News Release

Amounts in $CAD unless otherwise noted

Element Reports First Quarter Results Reflecting Solid Progress in Advancing Strategic Priorities

- *Q1 adjusted operating income of $137.3 million was a 6.2% increase over Q1 2020 and equivalent to $0.22 on a per share basis*

- *Through strong FX headwinds, Q1 net revenue grew ~1% year-over-year; 4.4% before the impact of changes in FX*

- *AOI growth significantly outpaced net revenue growth in the quarter, showcasing the Company's transformed, highly scalable operating platform*

- *Q1 pre-tax return on common equity improved 30 basis points quarter-over-quarter to 14.3% and Element anticipates further ROE enhancement throughout 2021*

- *The Company further reduced its cost of funds with issuances of US $500 million of 3-year 1.60% senior unsecured notes and US $750 million of vehicle management asset-backed term notes – each achieving the Company's best-ever pricing in those markets*

- *Element returned $104.5 million to shareholders in the quarter by repurchasing 7,844,886 common shares for cancellation pursuant to the Company's normal course issuer bid (NCIB). Subsequent to quarter-end, Element repurchased 3,486,300 more common shares in the month of April, returning an additional $50.0 million to shareholders*

TORONTO, ON, May 11, 2021 - Element Fleet Management Corp. (TSX: EFN) ("Element" or the "Company"), the largest pure-play automotive fleet manager in the world, today announced financial and operating results for the first quarter ended March 31, 2021 reflecting solid progress advancing its strategic priorities.

Element's market-leading business generated adjusted operating income (AOI) of $137.3 million or $0.22 per share for the quarter – an $8.0 million or 6.2% increase year-over-year; 10.8% before FX. AOI growth was driven by net financing revenue growth in all geographies and servicing income growth in ANZ and Mexico, coupled with a $3.7 million or 3.3% quarter-over-quarter decrease in global adjusted operating expenses. The increase in AOI significantly exceeded net revenue growth, showcasing the Company's highly scalable operating platform. Coupled with Element's capital-lighter business model, AOI growth improved pre-tax return on common equity by 30 bps over prior quarter, to 14.3%. Element reported net income of $95.5 million or $0.20 per share for the quarter, an $16.2 million or 20.4% improvement over Q1 2020 and $17.2 million or 21.9% improvement over Q4 2020.

"We are encouraged by what we saw this first quarter in terms of business performance post-Transformation," said Jay Forbes, President and Chief Executive Officer of Element. "We grew year-over-year net revenues - fueled by 35% and 22% growth in ANZ and Mexico, respectively - and used our scalable operating platform to convert this revenue growth into even greater adjusted operating income growth. We used both service revenue growth and syndication to advance our capital lighter business model, improving our return on common equity. And we continued to generate solid cash flow, $133 million of which was returned to shareholders in the quarter by way of dividends and share buy backs."

“While we are facing unforeseen consequences arising from the pandemic – including a strengthening Canadian dollar, OEM manufacturing delays due to microchip shortages, and robust used-vehicle pricing – our efforts over the last quarter have delivered results that tell us that we have the right strategy to create meaningful long-term value for all of our stakeholders,” added Mr. Forbes.

Profitable revenue growth

Element met its targeted revenue growth objective in the quarter, growing net revenue 4.4% before the impact of changes in currency. This growth was achieved – in part – by executing its global growth strategy in every geography:

- retaining and renewing existing clients’ business;
- growing share of wallet by increasing client profitability and service penetration;
- winning new clients from other FMCs; and
- converting self-managed fleets into Element clients.

This net revenue growth was also a product of the Company’s continuing efforts to decrease the cost of funding and the cost of services it incurs to underwrite leases and to provide its fleet management services to clients. Subsequent to quarter-end and as previously disclosed, Element issued US $500 million of 3-year 1.60% senior unsecured notes – a notably tighter spread than the Company’s inaugural U.S. senior unsecured issuance last year – and, within the quarter, Element issued US$750 million of vehicle management asset-backed term notes at record low pricing. The resulting vehicle funding cost savings will continue to buoy Element’s net financing revenue yield throughout 2021.

The Company’s scalable operating platform magnified Q1 net revenue growth into global AOI growth of 10.8% before the impact of a strengthening Canadian dollar. Further detail is provided in Element’s Supplementary Information document, available on the Company’s website.

Capital-lighter business model

Element was also able to advance its second strategic priority – a capital-lighter business model – through a number of actions during the first quarter, enhancing return on equity:

- The Company syndicated $1.0 billion of fleet assets in the quarter in response to robust demand from a growing number of investors – both first-time and frequent transaction partners. The Company also increased the number of first-time client names syndicated in the quarter. Element’s Q1 syndication revenue was $3.0 million lower than in Q1 2020 with yields normalizing as the Company no longer syndicates high volumes of Armada[1] fleet assets. The strengthening of the Canadian dollar also weighed on U.S. dollar-denominated syndication results for the quarter compared to Q1 2020.

- Element was successful winning new service-only clients in the quarter, requiring far less capital (limited to funding the clients’ net working capital position). The Company also increased service product penetration with existing clients and identified ample opportunity for additional penetration in all geographies. See the Company’s Supplementary Information document for more information.

[1] "Armada" is the term Element uses to reference one client in particular that the Company does not name due to the client’s desire for confidentiality.

Cash return to shareholders

Element generated $0.23 of free cash flow per share in the quarter; a $0.01 decrease from prior quarter and $0.05 decrease from Q1 2020 before the impact of changes in FX. A one-time carryover payment of 2020 taxes in New Zealand caused the quarter-over-quarter decrease and contributed to the year-over-year headwinds, which were primarily caused by lower originations in the quarter than in Q1 2020.

Element returned $104.5 million in cash to shareholders by repurchasing 7,844,886 common shares for cancellation pursuant to its NCIB. Subsequent to quarter-end, the Company returned an additional $50.0 million to common shareholders by way of 3,486,300 shares repurchased in the month of April.

Element's NCIB allows it to buy back up to 31,836,308[2] more of its common shares before November 9, 2021 – the end of the first year of what the Company envisions to be a regular, ongoing return of capital strategy through share buybacks and growing common dividends.

Financial Highlights and Adjusted Operating Results

The following summarizes results from the Company's operations:

	Three-month periods ended		
(in $000's for stated values, except per share amounts)	**March 31, 2021**	December 31, 2020	March 31, 2020
	$	$	$
Net revenue			
Net interest income and rental revenue	**165,214**	175,674	200,317
Interest expense	**54,194**	69,219	105,012
Net financing revenue	**111,020**	106,455	95,305
Servicing income, net	**114,489**	116,758	125,847
Syndication revenue, net	**23,089**	23,886	26,087
Net revenue	**248,598**	247,099	247,239
Salaries, wages and benefits	**73,625**	77,518	75,470
General and administrative expenses	**27,146**	27,166	31,791
Depreciation and amortization	**10,526**	10,357	10,656
Adjusted operating expenses[1]	**111,297**	115,041	117,917
Adjusted operating income[1]	**137,301**	132,058	129,322
Provision for taxes applicable to adjusted operating income	**32,128**	23,969	23,925
Cumulative preferred share dividends	**8,103**	8,103	10,906
After-tax adjusted operating income attributable to common shareholders[1]	**97,070**	99,986	94,491
Before-tax adjusted operating income per share [basic]	**0.29**	0.28	0.27
After-tax adjusted operating income per share[1] [basic]	**0.22**	0.23	0.22
Net income	**95,529**	78,362	79,358
Weighted average number of shares outstanding [basic]	**438,503**	440,243	437,299
Earnings per share [basic]	**0.20**	0.16	0.16
Originations	**1,286,506**	1,386,792	2,030,988
Assets under management[1]	**15,045,231**	15,652,493	17,780,139

1. See non-IFRS measures, and the Company's Management Discussion & Analysis (MD&A) for the three-month period ended March 31, 2021 for more information.

[2] As of April 30, 2021

Commentary on Quarterly Results

Element's AOI for the quarter was $137.3 million (equivalent to $0.22 on a per share basis), which is a $5.2 million or 4% increase from Q4 2020 and an $8 million or 6.2% increase over Q1 2020.

The quarter-over-quarter AOI improvement was driven by increased net financing revenue and lower adjusted operating expenses, offset partially by lower servicing income and syndication revenue. The year-over-year increase in AOI stemmed from higher net financing revenues and lower adjusted operating expenses, offset partially by pandemic-related declines in servicing income. These results are addressed in more detail below.

Originations

Element originated $1.3 billion of assets in the quarter – a $100 million or 7.2% decline quarter-over-quarter and $744 million or 36.7% decline year-over-year.

Historically, Q1 originations have been lower than the immediately preceding Q4, and Q1 originations tend to be low points for the year. Further, Q1 2021 global originations were impacted by client order deferrals in 2020 resulting from COVID-19, which translated into lower originations in the quarter. The strengthening of the Canadian dollar against the U.S. dollar and Mexican peso also softened reported origination volumes in Q1 compared to Q4 2020 and Q1 2020.

As previously disclosed, Element received record numbers of orders in Q1 2021, which will be reflected in Q2 and subsequent quarters' origination results. The global shortage of microchips may further stretch the order-to-origination timeframe and is being monitored by the Company daily.

The year-over-year originations comparison for Q1 is impacted by the timing of Armada origination volumes this year – virtually none in Q1 2021 – and the aforementioned strengthening of the Canadian dollar against both the USD and Mexican peso, which had an even greater impact year-over-year than quarter-over-quarter. With a strong Armada order book for 2021, the absence of originations in Q1 will translate into higher originations for this client in the remaining three quarters.

Assets under management

Element's assets under management (AUM) at quarter-end totaled $15.0 billion, down 3.9% or $0.6 billion quarter-over-quarter given decreased origination volumes as discussed above. As set out in the Company's Supplementary Information document, amortization, dispositions and FX lowered quarter-end AUM by over $0.6 billion.

Servicing income, net

Servicing income decreased 1.9% or $2.3 million from Q4 2020 and 9.0% or $11.4 million from Q1 2020.

On a quarter-over-quarter basis, strong service revenue growth in ANZ (up 20%) and Mexico (up 28%) was offset by:

- modestly lower service revenue in the U.S. and Canada;

    - Historically, service revenue has been higher in fourth quarters (driven by vehicle maintenance in preparation for North American winter) than the immediately subsequent first quarters; and

- the strengthening of the Canadian dollar.

Controlling for FX globally, Q1 2021 servicing income was up 0.1% or $0.1 million from Q4 2020.

On a year-over-year basis, the 9% ($11.4 million) decline in servicing income was largely driven by two factors:

- lower vehicle usage due to COVID-19 , although the Company saw vehicle usage rates improve over the course of the quarter and that trend has continued post-quarter-end, and

- FX.

Controlling for FX globally, Q1 2021 servicing income was down 5.2% or $6.2 million compared to Q1 2020.

<u>Net financing revenue</u>

Net financing revenue increased by $4.6 million or 4.3% quarter-over-quarter despite a 4.8% reduction in average net earning assets resulting from syndication. This growth was primarily driven by:

- lower interest expense (which includes funding costs in addition to pure interest expenses) which decreased $15 million quarter-over-quarter, more than offsetting the $10.5 million decrease in net interest income and rental revenue (as the Company syndicates leases that earn net interest income to further its capital-lighter business model), and

- the Q1 2021 release of $3.5 million in the provision for credit losses (PCL), offset by

- FX headwinds arising from a strong Canadian dollar.

Excluding global FX impacts, net financing revenue increased by $5.6 million or 5.4% quarter-over-quarter.

Net financing revenue increased $15.7 million year-over-year, largely on account of the PCL:

- Element recorded a $12.1 million PCL in Q1 2020 based on the impact of the COVID-19 pandemic on the Company's credit loss risk models; and

- The Company released $3.5 million of this provision in the quarter based on the strong credit and collections performance of the portfolio over the last twelve months (as described further in note 3 of Element's Q1 2021 Financial Statements).

Controlling for FX globally, net financing revenue grew $18.3 million (19.7%).

<u>Net financing revenue yield on average net earning assets</u>

Average net earning assets decreased 4.8% or $516.2 million quarter-over-quarter and 14.8% or $1.8 billion year-over-year.

At the same time, net financing revenue yield on average net earning assets has improved 118 basis points year-over-year and 39 basis points quarter-over-quarter, reflecting:

- Lower interest expenses, as Element has substantially deleveraged its balance sheet and lowered the costs of funding the remaining indebtedness;
- The growth of net earning assets in Mexico and ANZ as a percentage of total net earning assets; and
- Strong gain on sale performance in ANZ.

Syndication revenue, net

Element syndicated $1,016 million of assets in the quarter – $397 million more than in Q4 2020 and $182 million more than in Q1 2020 – and generated $23.1 million of syndication revenue; a $0.8 million or 3.3% decrease quarter-over-quarter and $3.0 million or 11.5% decrease year-over-year. Q1 2021 syndication revenue is likely to be the quarterly high-point for this revenue line item this year as the Company took advantage of a strong match of supply and demand in the marketplace to bring forward syndication volume.

Syndication revenue yield on asset volumes syndicated was lower in Q1 2021 than both prior quarter and same quarter prior year as a result of:

- Unusually strong Q4 2020 yield, driven by the release of pent-up demand caused by ultra-low interest rates in Q2 and Q3 2020, which constrained syndication buyers in those earlier quarters of 2020; and
- A lower level of Armada assets in Q1 2021 syndication volumes, whereas materially higher volumes of Armada assets formed part of both Q4 2020 and Q1 2020 syndications.

As previously communicated, Element continues to expect syndication revenue yield to vary quarter to quarter based on the mix (client credit rating, remaining lease term, etc.) of assets syndicated in the period. However, the Company believes the Q1 2021 result represents a relatively normalized yield for the balance of this year, all else equal.

Adjusted operating expenses

Adjusted operating expenses of $111.3 million amount to a $3.7 million or 3.3% decrease quarter-over-quarter and a $6.6 million or 5.6% decrease year-over-year. The quarter-over-quarter improvement is largely driven by the strengthening of the Canadian dollar and Element's ability to scale its platform without a commensurate increase in operating costs. The year-over-year improvement is a combination of Transformation, the diligent cost controls put into place as a result of the COVID-19 environment, and even more favourable FX ($2.8 million).

Operating margin for the quarter expanded 179 basis points quarter-over-quarter and 292 basis points year-over-year to 55.2% due in part to the favorable evolution in the Company's PCL. While Element expects year-over-year expansion of operating margins, the increase in the first quarter likely resulted in a high-point for 2021.

Dividends Declared

The Company's Board of Directors has authorized and declared a quarterly dividend of $0.065 per outstanding common share of Element for the second quarter of 2021. The dividend will be paid on July 15, 2021 to shareholders of record as at the close of business on June 30, 2021.

Element's Board of Directors also declared the following dividends on Element's preferred shares:

Series	TSX Ticker	Amount	Record Date	Payment Date
Series A	EFN.PR.A	$0.4333125	June 15, 2021	June 30, 2021
Series C	EFN.PR.C	$0.3881300	June 15, 2021	June 30, 2021
Series E	EFN.PR.E	$0.3689380	June 15, 2021	June 30, 2021
Series I	EFN.PR.I	$0.3593750	June 15, 2021	June 30, 2021

The Company's common and preferred share dividends are designated to be eligible dividends for purposes of section 89(1) of the Income Tax Act (Canada).

Normal Course Issuer Bid

On November 4, 2020, the TSX approved Element's notice of intention to commence a NCIB. The NCIB allows the Company to repurchase on the open market (or as otherwise permitted), at the Company's discretion during the period commenced November 10, 2020 and until the earlier of November 9, 2021 or the completion of purchases under the NCIB, up to 43,929,594 common shares, 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. Under this bid for the three-month period ended March 31, 2021, 7,844,886 common shares have been repurchased for cancellation, for approximately $104.5 million including commission, at a volume weighted average price of $13.01 per share. Element applies trade date accounting in determining the date on which the share repurchase is reflected in its consolidated financial statements. Trade date accounting is the date on which management commits the Company to purchase the shares.

CEO LETTER TO SHAREHOLDERS

My fellow shareholders,

Having successfully returned Element to its true status as the fleet management market leader in both North America and Australia-New Zealand, and despite the inevitable challenges that have emerged as a consequence of the global pandemic, we are enjoying early and encouraging progress in our pursuit of profitable revenue growth in all regions.

Element Mexico has been a big contributor to North American growth since 2018 – achieving double-digit revenue growth in each of the last three years – and our first quarter results in Mexico were no less impressive, with Manuel Tamayo and the team posting year-over-year net revenue growth of 22%.

And with over 100 commercial deals completed this last quarter, Element in the U.S. and Canada is advancing its multi-faceted growth plan, building its pipeline of prospects and effectively converting same into happy clients.

But today, I want to swing the spotlight to my colleagues on the other side of the world, in Australia and New Zealand (ANZ) where Element does business as Custom Fleet.

Custom Fleet is the foremost fleet manager in that region, with more than 330 employees serving over 2,000 clients, including governments and leading corporates. We manage more than 100,000 vehicles in ANZ, or roughly 10% of Element's global total of 1 million+ vehicles.

I had the great pleasure of visiting with our people and clients in ANZ both in 2018 and 2019 and was struck by the caliber of our team, led by Aaron Baxter. I met smart, enthused, diverse and engaged employees. I saw an organization with a market-leading position built on 40 years of history and with clear points of competitive advantage including scale, an unparalleled client experience and an extensive, long-standing service network.

I also learned more about the innovations Custom Fleet was bringing to the market, including EV+, the first end-to-end electric vehicle (EV) fleet management product in ANZ. To me, EV+ is the best EV fleet product in the world today, and it will thus inform our EV offering across Element's global platform.

In short, I witnessed a great organization on the cusp of an even greater future.

Outstanding Results

Based on the strength of this organization and its market positioning, we greenlit a new growth strategy for Custom Fleet that was formally launched early last year. The strategy gained immediate traction, generating year-over-year net revenue growth of 6% for 2020. And, building on this momentum and the learnings cultivated throughout the past year, Custom Fleet posted 35% year-over-year net revenue growth in the first quarter of 2021.

While we benefited greatly from an atypically large increase in used-vehicle pricing – resulting in strong Gains on Sale – we nonetheless achieved double-digit growth in other Net Financing and Service revenues.

In addition to record levels of growth in both net revenue and operating income,

- the quality of the lease portfolio has improved, with historically low delinquency and a perfect score on client retention amid COVID,

- Custom Fleet is increasing its service revenue, both through new client additions and through deepening the share of wallet with existing clients, and

- with 10 significant new client deals signed so far this year, representing 1,600 vehicles, the pipeline of confirmed orders is the highest ever.

What makes this performance truly impressive is that the Custom Fleet team has delivered these results through the pandemic (which has thankfully abated in ANZ). While the early economic impact of the pandemic brought a multitude of challenges for Custom Fleet, they demonstrated great agility and responsibility, guiding our people and clients through the worst of it. And, in doing so, they positioned Custom Fleet to post strong double-digit net revenue growth in 2021 and mid- to high-single digit growth thereafter.

Showing the Way

The success ANZ has achieved these last twelve months is a further validation of our organic revenue growth strategy that was originally designed and executed by the leadership team at Element in Mexico.

Unlike the U.S. and Canada, which were the product of rapid, back-to-back acquisitions, our operations in ANZ and Mexico were acquired as standalone carve-outs from GE. Consequently, they were unburdened by the need to integrate and rationalize people, processes and systems, allowing them to move more quickly into growth mode.

Mexico was the first off the mark, launching its growth strategy in early 2018 and achieved immediate and remarkable progress, much of it in the self-managed fleet market. Aaron and his senior team flew to Mexico in 2019 to learn firsthand from David Madrigal and the team responsible for Element's stellar growth in that market. Custom Fleet quickly adopted Mexico's best practices, refining back-office capabilities and investing in salesforce effectiveness so as to be poised for growth in 2020.

Custom Fleet has also been quick to leverage the learnings from Transformation and Element's global platform in the advancement of its growth strategy. To give just one of many examples, ANZ has used our investment grade balance sheet and ample access to cost-efficient funding in winning self-managed fleet clients via sale-leaseback transactions with organizations such as Salvation Army and Oranga Tamariki.

If you are fortunate enough to meet Aaron and our ANZ team, you won't be surprised by their success. They are humble, curious, engaged and open-minded as evidenced in the work they did to craft their growth plans and to ready their operating platform to handle greater volumes. They were quick to adopt the best practices of other regions to achieve immediate profitable revenue growth. And, as they developed their own insights, they made their best practices readily available to others, fostering tight alignment and peak performance across the organization.

A Lesson in EV Leadership

The curiosity and client-centricity of this team is well-evidenced by their early leadership of the electrification of fleets, where Custom Fleet is on the forefront of the early stage technology shift taking hold within our industry.

On my last visit, I joined a well-attended client session in Auckland wherein Aaron and team organized a panel comprised of an OEM (Hyundai), a charging infrastructure service provider (Schneider), a charging network supplier (Chargenet) and a client who had converted more than 30% of their fleet to EVs. They discussed the practical benefits and challenges of building out an electrified fleet.

It was fascinating to hear the differing viewpoints, pain points, creative solutions and continuing impediments across these four perspectives. And it was great to see how we – Custom Fleet – were able to provide expert counsel as a valued coordinator and contributor.

It is increasingly clear that Element's unmatched value proposition of consistent superior service, leading market position, expertise and insight will be just as (and perhaps more) important managing fleet electrification as it is to internal combustion engine vehicle fleets today.

Custom Fleet's recent agreement with Origin Energy, a leading energy retailer in Australia, is emblematic. Through Origin 360 EV Fleet, Custom Fleet will provide Origin's business clients with fully managed electric fleet vehicles and accompanying services. These will be bundled with Origin's charging infrastructure, carbon offsets and energy solutions. It's an innovative offering that showcases the best of our platform.

The complexity of EV adoption fits perfectly into Element's ability to "make the complex simple" for our clients across all of our geographies. Our unsurpassed ability to build service and fueling networks, as well as our strong balance sheet to finance EV adoption, position us to be the long-term winner once that adoption becomes more practical. Our early successes in ANZ speak volumes to the potential this technology shift will provide for Element.

Looking Ahead

Today, Australia and New Zealand are fortunate to be emerging from the pandemic sooner than much of the world. Custom Fleet is now building a "collaborative hybrid" workplace, taking the best of what we have discovered about working from home and team-based collaboration. There will be lessons there too for the rest of Element.

The ANZ regional economy is set to perform healthily coming out of the pandemic, which bodes well.

As 2020 amply demonstrated, we never know exactly how events will play out. What we do know is that Element is thriving, our growth strategy is on track and our foundational strengths stand us in good stead over the long term. Our successful first quarter displayed our ability to grow and scale the business, despite a tough comparison to a first quarter of 2020 that was largely prior to the global pandemic.

Looking ahead, the profitable growth results from ANZ are a good sign for the broader organization. The same is true of Mexico, where Q1 net revenue grew 22% year-over-year despite the significant impact of the pandemic there.

Add to that our success winning new clients, increasing share of wallet and further improving retention of existing clients in the U.S. and Canada, as well as the likelihood that solid expansion in the U.S. and Canadian economies coming out of the pandemic drives growth in our client base, and our future is bright.

We feel good about 2021. While the many and varied economic impacts of the pandemic continue to play out – from the unexpected strengthening of the Canadian dollar, to the OEM production issues arising from chip shortages, to record used-vehicle pricing, to record sales of EVs – we continue to see ample evidence of the near- and long-term viability of our growth strategy:

- generating profitable net revenue growth of 4-6% (before the impact of changes in FX) atop a scalable platform that will magnify that revenue into high single-digit to low double-digit operating income growth;

- advancing a capital-lighter business model that enhances return on equity; and

- growing free cash flow and predictably returning excess equity to shareholders.

It is a clear and compelling path to value creation, and we thank you for joining us as we travel it.

Until next quarter,

Jay

Conference Call and Webcast

A conference call to discuss these results will be held on Tuesday, May 11, 2021 at 7:00 p.m. Eastern Time. The conference call and webcast may be accessed as follows:

- Webcast: http://services.choruscall.ca/links/elementfleet20210511.html

- Telephone: Click here to join the call most efficiently,
  or dial one of the following numbers to speak with an operator:
  - North America Toll-Free: 1-800-319-4610
  - International: 1-604-638-5340

The webcast will be available on the Company's website for three months. A taped recording of the conference call may be accessed through June 11, 2021 by dialing 1-800-319-6413 or +1-604-638-9010 and entering the access code 6635.

Non-IFRS Measures

The Company's unaudited interim condensed consolidated financial statements have been prepared in accordance with International Financial Reporting Standards (IFRS) as issued by the International Accounting Standards Board (IASB) and the accounting policies Element adopted in accordance with IFRS.

The Company believes that certain non-IFRS measures can be useful to investors because they provide a means by which investors can evaluate the Company's underlying key drivers and operating performance of the business, exclusive of certain adjustments and activities that investors may consider to be unrelated to the underlying economic performance of the business of a given period. Throughout this News Release, management used a number of 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. A full description of these measures can be found in the Management Discussion & Analysis that accompanies the unaudited interim condensed financial statements for the quarter ended March 31, 2021.

Element's unaudited interim condensed consolidated financial statements and related management discussion and analysis as at and for the three-month period ended March 31, 2021 have been filed on SEDAR (www.sedar.com).

About Element Fleet Management

Element Fleet Management (TSX: EFN) is the largest pure-play automotive fleet manager in the world, providing the full range of fleet services and solutions to a growing base of loyal, world-class clients – corporates, governments and not-for-profits – across North America, Australia and New Zealand. Element enjoys proven resilient cash flow, a significant proportion of which is returned to shareholders in the form of dividends and share buybacks; a scalable operating platform that magnifies revenue growth into earnings growth; and an evolving capital-lighter business model that enhances return on equity. Element's services address every aspect of clients' fleet requirements, from vehicle acquisition and maintenance to accident recovery and remarketing. Clients benefit from Element's expertise as the largest fleet solutions provider in its markets, offering unmatched economies of scale and insight used to reduce fleet operating costs and improve productivity and performance. For more information, visit www.elementfleet.com/investors.

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This press release includes forward-looking statements regarding Element and its business. Such statements are based on the current expectations and views of future events of Element's management. In some cases the forward-looking statements can be identified by words or phrases such as "may", "will", "expect", "plan", "anticipate", "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 improvements to run-rate profitability; enhancements to clients' service experience and service levels; enhancement of financial performance; improvements to client retention trends; reduction of operating expenses; increases in efficiency; Element's dividend policy and the payment of future dividends; transformation of its core business; creation of value for all stakeholders; expectations regarding syndication; growth prospects and expected revenue growth; level of workforce engagement; improvements to magnitude and quality of earnings; executive hiring and retention; focus and discipline in investing; balance sheet management and plans to reduce leverage ratios; anticipated benefits of the balanced scorecard initiative; Element's proposed share purchases, including the number of common shares to be repurchased, the timing thereof and TSX acceptance of the NCIB and any renewal thereof; and expectations regarding financial performance. No forward-looking statement can be guaranteed. Forward-looking statements and information by their nature are based on assumptions and involve known and unknown risks, uncertainties and other factors which may cause Element's actual results, performance or achievements, or industry results, to be materially different from any future results, performance or achievements expressed or implied by such forward-looking statement or information. Accordingly, readers should not place undue reliance on any forward-looking statements or information. Such risks and uncertainties include those regarding the ongoing COVID-19 pandemic, risks regarding the fleet management and finance industries, economic factors and many other factors beyond the control of Element. A discussion of the material risks and assumptions associated with this outlook can be found in Element's annual MD&A, and Annual Information Form for the year ended December 31, 2020, each of which has been filed on SEDAR and can be accessed at www.sedar.com. Except as required by applicable securities laws, forward-looking statements speak only as of the date on which they are made and Element undertakes no obligation to publicly update or revise any forward-looking statement, whether as a result of new information, future events, or otherwise.