

Tuesday, August 8, 2023, accompanying Q2 2023 results.

Fellow shareholders,

This is an exciting time for Element, as our record results demonstrate that we have a solid strategy in place, supported by the right people and processes to execute effectively. After spending in-depth time with our team and learning more about our clients and business prospects, my confidence in the company's future has only grown.

I am happy to highlight some of our recent achievements, which are driving our team's optimism for Element's future. I will do so in the context of the four pillars of our Balanced Scorecard: Our Clients, Our Business, Our People and Our Investors.

### **Our Clients**

Our focus on delivering a consistent, superior client experience has resulted in remarkable performance. Notably, in Q2, we generated record services revenue of \$170M, representing a 12% increase compared to Q2 2022. Additionally, we grew our vehicles under management (VUM) by 1.2% year-over-year, with over 1.5M in VUM as at the end of Q2 (excluding the VUM lost from ending the provision of white-label services to a competitor, VUM growth would have been 4.9%). We continue to experience strong vehicle demand, with \$4B of global orders in the first half of the year.

Our growth is evident across all geographies and segments. We have delivered significant wins by expanding share of wallet, earning market share, converting self-managed fleets, and securing government and mega clients. Furthermore, we are successfully executing our strategy to enable client fleet electrification by increasing the number of EV pilots underway and enhancing our operational capabilities. Our commitment to sharing valuable insights with clients and prospects was demonstrated by an EV webinar that we held in Q2, which attracted over 900 registrants.

### **Our Business**

The foundational strength of our business supports and enables our growth strategy. We have and will continue to innovate and invest to further enhance our capabilities, as doing so yields positive returns for our stakeholders. Continuously improving how we operate and serve our clients through further digitization and automation will ensure sustainable market leading performance. Our total library of automations now contains over 171 solutions, accounting for over 1.3 million transactions processed and over 56,000 hours saved for our team members in the first half of 2023 alone.

We were also proud to share our third annual ESG Report in June, marking an important step on our ESG journey. This report includes our ESG materiality assessment and three years of greenhouse gas emissions data, prepared in accordance with the GHG Protocol and assured by EY. In addition, we aligned to the Sustainability Accounting Standards Board

framework for our industry. We continue to prioritize a diverse workforce and are also working with our clients to drive spend to diverse suppliers, with over \$600M of spend in Q2 and over \$1B YTD.

### **Our People**

What gives me the most confidence in Element's future is the engagement and commitment of our people. During my visits to our offices across Canada, the United States, Mexico, Australia, and New Zealand, I observed firsthand the energy and dedication our team members possess in all our geographies. Our people have embraced our strategy and see the impact of their contributions in our financial results. This was echoed in our most recent Employee Pulse Survey, which showed a 2% increase in employee engagement, reaching 84%. We are also executing a return-to-office plan, bringing our people together in person more frequently and consistently, solidifying Element's culture across the organization.

### **Our Investors**

We are dedicated to creating value for our shareholders as evidenced by another strong quarter, with adjusted EPS of \$.33 and free cash flow of \$.46 per share. In Q2, we fulfilled our commitment to return capital to shareholders, with \$35.4M distributed through our NCIB and \$39M paid in common dividends. In addition, our US\$750M unsecured bond issuance in June demonstrates the strong market sentiment about Element's future performance and liquidity, and our US\$750M term ABS issuance in April reflects the confidence the market has in our lease portfolio.

I would like to express my gratitude to all our shareholders for your continued support. The tremendous results from our annual meeting in May, with over 85% of shares voted and strong support for both our directors and say-on-pay, validate our commitment to align executive compensation with shareholder value.

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Element is achieving significant commercial traction and driving strong growth across all regions. Our business is delivering for our clients -- supported by engaged and highly capable team members -- and generating strong, sustainable results in the process. Looking towards the future, I see opportunities to further improve our performance with planned and paced investments in the business. This is an exciting time for Element, and we look forward to sharing more future successes with you.

Sincerely,

Laura

Laura Dottori-Attanasio  
President & Chief Executive Officer  
Element Fleet Management Corp.