



28/07/2025

Elama Kindlustus AS

**Interim Report
3rd 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

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Main area of activity:

non-life insurance

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Annual 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.

As of the end of September 2025, Elama's range of insurance services included motor third party liability insurance, motor casco insurance, home insurance, financial loss insurance, travel insurance, health insurance, carrier and freight forwarder's liability insurance, and crop insurance.

Elama's general strategy is to offer insurance services through all sales channels on the market. Elama services can be purchased through Elama insurance advisors, from the self-service on the Elama website, and in addition, Elama services are offered by 27 active insurance brokers and 37 insurance agents. 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. As of 30.09.2025, Elama's solvency ratio was strong at 180%, which allows the development of services and the growth of the insurance portfolio to follow the agreed strategy.

In the third quarter of 2025, the expansion of the insurance services continued actively. From September, the head of the personal insurance joined the team, whose task will be to actively develop this business line and bring to the market travel, accident, health insurance and other similar insurance services that fit the market.

Elama's actuarial team was significantly strengthened. In August, the junior actuary started the work, whose main task is to develop the processes of assessing technical provisions and to implement the best practices and methodologies. As at the end of the quarter, Elama's team had 30 employees.

In cooperation with the Estonian Chamber of Agriculture and Commerce and Europe's leading reinsurer, the development and active offer to farmers of the crop insurance product that was launched on the market in April was continued. As an additional protection, protection against drought damage was introduced to the market. The insurance service launched by Elama is compatible with state support measures, which makes this service economically more accessible for farmers.

In claims handling, great attention was paid to the quality of customer service and increasing customer satisfaction. During the quarter, the customer experience of previous periods was thoroughly analysed, its strengths and weaknesses were mapped, and targeted activities were carried out to improve the quality of service. In designing the service, the focus was primarily on a client-centred approach, where claims handling is transparent, and the progress of the proceedings is accessible to the client. Claims handling processes were improved with the aim of making them even faster and more efficient and increasing the transparency of the service. These activities create a strong foundation for the developments in the fourth quarter and help Elama to provide customers with a consistently fast, clear and reliable service.

Customers are satisfied with Elama's service, and the customer satisfaction index is steadily increasing. The survey sent to customers after claims handling has been answered with an average score of 4.74 (in a 5-point system).

In the first half of 2025, Estonian Financial Supervisory Authority carried out an on-site inspection in Elama with a focus on determining the insurance interest, claims handling and the functioning of Elama's management system. During the inspection, Elama's key employees were interviewed, various internal rules and documentation related to claims handling and sales activities were checked. The observations made by Estonian Financial Supervisory Authority in the second quarter because of the audit were mainly related to the more detailed documentation of the company's activities, and most of the desired changes have already been made to the processes and the level of detail of documentation.

The strategic development of the international business line has developed according to plan and the initiation of the first projects has been successful. Elama has been able to build a strong partner network across Europe and in the third quarter, cooperation with reinsurers has been actively developed to support this business line.

In the third quarter, the Financial Supervision Authority issued an activity licence to Elama for the cross-border provision of fire insurance, natural forces insurance (§ 12(1)8) and other property insurance (§ 12(1)9 of the Insurance Act) in the Kingdom of Spain.

Insurance business

In the third quarter, Elama successfully continued its strategic goal of increasing the premium volume of the insurance portfolio and at the same time diversifying the range of products. Casco insurance maintained a strong growth trend, and thanks to the travel season, the sales of travel insurance also increased significantly. Home insurance, which was launched at the beginning of the year, has been very well received by customers and the portfolio is growing steadily. As expected, the share of motor third party liability insurance in the portfolio has decreased, because of which the potential vulnerability of Elama's portfolio in a single market segment has significantly decreased. The volume of gross premiums in the third quarter of 2025 was 2,457 thousand euros, increasing the volume of insurance premiums by 40.8% compared to the corresponding period in 2024.

Motor third party liability insurance accounted for 50.2%, motor casco insurance for 33.9%, financial loss insurance for 7.9%, travel insurance for 4.8% and home insurance for 1.6%. The share of other products was less than 1%.

In the third quarter of 2025, 715 loss events were registered in the total amount of 1,643 thousand euros, which is 465 thousand euros more than in the same period of 2024. The increase in losses is mainly due to the rapidly growing motor casco insurance in the portfolio. The gross loss ratio for the third quarter was 68.4%.

There are 13 insurance companies and the Estonian Motor Insurance Fund operating on the Estonian non-life insurance market. The volume of the non-life insurance market in the first nine months of 2025 was 438 million euros, which is 1.9% less than in the same period in 2024. The decline in the market is mainly due to the decrease in the premium volumes of motor third party liability insurance and motor casco insurance. Market participants have continued aggressive pricing of services in the third quarter and competition in the market has increased. The premium volumes of motor casco insurance have decreased by 8.4% and in motor third party liability insurance by 9.7%. These two products continue to account for more than half of the total market volume and shape the dynamics of the entire market. Falling insurance premiums, higher repair prices and higher VAT are increasing the pressure on the profitability of vehicle-related insurance types. Elama's market share in the first six months of 2025 was 2.1%, increasing by 0.7% compared to the same period in 2024.

Investment activities

In the third quarter of 2025, Elama acquired bonds from various issuers as new financial investments and, to a limited extent, equity fund units. This year's goal is to diversify the investment portfolio and diversify risks. The volume of Elama financial investments as of 30.09.2025 was 12,190 thousand euros (as of 31.12.2024: 12,626 thousand euros). The decrease is due to the expiry of term deposits, which has temporarily increased the cash position in the bank account.

Assets and liabilities from insurance contracts and equity

As at the end of the quarter, Elama's balance sheet total was 20,556 thousand euros. As at the end of 2024, it was 21,320 thousand euros. Liabilities from insurance activities increased by 387 thousand euros in the third quarter, while assets from reinsurance contracts increased by 216 thousand euros. In the first nine months of 2025, liabilities from insurance contracts have decreased by 1,077 thousand euros and assets from reinsurance contracts by 1,171 thousand euros. The changes in liabilities are primarily due to reduced estimates of claim provisions, changes in the structure of the insurance portfolio and indemnities paid.

Elama equity as of 30.09.2025 was 6,271 thousand euros (31.12.2024: 6,005 thousand euros).

Financial results

Elama's profit for the first nine months was 138 thousand euros (999 thousand euros in 2024). In the third quarter, a loss of 64 thousand euros was earned (in the third quarter of 2024, a profit of 872 thousand euros was earned). The result of the third quarter of last year was significantly influenced by the realisation of investment properties.

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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)

	Q3 2025	Q3 2024
Revenue from insurance contracts	2 590 335	1 683 236
Insurance service expenses	-2 674 025	-957 068
Insurance service result before reinsurance	-83 690	726 168
Expense of reinsurance premiums	-592 742	-646 579
Amounts recoverable from reinsurance	426 391	-106 838
Net expense from reinsurance	-166 351	-753 417
Insurance service result	-250 041	-27 249
Income (expense) from investment activities	189 543	149 598
Financial income (expense) from insurance contracts	38 103	-557 810
Financial income (expense) from reinsurance contracts	-34 830	297 027
Net financial result	192 816	-111 185
Other income and expenses	-6 382	1 010 504
Operating profit (loss)	-63 607	872 071
Other comprehensive income	0	0
Comprehensive profit (loss) for the reporting period	-63 607	872 071

Statement of comprehensive income

	Annex	9 months 2025	9 months 2024
Revenue from insurance contracts	3,8	6 775 353	4 981 603
Insurance service expenses	4,8	-5 603 122	-4 461 402
Insurance service result before reinsurance		1 172 231	520 201
Expense of reinsurance premiums	8	-1 957 607	-1 614 141
Amounts recoverable from reinsurance	8	273 586	847 037
Net expense from reinsurance		-1 684 021	-767 104
Insurance service result		-511 790	-246 903
Income (expense) from investment activities		544 594	487 094
Financial income (expense) from insurance contracts	8	429 382	-362 837
Financial income (expense) from reinsurance contracts	8	-243 995	194 845
Net financial result		729 981	319 101
Other income and expenses	5	-80 391	927 104
Operating profit (loss)		137 801	999 302
Other comprehensive income		0	0
Comprehensive profit (loss) for the reporting period		137 801	999 302

Report on financial position

	Annex	30.09.2025	31.12.2024
Assets			
Cash and cash equivalents		2 659 434	1 982 408
Assets from reinsurance contracts	8	4 498 900	5 669 652
Other receivables		365 109	287 096
Prepaid expenses and accruals		62 698	75 210
Financial assets	6	12 190 053	12 625 794
Property, plant and equipment	7	251 638	284 948
Intangible fixed assets	7	527 797	394 973
Total assets		20 555 629	21 320 081
Liabilities			
Liabilities from insurance contracts	8	13 640 901	14 717 845
Other liabilities		643 464	597 709
Total liabilities		14 284 365	15 315 555
Equity			
Share capital		4 012 392	4 012 392
Share premium		1 619	1 619
Reserve capital		1 423 391	1 294 454
Retained earnings		696 061	0
Profit (loss) for the financial year		137 801	696 061
Total equity		6 271 264	6 004 526
Total liabilities and equity		20 555 629	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
Contributions to reserve capital	0	0	128 937	0	128 937
Profit/loss for the reporting period	0	0	0	137 801	137 801
Other comprehensive income	0	0	0	0	0
Total comprehensive income	0	0	0	137 801	137 801
 Balance as at 30.09.2025	 4 012 392	 1 619	 1 423 391	 833 862	 6 271 264

Cash flow statement

	30.09.2025	30.09.2024
Cash flows from operating activities		
Insurance premiums received	7 269 420	5 032 263
Acquisition costs paid	-804 101	-343 198
Insurance services expenses paid	-4 229 918	-3 643 449
Net cash flows from reinsurance	-757 264	-523 623
Operating expenses paid	-1 619 889	-1 879 472
Interest received	447 749	277 855
Placed in term deposits	-1 500 000	-1 000 000
Placed in bonds	-3 201 910	-610 000
Invested in shares	-457 920	-290 500
Received from the term deposits	5 500 000	2 000 000
From the sale of received shares	159 656	0
Receipts from other operating income and other operating expenses paid	30 995	924 579
Total cash flows from operating activities	836 818	-55 544
Cash flows from investing activities		
Acquisition of intangible fixed assets	-216 424	-234 157
Acquisition of property, plant and equipment	0	-43 265
Sale of property, plant and equipment	0	900 000
Total cash flows from investing activities	-216 424	622 578
Cash flows from financing activities		
Rent payments	-71 571	-26 693
Share capital contributions	128 937	1 640 000
Total cash flows from financing activities	57 366	1 613 307
Total cash flows	677 759	2 180 340
Cash and cash equivalents at the beginning of the period	1 982 408	1 918 995
Change in cash and cash equivalents	677 759	2 180 340
Change in exchange rate difference	-733	-754
Cash and cash equivalents at the end of the period	2 659 434	4 098 581

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 emerged between the balance sheet date of 30.09.2025 and the date of preparation of the report.

Annex 2. Accounting Assessments and Judgments

In the preparation of the reports, several 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. Income from insurance contracts

	9 months 2025	9 months 2024
Motor third party liability insurance	4 006 237	4 574 973
Motor casco insurance	1 854 296	232 001
Travel insurance	311 757	70 151
Carrier liability insurance	94 407	99 327
Other lines of business	508 656	5 151
Total income from insurance contracts	6 775 353	4 981 603

Annex 4. Insurance service costs

	9 months 2025	9 months 2024
Total damages and handling costs, incl.	-3 030 128	-2 672 858
Motor third party liability insurance	-1 345 364	-2 424 207
Motor casco insurance	-1 536 926	-209 176
Travel insurance	-25 656	-4 549
Carrier liability insurance	-61 645	-12 370
Other lines of business	-60 536	-22 556
Acquisition expenses	-854 522	-391 450
Allocated fixed costs	-1 718 473	-1 397 094
Total insurance service expenses	-5 603 122	-4 461 402

Annex 5. Other income and expenses

	9 months 2025	9 months 2024
Marketing costs	-67 861	-62 651
Audit expenses	-41 751	-103 351
Internal audit service	-7 578	-6 637
Other outsourced services	-19 322	-68 211
Rent interest expenses	-12 179	-5 736
Other costs	-54 772	-156 297
Compensation for handling costs received from the mediation of a foreign company	52 207	36 080
Compensation for handling costs received from the mediation of an Estonian society	35 346	62 132
Profit from the sale of fixed assets	0	835 455
Other revenue	36 273	397 074
Total	-79 637	927 858

Annex 6. Financial assets

The distribution of financial assets by the recognition method reflected in the statement of financial position of Elama as at 30.09.2025 is presented in the following table.

	30.09.2025	31.12.2024
Assets recognised at adjusted cost		
Deposits	3 068 581	7 056 178
Bonds	4 747 367	2 017 862
Total assets at adjusted acquisition cost	7 815 948	9 074 040
Assets recognised at fair value through profit or loss		
Bonds	3 202 956	2 757 310
Stocks and equity funds	1 171 149	794 444
Total assets at fair value	4 374 105	3 551 754
Total financial investments	12 190 053	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 of 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	16 154	0	0	16 154
Acquisition cost as of 30.09.2025	338 737	0	0	338 737
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 fixed assets	0	221 573	116 986	116 986
Accumulated depreciation of written off fixed assets	0	0	2 145	2 145
Accumulated depreciation 31.12.2024	-37 635	0	0	-37 635
Depreciation expense for the reporting period	-49 464	0	0	-49 464
Accumulated depreciation 30.09.2025	-87 099	0	0	-87 099
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 30.09.2025	251 638	0	0	251 638

	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	216 424	216 424
Acquisition cost as of 30.09.2025	646 306	646 306
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	-83 600	-83 600
Accumulated depreciation 30.09.2025	-118 509	-118 509
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 30.09.2025	527 797	527 797

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

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

	Liability for remaining coverage (LRC)		Loss 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
Income from insurance activities	-6 775 353	0			-6 775 353
Insurance service costs	838 671	0	4 894 534	-125 069	5 608 136
Insurance service result	-5 936 682	0	4 894 534	-125 069	-1 167 217
Financial cost of insurance contracts			-429 382		-429 382
Total changes in the statement of comprehensive income	-5 936 682	0	4 465 152	-125 069	-1 596 598
Cash flow					
Insurance premiums received	7 269 420	0			7 269 420
Costs of insurance services paid	-804 101	0	-5 945 664		-6 749 765
Total cash flows	6 465 319	0	-5 945 664	0	519 655
Net liabilities under insurance contract 30.09.2025	2 798 478	0	9 999 149	843 274	13 640 901
Final balance of insurance contract liabilities 30.09.2025	2 802 307	0	9 998 113	843 274	13 643 694
Final balance of insurance contract assets 30.09.2025	-3 829	0	1 036	0	-2 793

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 from remaining coverage and asset for incurred claims by the end of the third 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	-1 957 607	0			-1 957 607
The role of reinsurance in claims for claims			361 939	-87 742	274 198
Impact of changes in the default risk of reinsurers			-612		-612
Net reinsurance income or expenses	-1 957 607	0	361 327	-87 742	-1 684 021
Financial income from reinsurance contracts			-243 995		-243 995
Total changes in the statement of comprehensive income	-1 957 607	0	117 333	-87 742	-1 928 016
Cash flow					0
Reinsurance premiums paid	1 978 175	0			1 978 175
Receipts from reinsurance contracts			-1 220 911		-1 220 911
Total cash flows	1 978 175	0	-1 220 911	0	757 264
Net assets of the reinsurance contract 30.09.2025	-520 977	0	4 627 802	392 075	4 498 900
Final balance of reinsurance assets on 30.09.2025	0	0	4 627 802	392 075	5 019 877
Final balance of the reinsurance liability on 30.09.2025	-520 977	0	0	0	-520 977

Annex 9. Transactions in shares

In the third 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 the members of the management board and supervisory board of Elama, their close relatives and other persons over whom the said persons have a significant influence.

Transactions	9 months 2025	12 months 2024
Calculated insurance premiums for the members of the management board	3 298	3 767
Indemnities paid to members of the management board	0	0
Calculated insurance premiums for the members of the Supervisory Board	1 481	1 872
Damages paid to the members of the Supervisory Board	0	0
Calculated insurance premiums for companies related to members of the management board or supervisory board	1010	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 or supervisory board or to companies related to them.

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