

elama[®]

Elama Kindlustus AS

**Interim Report
4th 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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Activity 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 at the end of 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 forwarder 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 31.12.2025, Elama's solvency ratio was strong at 185%, which allows us to follow the agreed strategy in the development of services and the growth of the insurance portfolio.

In the fourth quarter of 2025, the company continued to actively expand the provision of insurance services. The sales area was supplemented with a broker manager and a direct sales manager. Elama will continue to actively strengthen the team in the coming years. As at the end of the quarter, Elama's team had 32 employees.

The strategic development of the international business line has developed according to the plan and the initiation of the first projects has been successful. Elama has been able to build a strong network of partners across Europe. In the fourth quarter, cross-border insurance offers were launched in the Kingdom of Spain.

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.

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 4.79 (in a 5-point system).

Insurance business

In the fourth 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 2,510 thousand euros.

51.6% of the insurance premiums were motor third-party liability insurance, 31.1% comprehensive insurance, 9.6% financial non-life insurance, 2.9% home insurance, 2.8% travel insurance and carrier's liability 1.3%. The share of other products was less than 1%.

In the third quarter of 2025, losses totalling 1,728 thousand euros were registered. As expected, losses will increase in proportion to the growth of the portfolio.

There are 13 insurance companies and the Estonian Motor Insurance Fund operating on the non-life insurance market in Estonia. The volume of the non-life insurance market in 2025 was 590 million euros, which is 1.8% less than in 2024. The decline in the market is due to a decrease in the premium volumes of motor third party liability insurance and comprehensive insurance (-10% and -8%, respectively). The main reason is the aggressive price reductions of insurance companies. These two products continue to account for half of the total market volume and shape the dynamics of the entire market.

The premium volume of home insurance continues to grow and accounts for 20% of the market. The company's property insurance premiums are also on the rise, and this type of insurance accounts for 9% of the market. The above provides a good platform for Elama home insurance, which was launched this year.

Elama is the fastest growing Estonian insurance company on the market, whose market share increased to 2.0% in 2025. In 2024, Elama had a market share of 1.3%.

Losses paid out in the market have decreased by 5.0 million euros to 333 million euros compared to 2024, and the payout level remains good at 56.4%. The low level of disbursements promotes the continuation of price pressures.

Investment activities

In the fourth quarter of 2025, Elama acquired additional bonds and shares in real estate funds as new financial investments. The goal of Elama is to diversify the investment portfolio and diversify risks. The volume of Elama financial investments as of 31.12.2025 was 11,614 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 21,116 thousand euros. As at the end of 2024, it was 21,320 thousand euros. Liabilities from insurance activities increased by 296 thousand euros in the fourth quarter, while assets from reinsurance contracts increased by 210 thousand euros. During the year 2025, liabilities from insurance contracts decreased by 780 thousand euros, while assets from reinsurance contracts decreased by 960 thousand euros. The changes in liabilities are primarily due to reduced estimates of loss provisions, changes in the structure of the insurance portfolio and indemnities paid.

Elama equity as of 31.12.2025 was 6,484 thousand euros (31.12.2024: 6,005 thousand euros).

Financial results

Elama's annual net profit for 2025 was 200 thousand euros (696 thousand euros in 2024). In the fourth quarter, a profit of 63 thousand euros was earned (in the fourth quarter of 2024, a loss of 303 thousand euros was earned).

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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)

	IV quarter 2025	IV quarter 2024
Revenue from insurance contracts	2 611 573	2 017 623
Insurance service expenses	-3 212 211	-2 197 522
Insurance service result before reinsurance	-600 638	-179 900
Expense of reinsurance premiums	-178 881	-423 906
Amounts recoverable from reinsurance	672 227	277 855
Net expense from reinsurance	493 346	-146 051
Insurance service result	-107 293	-325 951
Income (expense) from investment activities	125 078	298 944
Financial income (expense) from insurance contracts	341 008	-66 042
Financial income (expense) from reinsurance contracts	-208 755	46 555
Net financial result	257 332	279 457
Other income and expenses	-86 795	-256 747
Operating profit (loss)	63 243	-303 241
Other comprehensive income	0	0
Comprehensive profit (loss) for the reporting period	63 243	-303 241

Statement of comprehensive income

	Annex	12 months 2025	12 months 2024
Revenue from insurance contracts	3,8	9 386 926	6 999 226
Insurance service expenses	4,8	-8 816 113	-6 658 924
Insurance service result before reinsurance		570 813	340 302
Expense of reinsurance premiums	8	-2 136 488	-2 038 047
Amounts recoverable from reinsurance	8	945 813	1 124 892
Net expense from reinsurance		-1 190 676	-913 155
Insurance service result		-619 863	-572 854
Income (expense) from investment activities		669 672	786 038
Financial income (expense) from insurance contracts	8	770 391	-428 879
Financial income (expense) from reinsurance contracts	8	-452 750	241 400
Net financial result		987 313	598 558
Other income and expenses	5	-167 186	670 357
Operating profit (loss)		200 264	696 062
Other comprehensive income		0	0
Comprehensive profit (loss) for the reporting period		200 264	696 062

Report on financial position

	Annex	31.12.2025	31.12.2024
Assets			
Cash and cash equivalents		3 547 279	1 982 408
Financial assets	6	11 613 622	12 625 794
Assets from reinsurance contracts	8	4 709 344	5 669 652
Other receivables		262 331	287 096
Prepaid expenses and accruals		102 810	75 210
Property, plant and equipment	7	234 701	284 948
Intangible fixed assets	7	646 083	394 973
Total assets		21 116 169	21 320 081
Liabilities			
Liabilities from insurance contracts	8	13 937 036	14 717 845
Other liabilities		695 406	597 709
Total liabilities		14 632 441	15 315 555
Equity			
Share capital		4 012 392	4 012 392
Share premium		1 619	1 619
Reserve capital		1 573 391	1 294 454
Retained earnings		696 062	0
Profit (loss) for the financial year		200 264	696 062
Total equity		6 483 728	6 004 526
Total liabilities and equity		21 116 169	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	278 937	0	278 937
Profit/loss for the reporting period	0	0	0	200 264	200 264
Other comprehensive income	0	0	0	0	0
Total comprehensive income	0	0	0	200 264	200 264
Balance as at 31.12.2025	4 012 392	1 619	1 573 391	896 326	6 483 728

Cash flow statement

	12 months 2025	12 months 2024
Cash flows from operating activities		
Insurance premiums received	10 214 738	6 822 622
Acquisition costs paid	-1 159 748	-499 518
Insurance services expenses paid	-6 057 231	-4 732 558
Net cash flows from reinsurance	-683 117	-378 865
Operating expenses paid	-2 317 268	-2 295 870
Interest received	701 850	695 405
Placed in term deposits	-3 000 000	-7 000 000
Placed in bonds	-5 265 297	-2 951 500
Invested in shares	-457 920	-799 935
Invested in real estate fund units	-201 880	0
Received from the term deposits	8 500 000	9 000 000
Received from the bonds	1 001 629	0
From the sale of received shares	358 701	0
Received dividends		29 764
Receipts from other operating income and other operating expenses paid	30 995	105 313
Total cash flows from operating activities	1 769 536	-2 010 650
Cash flows from investing activities		
Acquisition of intangible fixed assets	-372 531	-429 882
Sale of property, plant and equipment	0	905 538
Total cash flows from investing activities	-372 531	-475 656
Cash flows from financing activities		
Rent payments	-94 779	-30 352
Interest payments	-15 538	-10 463
Contributions to the share capital	0	816 810
Increase of the voluntary reserve capital	278 937	823 190
Total cash flows from financing activities	168 620	1 599 185
Total cash flows	1 565 625	64 191
Cash and cash equivalents at the beginning of the period	1 982 408	1 918 995
Change in cash and cash equivalents	1 565 625	64 191
Change in exchange rate difference	-754	-779
Cash and cash equivalents at the end of the period	3 547 279	1 982 408

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 31.12.2025 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	5 336 257	6 146 525
Motor casco insurance	2 698 389	531 117
Travel insurance	382 243	161 521
Property insurance	58 272	2 348
Carrier liability insurance	128 861	152 821
Financial loss insurance	782 903	4 894
Total income from insurance contracts	9 386 926	6 999 226

Annex 4. Insurance service costs

	12 months 2025	12 months 2024
Total damages and handling costs, incl.	-5 228 078	-4 154 035
Motor third party liability insurance	-2 420 106	-3 750 019
Motor casco insurance	-2 489 076	-366 835
Travel insurance	-39 352	-8 238
Property insurance	-135 097	-305
Carrier liability insurance	-86 270	-6 351
Financial loss insurance	-58 177	-524
Other lines of business	0	-21 764
Acquisition expenses	-1 209 093	-550 670
Allocated fixed costs	-2 378 942	-1 954 219
Total insurance service expenses	-8 816 113	-6 658 924

Annex 5. Other income and expenses

	12 months 2025	12 months 2024
Office expenses	-5 955	-67 763
EKsL membership fee	-16 225	-9 826
Legal aid	-7 217	-3 327
Rent interest expenses	-15 538	-10 463
Audit expenses	-83 260	-145 102
Marketing costs	-92 646	-259 395
Internal audit service	-17 994	-6 637
Other outsourced services	-22 756	-75 322
Other costs	-89 608	-111 888
Handling costs received from a foreign company	70 382	44 788
Handling costs received from an Estonian society	61 996	78 282
Profit from the sale of fixed assets	0	835 455
Other revenue	51 634	401 555
Total	-167 186	670 357

Annex 6. Financial assets

The distribution of financial assets by the recognition method reflected in the statement of financial position of Elama as at 31.12.2025 is presented in the following table.

	31.12.2025	31.12.2024
Assets recognised at adjusted cost		
Deposits	1 504 556	7 056 178
Bonds	5 310 867	2 017 862
Total assets at adjusted acquisition cost	6 815 423	9 074 040
Assets recognised at fair value through profit or loss		
Bonds	3 673 896	2 757 310
Stocks and equity funds	914 253	794 444
Shares of real estate fund	210 050	0
Total assets at fair value	4 798 199	3 551 754
Total financial investments	11 613 622	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 31.12.2025	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	-66 401	0	0	-66 401
Accumulated depreciation 31.12.2025	-104 036	0	0	-104 036
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 31.12.2025	234 701	0	0	234 701
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		372 531		372 531
Acquisition cost as of 31.12.2025		802 413		802 413
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		-121 420		-121 420
Accumulated depreciation 31.12.2025		-156 329		-156 329
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 31.12.2025		646 083		646 083

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 fourth quarter of 2025.

	Liability for remaining coverage (LRC)		Loss for incurred claims (LIC)		Total
	Excluding the loss component	Loss component	Estimate of the present value of future cash flows	Risk adjustment	
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	-9 386 926				-9 386 926
Gains and losses from onerous contracts		216 898			216 898
Acquisition expenses	1 209 093				1 209 093
Incurred benefits and expenses			10 381 925	827 174	11 209 099
Changes that relate to past service, adjustments to LIC			-2 540 149	-1 278 828	-3 818 977
Insurance service result	-8 177 833	216 898	7 841 776	-451 654	-570 813
Financial cost of insurance contracts			-770 391		-770 391
Total changes in the statement of comprehensive income	-8 177 833	216 898	7 071 385	-451 654	-1 341 204
Cash flow					
Insurance premiums received	10 214 640				10 214 640
Acquisition costs paid	-1 159 748				-1 159 748
Insurance services paid			-8 494 499		-8 494 499
Total cash flows	9 054 893		-8 494 499		560 394
Net liabilities under insurance contract 31.12.2025	3 146 901	216 898	10 056 547	516 689	13 937 035
Final balance of insurance contract liabilities 31.12.2025	3 146 901	216 898	10 056 547	516 689	13 937 035
Final balance of insurance contract assets 31.12.2025	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 from remaining coverage and asset for incurred claims by the end of the fourth quarter of 2025.

	Asset for remaining coverage (ARC)		Asset for incurred claims (AIC)		Total
	Excluding the loss-absorbing component	Loss Absorption Component	Estimate of the present value of future cash flows	Risk adjustment	
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
Allocation of reinsurance premiums	-2 136 488				-2 136 488
The share of reinsurance in claims			1 536 998	104 054	1 641 053
Changes that relate to past service, adjustments to AIC			-381 525	-312 972	-694 497
Effect of changes in the non-performance risk of reinsurers			-743		-743
Net reinsurance income or expenses	-2 136 488	0	1 154 731	-208 918	-1 190 676
Financial income from reinsurance contracts			-452 750		-452 750
Total changes in the statement of comprehensive income	-2 136 488	0	701 981	-208 918	-1 643 425
Cash flow					
Reinsurance premiums paid	1 978 175				1 978 175
Recoveries from reinsurance contracts			-1 295 058		-1 295 058
Total cash flows	1 978 175		-1 295 058		683 117
Net assets of the reinsurance contract 31.12.2025	-699 858	0	5 138 303	270 898	4 709 344
Final balance of reinsurance assets on 31.12.2025	0	0	5 138 303	270 898	5 409 201
Final balance of the reinsurance liability on 31.12.2025	-699 858	0	0	0	-699 858

Annex 9. Transactions in shares

In the fourth quarter of 2025, the ownership structure of Elama did not change and no transactions was 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	12 months 2025	12 months 2024
Calculated insurance premiums for the members of the management board	3 101	3 767
Calculated insurance premiums for the members of the Supervisory Board	1 658	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	8 410	745
Indemnities paid to companies related to a member of the supervisory board	9 228	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 service contracts with the members of the company's supervisory board, or the companies related to them.