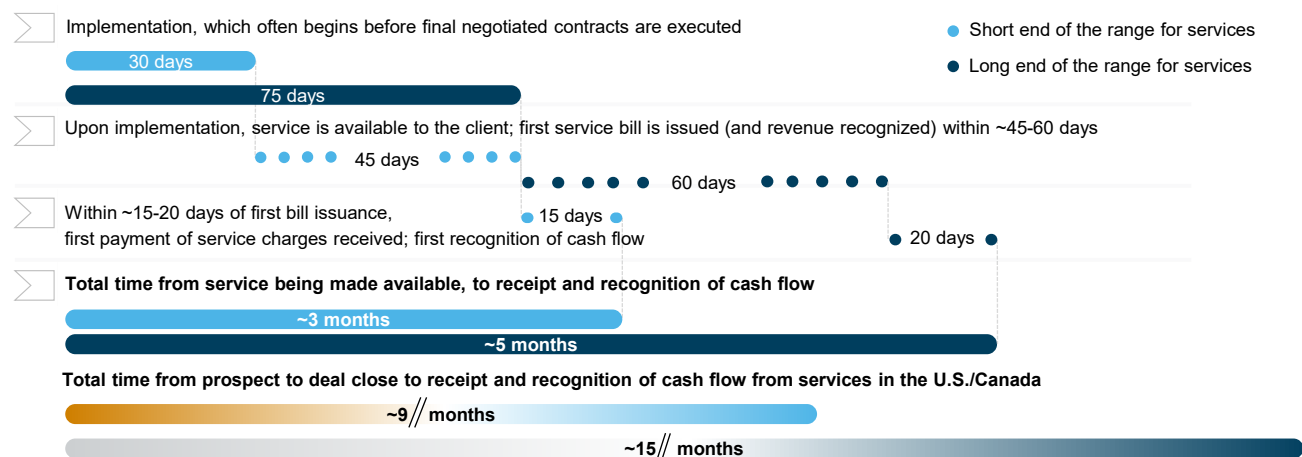
1. Substantial portions of Australia and New Zealand were locked-down at various points throughout 2021 but in the second half of the year in particular.

COMMERCIAL PROCESSES AND RESULTS

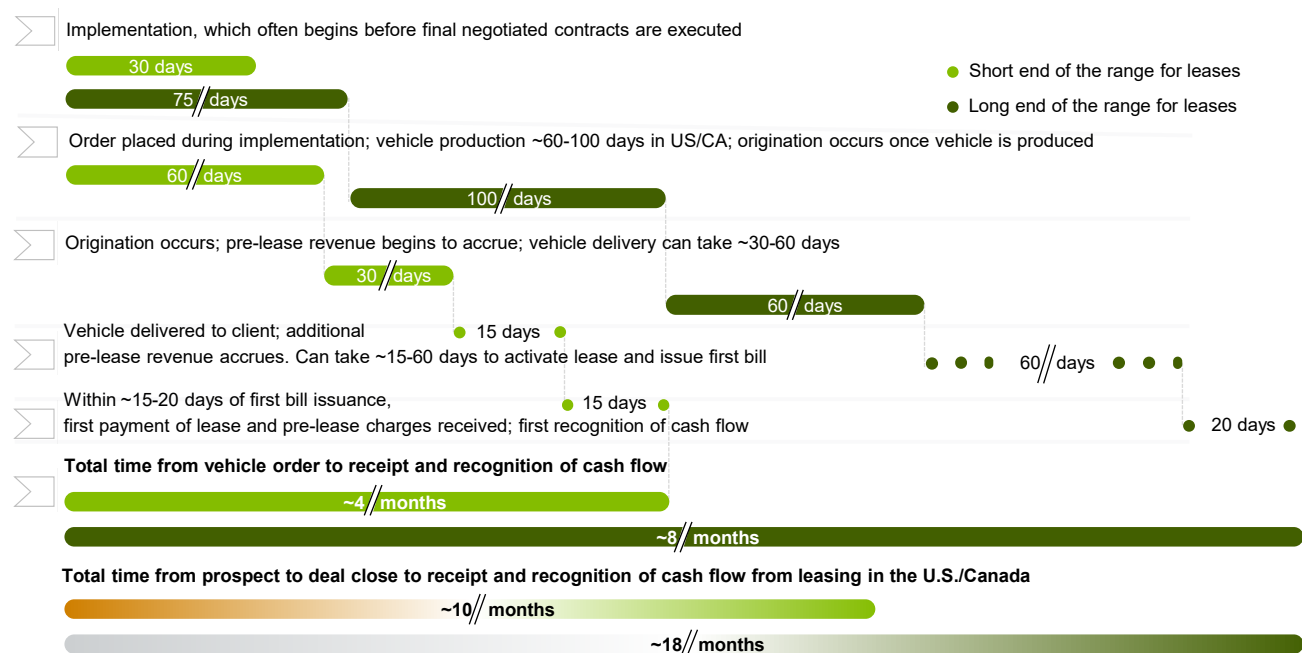
5.2 Illustrative U.S./Canadian sales timeline from prospect to deal close



5.3.1 Illustrative U.S./Canadian service implementation, billing and payment timeline



5.3.2 Illustrative U.S./Canadian lease timeline from order to origination, billing and payment

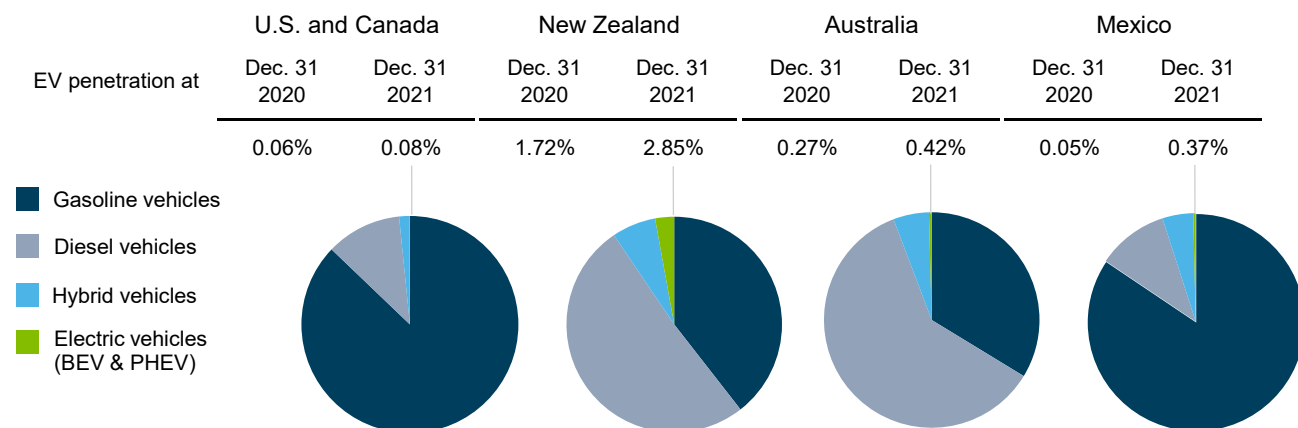


Electric Vehicles

ELECTRIC VEHICLES

6.1 EV penetration of Element clients' fleets

Element is well positioned to support our clients and lead our industry through the gradual electrification of automotive fleets. Although EV and hybrid penetration of our clients' fleets is currently immaterial, we are excited by both the economic and environmental benefits of EVs, and believe that the complexity and risk of gradually transitioning mission-critical automotive fleets from ICE-powered vehicles to EVs will increase demand for outsourced fleet management services and expertise. To this point, we recently announced *Arc by Element* – our comprehensive, integrated end-to-end EV offering that will enable us to ensure consistency for our global clients and to develop our offering to be seamless across our geographies.



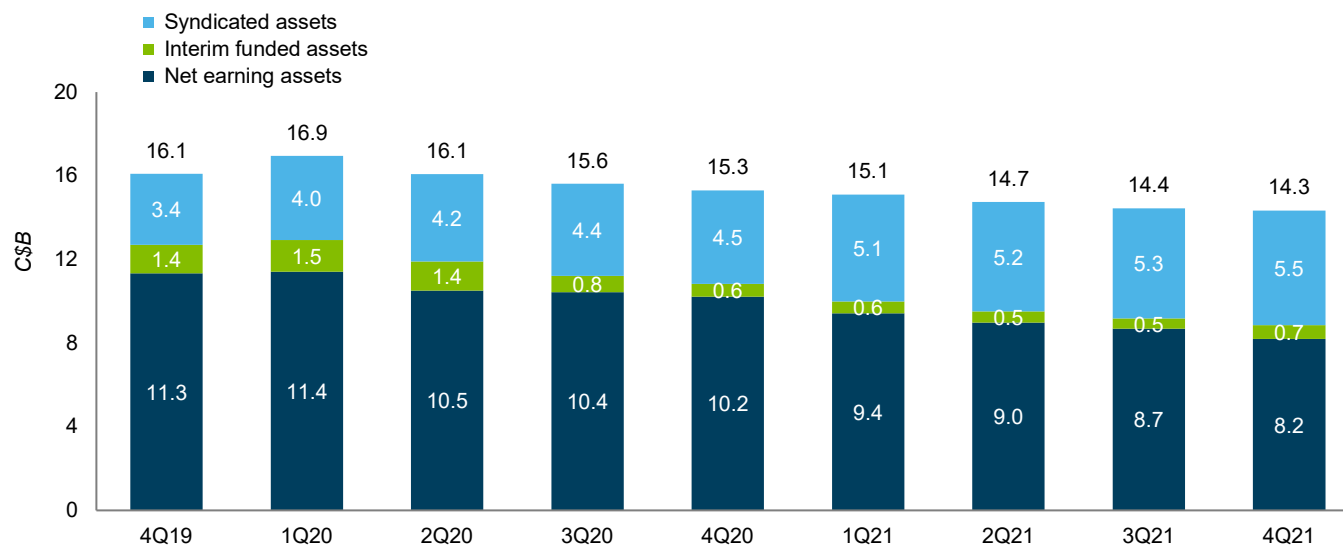
6.2 Current estimates as to the timing of battery electric vehicles achieving total cost of ownership/operation (TCO) and purchase price (PP) parity with internal combustion engine vehicles

Vehicles	TCO Parity	PP Parity	Variables
Light duty (<10,000 lbs. GVWR) (Passenger and light commercial vehicles)	2023-2025	~2025	Battery capacity, efficiency, cost (production scale) Depreciation Gas prices Electricity prices
Medium and heavy duty (>10,000 lbs. GVWR)	Mid-2020's	~2030	Purchase incentives/subsidies Use case (range, access to charging infrastructure) Maintenance and repair costs

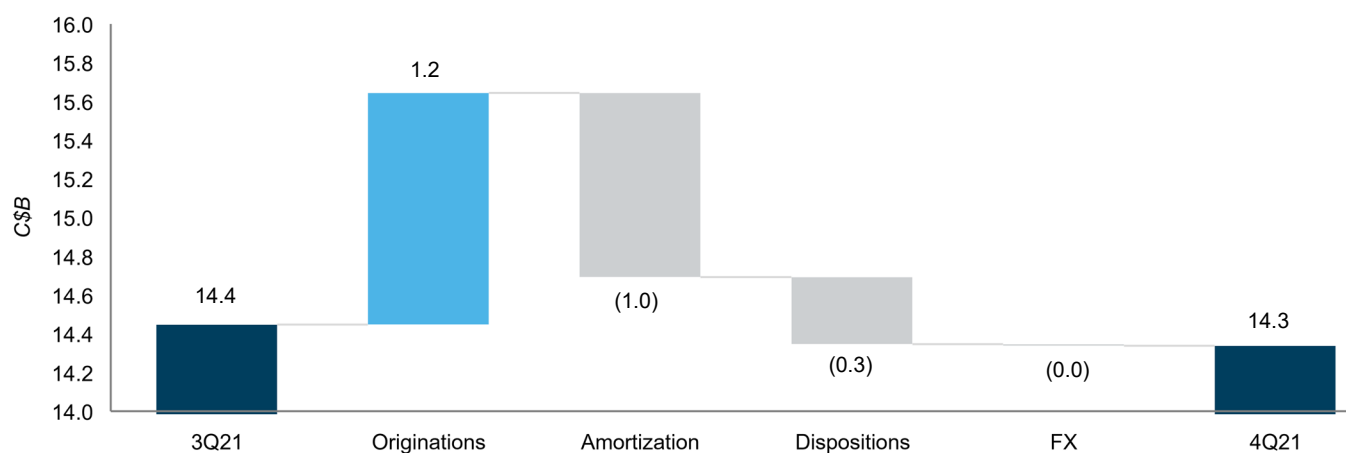
Assets Under Management & Net Earning Assets

ASSETS UNDER MANAGEMENT & NET EARNING ASSETS

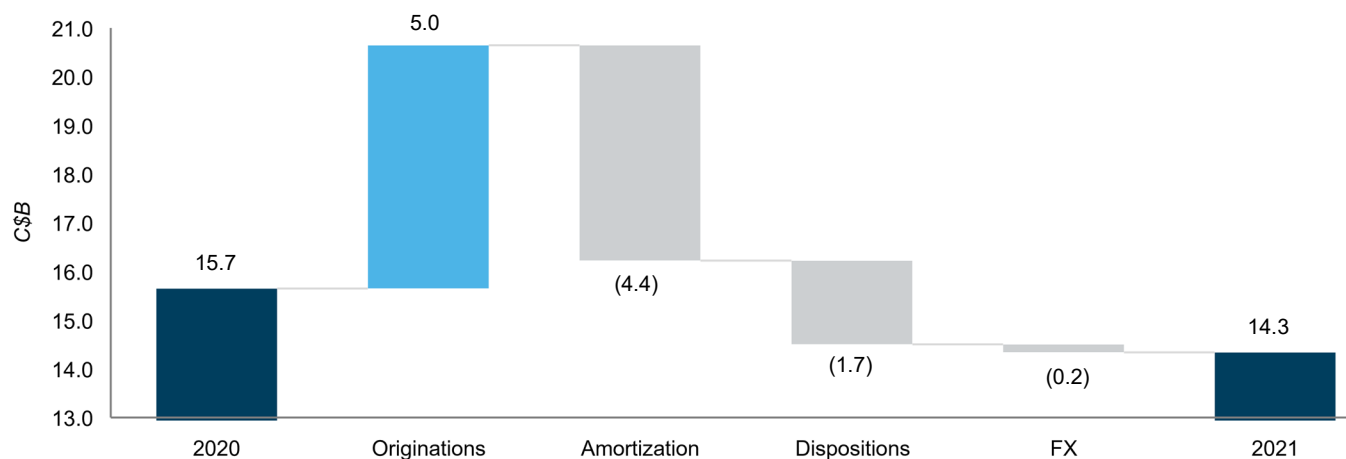
7.1 Global assets under management on a constant currency basis



7.2.1 3Q21 -> 4Q21 Assets under management

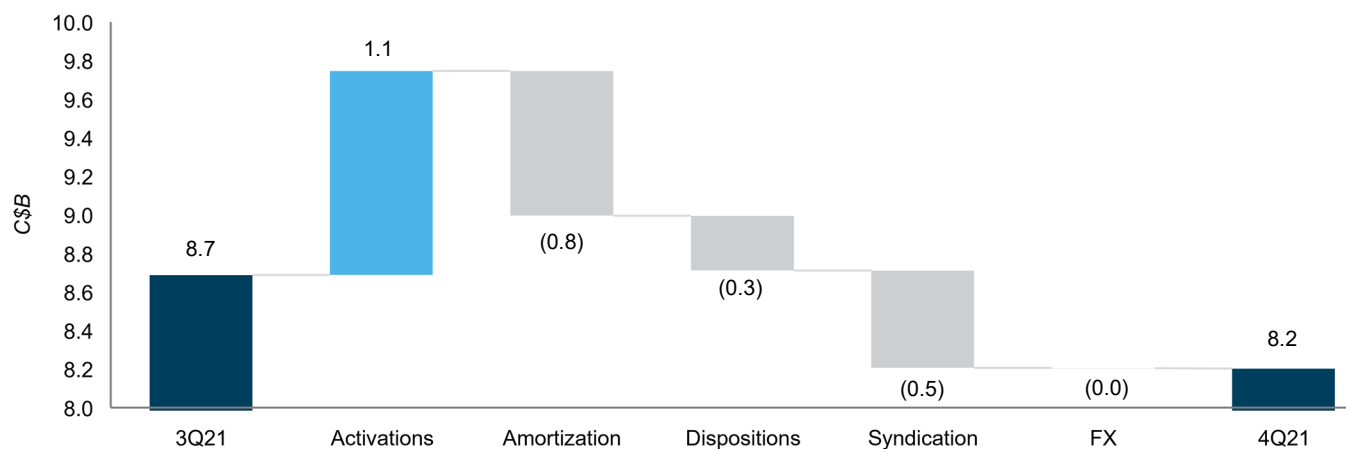


7.2.2 2020 -> 2021 Assets under management

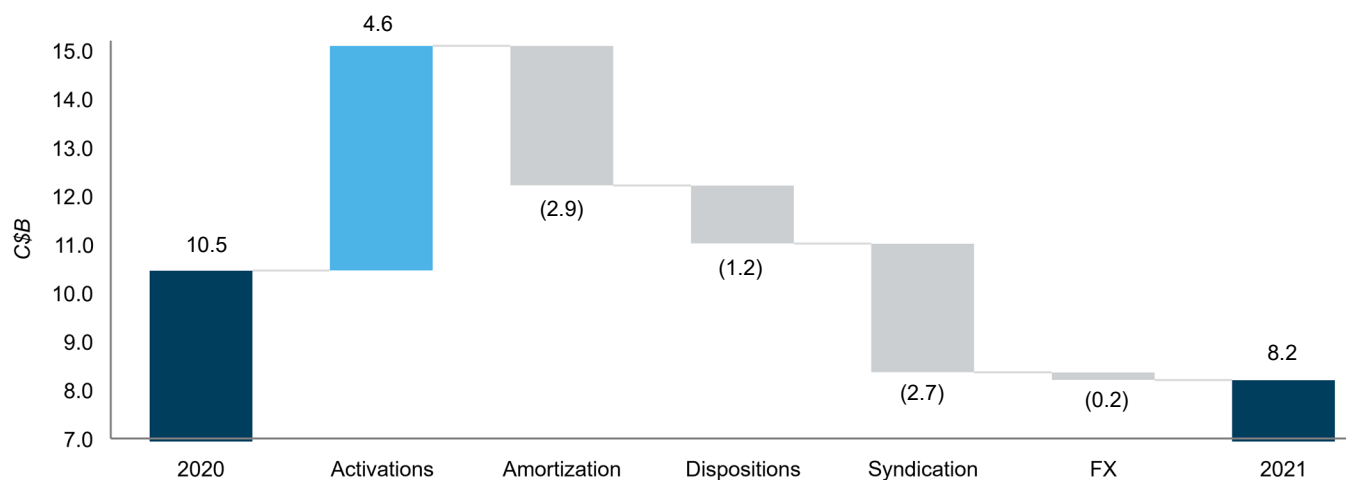


ASSETS UNDER MANAGEMENT & NET EARNING ASSETS

7.3.1 3Q21 -> 4Q21 End-of-period net earning assets



7.3.2 2020 -> 2021 End-of-period net earning assets



Earning Asset Diversity

EARNING ASSET DIVERSITY

8.1 Earning asset diversity across industries

67% of earning assets by value are in use by clients operating in the following 15 major industry classifications, and 30% of earning assets by value are in use by clients operating in the following 15 sub-specific industry classifications. The remainder of our assets are with clients in an additional 60+ major industry classifications and 700+ sub-specific industry classifications. Currently there is no major or sub-specific industry that more than 10% of our earning assets fall into. Our industry exposure has relatively little variance over time due to the long-term nature of our client relationships and the stability of our clients' businesses.

Major industry classification	Percentage of total earning assets as at			
	Dec 31, 2021	Jun 30, 2021	Dec 31, 2020	Jun 30, 2020
Chemicals & Allied Products	9.9%	10.0%	9.2%	9.6%
Food & Kindred Products	7.3%	6.9%	6.2%	6.2%
Industrial & Commercial Machinery & Computer Equipment	5.8%	5.8%	3.5%	3.5%
Wholesale Trade & Durable Goods	5.7%	6.3%	5.9%	6.1%
Business Services	5.6%	5.5%	5.4%	5.7%
Construction – Special Trade Contractors	4.3%	4.3%	4.3%	4.6%
Electric, Gas & Sanitary Services	3.9%	3.9%	6.0%	5.9%
Measuring, Analyzing & Controlling Instruments	3.5%	3.5%	3.5%	3.8%
Wholesale Trade; Non-Durable Goods	3.4%	3.5%	3.2%	3.0%
Automotive Repair, Services & Parking	3.3%	3.3%	2.5%	3.2%
Motor Freight Transportation and Warehousing	3.1%	2.8%	4.0%	2.9%
Communications	2.9%	2.7%	3.8%	4.6%
Heavy Construction Other Than Building Contractors	2.8%	3.0%	2.9%	2.8%
Transportation Equipment	2.7%	3.0%	4.9%	3.8%
Stone, Clay, Glass, and Concrete Products	2.7%	2.7%	2.5%	2.4%

Sub-specific industry classification	Percentage of total earning assets as at			
	Dec 31, 2021	Jun 30, 2021	Dec 31, 2020	Jun 30, 2020
Pharmaceutical Preparations	3.4%	3.4%	3.5%	3.5%
Trucking, Except Local	2.7%	2.4%	1.9%	1.3%
Pesticides and Agricultural Chemicals, Not Elsewhere Classified	2.5%	2.5%	2.1%	2.4%
Electrical Work	2.4%	2.4%	2.5%	2.7%
Passenger Car Rental	2.3%	2.3%	1.7%	2.3%
Motor Vehicles and Passenger Car Bodies	2.2%	2.4%	4.4%	3.3%
Grocery Stores	2.1%	2.0%	1.6%	1.1%
Concrete Block & Brick	1.8%	1.8%	1.6%	1.5%
Telephone Communications, except Radiotelephone	1.7%	1.5%	1.7%	1.9%
Engineering Services	1.6%	1.8%	1.5%	1.3%
Detective, Guard and Armored Car Services	1.6%	1.6%	1.4%	1.5%
Fire, Marine and Casualty Insurance	1.4%	1.5%	1.4%	1.4%
Malt Beverages	1.4%	1.4%	1.5%	1.3%
Electric Services	1.3%	1.3%	2.9%	2.6%
Heavy Construction, Not Elsewhere Classified	1.2%	1.3%	1.2%	1.1%

Value of Tax Assets

VALUE OF TAX ASSETS

9.1 Value of tax assets

The value of tax assets at the end of 2021 was \$328.4 million or \$0.78 per common share.

<i>CAD, millions (except tax asset value per common share)</i>	<i>YE17</i>	<i>YE18</i>	<i>YE19</i>	<i>YE20</i>	<i>YE21</i>
Value of tax assets	147.3	365.7	392.7	386.3	328.4
Weighted average number of common shares o/s (million)	385.4	391.7	434.8	438.6	423.1
Tax asset value per common share	0.38	0.93	0.90	0.88	0.78