



28/07/2025

Elama Kindlustus AS

**Interim Report
1st Quarter 2025**



Interim report

Start of the financial year

January 01, 2025

End of the financial year

December 31, 2025

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Elama Kindlustus AS

Commercial Register Code:

10089395

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Main area of activity:

non-life insurance

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Management report

Elama Kindlustus AS (hereinafter referred to in this report as Elama) is an insurance company engaged in non-life insurance in Estonia since 1992.

At the beginning of 2025, Elama's range of insurance services included motor third party liability insurance, motor casco insurance, travel insurance, health insurance, carrier's and freight forwarder's liability insurance, cargo insurance and, to a lesser extent, financial loss and machinery insurance.

Elama's general strategy is to offer insurance services through all sales channels on the market. We make insurance simple, clear and affordable. We offer a reliable and customer-friendly insurance service that is modern and flexible and accessible to everyone.

In the first quarter of 2025, the company continued to actively expand the provision of insurance services. An innovative and automated product solution for home insurance was introduced, which was integrated with most insurance intermediaries operating in the market. In addition, home insurance can also be purchased through a simple and innovative purchase process on the website, in which one can flexibly change the insurance cover to suit the needs. Along with the launch of home insurance, the sales processes of traffic and motor casco insurance on the online channel were also improved, where the choice of cover that corresponds to the insurance interest is now even more flexible and easier to understand.

The Elama team strengthened in the first quarter with the best specialists on the market and continues to grow. At the beginning of the year, a carefully selected claims handling manager started work. At the end of the quarter, a claims handling lawyer joined the team and a partner relationship manager was added to the sales area to support the growing sales volumes. At the end of the quarter, Elama's team had 29 employees.

The company's internal information exchange was transferred to the innovative SharePoint solution, which made the processes of preparing and approving documents faster and more transparent. At the same time, information security measures related to user rights and access to various data were also improved.

In claims handling, a network of cooperation partners was created to solve the needs of customers in the best possible way, where cooperation with 10 cooperation partners had been concluded by the end of the first quarter. Work on expanding the network of cooperation partners will continue in the future.

The first steps were taken to promote a new international business direction and the application for cross-border activity was submitted within the framework of the first projects.

Insurance business

In the first quarter of 2025, Elama collected insurance premiums in the amount of 2,257 thousand euros, thus increasing the volume by 18.5% compared to 1,904 thousand euros in the corresponding period of 2024. The largest increase in volumes was achieved from motor casco insurance, which is a new product in Elama's portfolio compared to the previous period. The share of motor third party liability insurance in the portfolio has decreased as planned.

Motor third party liability insurance accounted for 1,314 thousand euros, motor casco insurance for 842 thousand euros, travel insurance for 51 thousand euros and carrier liability for 43 thousand euros. Other insurance contracts were concluded in the amount of 7 thousand euros.

Losses in the first quarter of 2025 totalled 1,225 thousand euros, which is 233 thousand euros less than in the same period last year. The gross loss ratio for the first quarter was 45.5%, which is a significantly better indicator than in the comparable period of the previous year (71.2%).

In the first quarter of 2025, 623 new loss events were registered, of which 75% were traffic accidents, 23% were comprehensive insurance claims and other losses accounted for less than 2%. In the same period of 2024, 601 new loss events were registered, 99% of which were traffic accidents.

Customer satisfaction remains at a good level. 22% responded to the post-claims handling survey sent to customers with an average score of 4.5 (5-point system).

A total of 13 insurance companies and the Motor Insurance Fund operated on the non-life insurance market. The market volume of non-life insurance in the first 3 months of 2025 was 149 million euros, which is 0.1% more than in the same period in 2024. The small growth is mainly due to the decrease in the premium volumes of motor third party liability insurance and motor casco insurance. Elama's market share in the first 3 months of 2025 was 1.6%. In the same period in 2024, the market share was 1.2%.

Investment activities

In the first quarter of 2025, Elama acquired bonds from various issuers as new financial investments. This year's goal is to diversify the investment portfolio and diversify risks. The volume of Elama financial investments as of 31.03.2025 was 12,251 thousand euros (as of 31.12.2024: 12,626 thousand euros).

Assets and liabilities from insurance contracts and equity

As at the end of the quarter, Elama's balance sheet total was 20,658 thousand euros. As at the end of 2024, it was 21,320 thousand euros. Liabilities from insurance activities decreased by 915 thousand euros in the first quarter, while assets from reinsurance contracts decreased by 312 thousand euros. Changes in liabilities are primarily due to changes in the structure of the insurance portfolio and indemnities paid.

Elama equity as of 31.03.2025 was 6,134 thousand euros (31.12.2024: 6,005 thousand euros).

Financial results

Elama earned a profit of 130 thousand euros in the first quarter (102 thousand euros in the first quarter of 2024). Profit increased primarily due to improved technical result and higher income from investment activities.

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Jaanus Seppa

Member of the Management Board

/digitally signed/

Tanel Kurs

Member of the Management Board

Interim financial statements

Statement of comprehensive income (quarterly)

	Annex	1st quarter of 2025	1st quarter of 2024
Revenue from insurance contracts	3,8	1 822 146	1 560 350
Insurance service expenses	4,8	-1 618 906	-1 674 518
Insurance service result before reinsurance		203 239	-114 168
Expense of reinsurance premiums	8	-696 703	-353 607
Amounts recoverable from reinsurance	8	265 483	506 348
Net expense from reinsurance		-431 220	152 741
Net insurance service result		-227 981	38 573
Income (expense) from investment activities		217 914	163 639
Financial income (expense) from insurance contracts		418 213	-92 354
Financial income (expense) from reinsurance contracts		-222 760	42 017
Net financial result		413 367	113 302
Other income and expenses	5	-55 709	-49 915
Operating profit (loss)		129 678	101 960
Other comprehensive income		0	0
Comprehensive profit (loss) for the reporting period		129 678	101 960

Statement of financial position

	Lisa	31.03.2025	31.12.2024
Assets			
Cash and cash equivalents		1 960 441	1 982 408
Assets from reinsurance contracts	8	5 358 047	5 669 652
Other receivables		297 307	287 096
Prepaid expenses and accruals		60 809	75 210
Financial assets	6	12 250 964	12 625 794
Property, plant and equipment	7	268 819	284 948
Intangible fixed assets	7	461 264	394 973
Total assets		20 657 651	21 320 081
Liabilities			
Liabilities from insurance contracts	8	13 802 481	14 717 845
Other liabilities		720 966	597 709
Total liabilities		14 523 447	15 315 555
Equity			
Share capital		4 012 392	4 012 392
Share premium		1 619	1 619
Reserve capital		1 294 454	1 294 454
Retained earnings		696 061	0
Profit (loss) for the period		129 678	696 061
Total equity		6 134 204	6 004 526
Total liabilities and equity		20 657 651	21 320 081

Statement of changes in equity

	Share capital	Share premium	Reserve capital	Retained earnings	Total
Balance as at 31.12.2024	4 012 392	1 619	1 294 454	696 061	6 004 526
Profit/loss for the reporting period	0	0	0	129 678	129 678
Other comprehensive income	0	0	0	0	0
Total comprehensive income	0	0	0	129 678	129 678
Balance as at 31.03.2025	4 012 392	1 619	1 294 454	825 739	6 134 204

Cash flow statement

	31.03.2025	31.03.2024
Cash flows from operating activities		
Insurance premiums received	1 847 092	1 704 508
Acquisition costs paid	-174 185	-130 733
Insurance services expenses paid	-1 398 932	-1 332 502
Net reinsurance expenses	-342 375	-228 313
Operating expenses paid	-502 077	-105 387
Interest received	93 646	54 026
Placed in term deposits	0	0
Placed in bonds	-500 629	0
Invested in shares	0	0
Received from the term deposits	1 000 000	0
Receipts from other operating income and other operating expenses paid	69 469	58 143
Total cash flows from operating activities	92 009	19 744
Cash flows from investing activities		
Acquisition of intangible fixed assets	-90 629	0
Total cash flows from investing activities	-90 629	0
Cash flows from financing activities		
Rent payments	-23 100	0
Total cash flows from financing activities	-23 100	0
Total cash flows	-21 720	19 744
Cash and cash equivalents at the beginning of the period	1 982 408	1 918 995
Change in cash and cash equivalents	-21 720	19 744
Change in exchange rate difference	-246	-281
Cash and cash equivalents at the end of the period	1 960 441	1 938 459

Notes to the interim accounts

Annex 1. Accounting principles used in the preparation of the abridged interim report

Elama Kindlustus AS (hereinafter also Elama) is a company registered in Estonia on 29.10.1996 (registry code: 10089395), with its registered office at Liivalaia 45, Tallinn (Estonia). Elama offers non-life insurance services in Estonia, incl. compulsory motor third party liability insurance.

In the opinion of the Management Board of Elama, the interim report accurately and fairly reflects the financial results and financial position of Elama.

Declaration of Conformity

The interim financial statements of Elama have been prepared in accordance with the requirements of the International Accounting Standard IAS 34 "Interim Reporting" as established in the European Union and include condensed financial statements and explanatory notes to the selection.

Basics of compilation

The accounting currency of Elama is the euro and the figures of the report are presented in euros without a decimal place (unless otherwise indicated).

Elama has adopted IFRS 17 "Insurance Contracts" and IFRS 9 "Financial Instruments" standards. The bases for the preparation of the report, including the standards used and their interpretations, as well as the accounting principles of Elama have not changed compared to the last published annual report.

In accordance with IFRS 16, Elama recognises the lease asset, property, plant and equipment and the corresponding lease liabilities in the other liabilities section of the statement of financial position.

Events after the reporting date

There were no significant circumstances affecting the valuation of assets and liabilities that would have occurred between the balance sheet date of 31.03.2025 and the date of preparation of the report.

Annex 2. Accounting Assessments and Judgments

In the preparation of the reports, a number of accounting estimates and judgments have been used, which affect the assets and liabilities recorded in the report and the notes to the disclosed potential assets and liabilities. Although these decisions have been made to the best of the management's knowledge, they may not coincide with the actual result later.

Annex 3. Revenue from insurance contracts

	3 months 2025	3 months 2024
Motor third party liability insurance	1 327 324	1 517 228
Motor casco Insurance	438 564	0
Travel insurance	31 116	22 743
Carrier liability insurance	22 439	20 367
Other lines of business	2 703	12

Total income from insurance contracts	1 822 146	1 560 350
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Annex 4. Insurance service expenses

	3 months 2025	3 months 2024
Total damages and handling costs, incl.	827 481	1 111 112
Motor third party liability insurance	531 420	1 112 954
Motor casco Insurance	284 427	0
Travel insurance	4 330	307
Carrier liability insurance	5 873	-8 811
Other lines of business	1 431	6 662
Acquisitions expenses	199 096	130 732
Allocated fixed expenses	592 329	432 674
Total insurance service expenses	1 618 906	1 674 518

Annex 5. Other income and expenses

	3 months 2025	3 months 2024
Marketing costs	-21 405	-9 032
Auditor control	-41 751	-57 993
Internal audit service	-7 392	-6 149
Other outsourced services	-14 814	-23 267
Rent interest expense	-4 498	0
Expense from currency exchange rate	-246	-281
Other costs	-17 345	-9 198
Compensation for handling costs received from the mediation of a foreign company	25 562	12 715
Compensation for handling costs received from the mediation of an Estonian Insurance company	17 846	25 300
Other revenue	8 334	17 990
Total	-55 709	-49 915

Annex 6. Financial assets

The distribution of financial assets by the recognition method reflected in the statement of financial position of Elama as at 31.03.2025 is presented in the following table.

	31.03.2025	31.12.2024
Assets recognised at adjusted cost		
Deposits	6 096 507	7 056 178
Bonds	2 312 543	2 017 862
Total assets at adjusted acquisition cost	8 409 049	9 074 040
Assets recognised at fair value through profit or loss		
Bonds	3 064 637	2 757 310
Stocks and equity funds	777 278	794 444
Total assets at fair value	3 841 915	3 551 754
Total financial investments	12 250 964	12 625 794

Annex 7. Tangible and intangible fixed assets

	Right-of-use property	Buildings	Other property, plant and equipment	Total
Cost				
Acquisition cost as at 31.12.2023	0	287 346	23 720	311 066
Sale of asset	0	-287 346	0	-287 346
Acquisition of asset	322 583	0	0	322 583
Write-off of asset	0	0	-23 720	-23 720
Acquisition cost as at 31.12.2024	322 583	0	0	322 583
Acquisition of asset	0	0	0	0
Acquisition cost as at 31.03.2025	322 583	0	0	322 583
Accumulated depreciation				
Accumulated depreciation 31.12.2023	0	-217 263	-2145	-219 408
Depreciation expense for the reporting period	-37 635	-4 310	-0	-41 945
Accumulated depreciation of sold assets	0	221 573	116 986	116 986
Accumulated depreciation of written off assets	0	0	2 145	2 145
Accumulated depreciation 31.12.2024	-37 635	0	0	-37 635
Depreciation expense for the reporting period	-16 129	0	0	-16 129
Accumulated depreciation 31.03.2025	-53 764	0	0	-53 764
Residual value				
Residual value as at 31.12.2023	0	70 083	21 575	91 658
Residual value as at 31.12.2024	284 948	0	0	284 948
Residual value as at 31.03.2025	268 819	0	0	268 819

	Intangible fixed assets	Total
Cost		
Acquisition cost as of 31.12.2023	0	0
Acquisition of intangible fixed assets	429 882	429 882
Acquisition cost as at 31.12.2024	429 882	429 882
Acquisition of intangible fixed assets	90 629	90 629
Acquisition cost as at 31.03.2025	520 511	520 511
Accumulated depreciation		
Accumulated depreciation 31.12.2023	0	0
Depreciation expense for the reporting period	-34 909	-34 909
Accumulated depreciation 31.12.2024	-34 909	-34 909
Depreciation expense for the reporting period	-24 337	-24 337
Accumulated depreciation 31.03.2025	-59 246	-59 246
Residual value		
Residual value as at 31.12.2023	0	0
Residual value as at 31.12.2024	394 973	394 973
Residual value as at 31.03.2025	461 264	461 261

Annex 8. Analysis of insurance contracts by the liability for remaining coverage and the liability for incurred claims

The following comparison of the opening and closing balances shows how the amounts recorded in the income statement resulted in a change in the book value of the liability for remaining coverage and the liability for incurred claims by the end of the first quarter of 2025.

	Liability for remaining coverage (LRC)		Liability for incurred claims(LIC)		
	Excluding the loss component	Loss component	Estimate of the present value of future cash flows	Risk adjustment	Total
Opening balance of insurance contract liabilities 01.01.2025	2 269 842	0	11 479 661	968 343	14 717 845
Opening balance of insurance contract assets 01.01.2025	0	0	0	0	0
Net liabilities under insurance contract 01.01.2025	2 269 842	0	11 479 661	968 343	14 717 845
Revenue from insurance activities	-1 822 146	0			-1 822 146
Insurance service expenses	198 957	0	1 526 067	-72 042	-1 652 983
Insurance service result	-1 623 188	0	1 526 067	-72 042	169 162
Financial cost of insurance contracts			-418 459		-418 459
Total changes in the statement of comprehensive income	-1 623 188	0	1 107 609	-72 042	-587 621
Cash flow					
Insurance premiums received	1 847 092	0			1 847 092
Costs of insurance services paid	-174 185	0	-1 991 204		-2 165 389
Total cash flows	1 672 907	0	-1 991 204	0	-318 297
Net liabilities under insurance contract 31.03.2025	2 319 561	0	10 596 065	896 301	13 811 927
Final balance of insurance contract liabilities 31.03.2025	2 319 561	0	10 596 065	896 301	13 811 927
Final balance of insurance contract assets 31.03.2025	0	0	0	0	0

The following comparison of opening and closing balances shows how the amounts recognised in the income statement and cash flow statement resulted in a change in the book value of the assets for remaining coverage and assets for incurred claims by the end of the first quarter of 2025.

	Asset for remaining coverage (ARC)		Asset for incurred claims (AIC)		
	Excluding the loss-absorbing component	Loss Absorption Component	Estimate of the present value of future cash flows	Risk adjustment	Total
Opening balance of reinsurance assets 01.01.2025	0	0	5 731 380	479 816	5 669 652
Opening balance of the reinsurance liability 01.01.2025	541 544	0	0	0	0
Net assets of the reinsurance contract as of 01.01.2025	-541 544	0	5 731 380	479 816	5 669 652
Reinsurance premiums	-696 703	0			-696 703
Reinsurance share in claims			293 779	-28 296	265 483
Net reinsurance income or expenses	-696 703	0	293 779	-28 296	-431 220
Financial income from reinsurance contracts			-222 760		-222 760
Impact of changes in the default risk of reinsurers			0		0
Total changes in the statement of comprehensive income	-696 703	0	71 019	-28 296	-653 980
Cash flow					0
Reinsurance premiums paid	764 565	0			764 565
Recoveries from reinsurance contracts			-422 190		-422 190
Total cash flows	764 565	0	-422 190	0	-342 375
Net assets of the reinsurance contract 31.03.2025	-473 682	0	5 380 210	451 520	5 358 047
Final balance of reinsurance assets on 31.03.2025	0	0	5 380 210	451 520	5 358 047
Final balance of the reinsurance liability on 31.03.2025	473 682	0	0	0	0

Annex 9. Transactions in shares

In the first quarter of 2025, the ownership structure of Elama did not change and no transactions were made with the company's shares.

Annex 10. Transactions with related parties

The related parties are considered to be the members of the Management Board and Supervisory Board members of Elama, their close relatives and other persons over whom the said persons have a significant influence.

Transactions	3 months 2025	12 months 2024
Calculated insurance premiums for the members of the Management Board	520	3 767
Indemnities paid to members of the Management Board	0	0
Calculated insurance premiums for the members of the Supervisory Board	54	1 872
Damages paid to the members of the Supervisory Board	0	0
Calculated insurance premiums for the companies related to the members of the Supervisory Board	89	745
Indemnities paid to companies related to a member of the Supervisory Board	0	0

Insurance indemnities were not paid to members of the Management Board and to the members of the Supervisory Board or to the companies related to them.

Elama has not entered into service contracts with the members of the company's Supervisory Board or companies related to them.