



Elama Kindlustus AS

Interim Report 2nd Quarter 2026



Interim report

Start of the financial year

January 01, 2026

End of the financial year

December 31, 2026

Business Name:

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 the second quarter of 2026, Elama's range of insurance services included motor third party liability insurance, motor casco insurance, home insurance, corporate property insurance, travel insurance, health insurance, document insurance, financial loss insurance, carrier and freight forwarder's liability insurance, cargo insurance and crop insurance.

Elama's general strategy is to offer insurance services through all sales channels on the market in Estonia and to create a strong international business line based on projects.

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 28 active insurance brokerage companies 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 30.06.2026, Elama had a strong solvency ratio of 169%, which allows for stable and smooth growth of the insurance portfolio in line with strategic targets.

In the second quarter of 2026, the company continued to actively expand its insurance services offering and strengthen its team. A strong IT project manager joined the team, who brings additional knowledge of IT developments in financial sector. In addition, a loss adjuster with long-term experience joined the Elama team. Elama will continue to actively strengthen the team and recruit new specialists in the coming months. As at the end of June, Elama's team had 35 employees.

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 network of partners across Europe. In the second quarter, the company started offering insurance services in Finland and Germany, and in addition, Elama was issued cross-border activity licences to Latvia and the Netherlands, where cross-border insurance will be offered soon. Elama continues to actively search for international expansion opportunities.

In the second quarter of 2026, the focus of claims handling continued to be on increasing customer satisfaction and ensuring a smooth and transparent customer experience. To support this, the first stage of customer-centric communication training was carried out in the claims handling team, the aim of which was to harmonise the principles of communication and further improve the clarity and quality of the information provided to customers.

The network of cooperation partners was actively continued in the field of vehicle and property damage. In the case of vehicle damages, the focus was primarily on finding partners in Western Estonia and on the islands to ensure better availability of services for customers in all regions of Estonia. In addition, cooperation was started with a new travel and health insurance claims handling partner, which allows us to offer faster and more comprehensive claims handling for these types of insurance all over the world.

In the handling of vehicle damages, the improvement of the AI-based repair calculation control solution continued. The aim of the developments is to increase the accuracy of checking calculations, reduce the amount of manual work, and make the decision-making process faster and more uniform. The harmonisation of internal work processes, the specification of cooperation standards with partners, and the regular monitoring of the quality and speed of claims handling were also continued.

The number of clients has grown to 48 thousand clients in Estonia, and including international projects, the total number of clients is 126 thousand. The volume of valid premiums is 13.8 million euros.

Insurance business

Elama Kindlustus continued its strong growth in the first half of 2026, increasing the volume of gross premiums to 8.93 million euros, which is 32% more than a year earlier. At the same time, the Estonian non-life insurance market grew by only 0.9%, amounting to 302 million euros. Elama is the fastest growing Estonian insurance company on the market, with its market share increasing to 2.8% by the end of the second quarter of 2026. In the same period in 2025, the market share was 2.3%.

The Insurance premium volume for the second quarter of 2026 was 5.83 million euros, which is 29% more than in 2025. The biggest growth engine has been home insurance, the volume of insurance premiums of which increased almost twice as much as planned in Elama, reaching a premium volume of 0.33 million euros. This reflects the growing interest of customers in broad-based insurance cover and the desire to better protect their homes from various unexpected risks. Elama was the first insurance company operating in the Estonian market to offer customers additional free cover for damage caused by an accidental stray drone. In the second quarter, new home insurance losses were registered in the amount of 0.12 million euros. Such volume of damages has been expected and is mainly related to typical pipeline leaks.

The recovery of motor third party liability insurance premium volumes also significantly supported the growth, primarily due to increasing insurance premiums but also due to a few larger procurements. The volume of premiums increased by more than 54% compared to the same period in 2025, reaching a premium volume of 2.17 million euros. At the same time, the volume of registered losses increased by 64% to 1.32 million euros.

The sales of motor casco Insurance was 1.28 million euros. The sales have been more active in the second quarter, but remains lower than planned and is 6% lower than in 2025. Competition in the market remains very active and market players make vigorous price offers to win customers. At the same time, the losses have almost doubled compared to 2025 to 0.80 million euros. The increase in losses is mainly due to the growth of the portfolio, but at the same time, the pressure on repair prices due to the increase in input prices remains, which increases the size of the average loss. This trend forces insurance rates to be updated.

The sales of financial loss insurance have increased by 15% in the second quarter compared to 2025, reaching a premium volume of EUR 1.81 million. Elama continues to actively develop this service and expand its sales network.

The premium volume of travel insurance has been more modest than planned due to the fuel crisis in the Middle East and the war in Ukraine. At the same time, health insurance has been 42% higher than last year, mainly due to the growth of foreign labour in Estonia.

The volume of other insurance services is less than 1% of Elama's total insurance portfolio and does not have a major impact on insurance activities.

A diverse range of services significantly reduces vulnerability to individual services. 37.2% of the insurance premiums were motor third-party liability insurance, 31.0% financial loss insurance, 22.0% motor casco insurance, and 5.7% home insurance. The share of other products was less than 5%.

In the second quarter of 2026, losses were registered in the total amount of 2260 thousand euros. The number of losses was higher in vehicle-related insurance types and mainly due to the growth of the portfolio.

Despite the abundance of damages, Elama was able to serve its customers quickly and in accordance with the usual service standard that met the expectations of the customers, and this is reflected in the feedback survey provided by the customers. Customer satisfaction remains strong at 4.79 (5-point system).

Environment

There are 13 insurance companies and the Estonian Motor Insurance Fund operating on the Estonian non-life insurance market. The non-life insurance market volume in the second quarter of 2026 was 152 million euros, which is 1.3% more than in 2025. The growth of the market is mainly due to the increase in home insurance premium volumes, which increased by 2.5 million euros to 30.6 million, and financial loss insurance, which increased by 1.1 million euros to 6.8 million. Compared to 2025, the premiums of motor casco insurance and motor third party liability insurance has decreased by 2.2 million euros and 1.6 million euros, respectively. These two products account for almost half of the total market volume and shape the dynamics of the entire market. In total, the volume of premiums in vehicle-related categories decreased by 3.8 million euros.

In the second quarter, paid losses have increased by 14 million euros compared to 2025 to 91 million euros, and the payout ratio was 59.8%, which is 8.5 percentage points higher than in 2025. The main reason for this is the higher volume of losses incurred in the first quarter, the disbursements of which will be made with a delay in the second quarter. Reserves are not reflected in market data, which is why the loss data in market statistics do not reflect the actual situation. The larger than usual disbursements on the market are mainly influenced by the types of insurance related to vehicles, where disbursements have increased by 3.5 million euros in the case of motor third party liability insurance and 2.2 million euros in the case of motor casco insurance. The payout level was 71.1% and 67.1%, respectively. Thanks to the Middle East crisis, travel insurance payouts will remain 1.1 million euros higher than in 2025, which brought the payout level to 68%.

Investment activities

In the second quarter of 2026, Elama acquired additional bonds 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 30.06.2026 was 12,882 thousand euros (as of 31.12.2025: 11,614 thousand euros).

Assets and liabilities from insurance contracts and equity

As at the end of the quarter, Elama's balance sheet total was 22,007 thousand euros. As at the end of 2025, it was 21,116 thousand euros. Liabilities from insurance activities decreased by 51 thousand euros in the second quarter, while assets from reinsurance contracts increased by 220 thousand euros. The change in liabilities is primarily due to compensation for losses that occurred during the winter period.

Elama equity as of 30.06.2026 was 6,591 thousand euros (31.12.2025: 6,484 thousand euros).

Financial results

In the first half of 2026, Elama's revenue from Insurance contracts was 6.7 million euros, including 3.4 million in the second quarter.

Elama's net profit in the first half of 2026 was 107 thousand euros, of which 151 thousand euros were earned in the second quarter (in the six months of 2025, the net profit was 21 thousand euros, of which 72 thousand euros were earned in the second quarter of 2025). The result was affected the most by winter weather conditions, competition in the market and changes in interest rates.

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Jaanus Seppa

Member of the Management Board

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Tanel Kurs

Member of the Management Board

Interim financial statements

Statement of comprehensive income (quarterly)

	Lisa	II quarter 2026	II quarter 2025
Revenue from insurance contracts	3,8	3 379 014	2 362 873
Insurance service expenses	4,8	-3 381 306	-1 310 190
Insurance service income before reinsurance		-2 291	1 052 682
Expense of reinsurance premiums	8	-836 315	-668 161
Amounts recoverable from reinsurance	8	862 223	-418 289
Net reinsurance income (cost)		25 908	-1 086 450
Insurance service result		23 616	-33 768
Income (expense) from investment activities		218 477	137 136
Financial income (expense) from insurance contracts		-144 515	-27 654
Financial income (expense) from reinsurance contracts		75 813	13 575
Net financial result		149 775	123 056
Other income and expenses	5	-22 321	-17 558
Operating profit (loss)		151 071	71 731
Other comprehensive income		0	0
Comprehensive profit (loss) for the reporting period		151 071	71 731

Statement of comprehensive income (6 months)

	Lisa	6 months 2026	6 months 2025
Revenue from insurance contracts	3,8	6 693 132	4 185 018
Insurance service expenses	4,8	-6 800 601	-2 929 097
Insurance service income before reinsurance		-107 470	1 255 921
Expense of reinsurance premiums	8	-1 734 065	-1 364 865
Amounts recoverable from reinsurance	8	1 619 231	-152 805
Net reinsurance income (cost)		-114 834	-1 517 670
Insurance service result		-222 304	-261 749
Income (expense) from investment activities		529 218	355 050
Financial income (expense) from insurance contracts		-252 696	390 558
Financial income (expense) from reinsurance contracts		133 075	-209 185
Net financial result		409 597	536 424
Other income and expenses	5	-79 868	-73 265
Operating profit (loss)		107 424	201 409
Other comprehensive income		0	0
Comprehensive profit (loss) for the reporting period		107 424	201 409

Report on financial position

	Lisa	30.06.2026	31.12.2025
Assets			
Cash and cash equivalents		2 642 239	3 547 279
Financial investments	6	12 882 307	11 613 622
Assets from reinsurance contracts	8	5 090 172	4 709 344
Other receivables		428 971	262 331
Prepaid expenses and accruals		50 394	102 810
Property, plant and equipment	7	211 307	234 701
Intangible fixed assets	7	701 476	646 083
Total assets		22 006 866	21 116 169
Liabilities			
Liabilities from insurance contracts	8	14 677 543	13 937 036
Other liabilities		738 172	695 406
Total liabilities		15 415 715	14 632 441
Equity			
Share capital		4 012 392	4 012 392
Share premium		1 619	1 619
Reserve capital		1 573 391	1 573 391
Retained earnings		896 326	696 062
Profit (loss) for the financial year		107 424	200 264
Total equity		6 591 152	6 483 728
Total liabilities and equity		22 006 866	21 116 169

Statement of changes in equity

	Share capital	Share premium	Reserve capital	Retained earnings	Total
Balance as at 31.12.2025	4 012 392	1 619	1 573 391	896 326	6 483 728
Profit/loss for the reporting period	0	0	0	107 424	107 424
Other comprehensive income	0	0	0	0	0
Total comprehensive income	0	0	0	107 424	107 424
Balance as at 30.06.2026	4 012 392	1 619	1 573 391	1 003 750	6 591 152

Cash flow statement

	30.06.2026	30.06.2025
Cash flows from operating activities		
Insurance premiums received	7 169 015	4 456 490
Acquisition costs paid	-781 282	-464 259
Insurance services expenses paid	-4 528 622	-2 638 631
Net cash flow from reinsurance	-362 588	-340 538
Operating expenses paid	-1 447 570	-1 058 263
Interest received	342 447	259 632
Placed in term deposits	-3 000 000	-500 000
Placed in bonds FVTPL	0	-219 000
Placed in bonds AC	-1 394 853	-1 613 300
Invested in parts of real estate funds	-300 172	0
Invested in shares	0	-457 920
Received from term deposits	3 000 000	3 000 000
Received from bonds FVTPL	100 000	0
Received from bonds AC	350 000	0
Received from the sale of shares	99 218	159 656
Dividends received	32 178	29 765
Receipts from other operating income and other operating expenses paid	17 921	61 292
Total cash flows from operating activities	-704 308	674 925
Cash flows from investing activities		
Acquisition of intangible fixed assets	-145 972	-138 155
Total cash flows from investing activities	-145 972	-138 155
Cash flows from financing activities		
Rent payments	-48 592	-46 429
Interest payments	-6 009	-8 606
Total cash flows from financing activities	-54 601	-55 035
Total cash flows	-904 880	481 735
Cash and cash equivalents at the beginning of the period	3 547 279	1 982 408
Change in cash and cash equivalents	-904 880	481 735
Change in exchange rate difference	-160	-721
Cash and cash equivalents at the end of the period	2 642 238	2 463 422

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 30.06.2026 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

	6 months 2026	6 months 2025
Motor third party liability insurance	2 999 454	2 684 880
Motor casco insurance	1 882 205	1 051 929
Travel insurance	192 602	165 598
Home insurance	116 390	8 582
Corporate property insurance	52 763	0
Carrier liability insurance	42 211	64 690
Financial loss insurance	1 379 818	209 339

International Business	27 689	0
Total income from insurance contracts	6 693 132	4 185 018

Annex 4. Insurance service costs

	6 months 2026	6 months 2025
Total damages and handling costs, incl.	-4 565 537	-1 259 022
Motor third party liability insurance	-2 282 146	-340 128
Motor casco insurance	-1 872 895	-819 332
Travel insurance	-22 890	-12 283
Home insurance	-157 758	-4 058
Corporate property insurance	-97 490	0
Carrier liability insurance	-1 808	-62 370
Financial loss insurance	-82 409	-20 851
International Business	-48 141	0
Acquisition expenses	-757 026	-506 997
Allocated fixed costs	-1 478 039	-1 163 077
Total cost of insurance service	-6 800 601	-2 929 097

Annex 5. Other income and expenses

	6 months 2026	6 months 2025
Marketing costs	-45 912	-55 560
Audit control	-84 506	-87 109
Rent interest expense	-6 009	-8 606
Other costs	-16 397	-13 483
Handling costs received from the mediation of a foreign company	27 819	40 314
Handling costs received from the mediation of an Estonian society	44 350	27 446
Other revenue	787	23 733
Total	-79 868	-73 265

Annex 6. Financial investments

The distribution of financial assets by the recognition method reflected in the statement of financial position of Elama as at 30.06.2026 is presented in the following table.

	30.06.2026	31.12.2025
Assets recognised at adjusted cost		
Deposits	1 504 704	1 504 556
Bonds	6 486 150	5 310 867
Total assets at adjusted acquisition cost	7 990 854	6 815 423
Assets recognised at fair value through profit or loss		
Bonds	3 520 245	3 673 896
Stocks and equity funds	874 826	914 253
Shares of real estate funds	496 382	210 050
Total assets at fair value	4 891 453	4 798 199

Total financial investments	12 882 307	11 613 622
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Annex 7. Tangible and intangible fixed assets

	Right-of-use property	Buildings	Other property, plant and equipment	Total
Acquisition cost				
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
Acquisition of asset	10 658	0	0	10 658
Acquisition cost as at 30.06.2026	349 395	0	0	349 395
Accumulated depreciation				
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
Depreciation expense for the reporting period	-34 052	0	0	-34 052
Accumulated depreciation 30.06.2026	-138 088	0	0	-138 088
Residual value				
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
Residual value as at 30.06.2026	211 307	0	0	211 307

	Intangible fixed assets	Total
Acquisition cost		
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
Acquisition of intangible fixed assets	145 971	145 971
Acquisition cost as at 30.06.2026	948 384	948 384
Accumulated depreciation		
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
Depreciation expense for the reporting period	-90 579	-90 579
Accumulated depreciation 30.06.2026	-246 908	-246 908
Residual value		
Residual value as at 31.12.2024	394 973	394 973
Residual value as at 31.12.2025	646 083	646 083
Residual value as at 30.06.2026	701 476	701 476

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 recognised in the income statement resulted in a change in the book value of the future insurance cover liability and the liability for losses incurred by the end of the second quarter of 2026.

	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 01.01.2026	3 146 901	216 898	10 056 547	516 689	13 937 036
Opening balance of insurance contract assets 01.01.2026	0	0	0	0	0
Net liabilities of the insurance contract 01.01.2026	3 146 901	216 898	10 056 547	516 689	13 937 036
Revenue from insurance contracts	-6 693 132				-6 693 132
Gains and losses from onerous contracts		-63 756			-63 756
Acquisition expenses	757 026				757 026
Incurred benefits and expenses			8 270 457	808 572	9 079 029
Changes that relate to past service, adjustments to LIC			-2 268 857	-719 353	-2 988 210
Insurance service result	-5 936 106	-63 756	6 001 600	89 219	90 957
Financial cost of insurance contracts			252 696		252 696
Total changes in the statement of comprehensive income	-5 936 106	-63 756	6 254 296	89 219	343 653
Cash flows					
Insurance premiums received	7 169 015				7 169 015
Acquisition costs paid	-781 282				-781 282
Claims paid			-4 528 622		-4 528 622
Costs of insurance services paid	0		-1 462 256		-1 462 256
Total cash flows	6 387 733		-5 990 877		396 855
Net liabilities under insurance contract 30.06.2026	3 598 528	153 142	10 319 965	605 908	14 677 543
Final balance of insurance contract liabilities 30.06.2026	3 598 528	153 142	10 319 965	605 908	14 677 543
Final balance of insurance contract assets 30.06.2026	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 carrying amount of future insurance cover assets and loss assets by the end of the second quarter of 2026.

	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 01.01.2026	0	0	5 138 303	270 898	5 409 201
Opening balance of the reinsurance liability 01.01.2026	-699 858	0	0	0	-699 858
Net assets of the reinsurance contract 01.01.2026	-699 858	0	5 138 303	270 898	4 709 344
Allocation of reinsurance premiums	-1 734 065				-1 734 065
The share of reinsurance in claims			1 682 001	204 607	1 886 607
Changes that relate to past service, adjustments to AIC			-205 128	-62 125	- 267 253
Effect of changes in the non-performance risk of reinsurers			-123		-123
Net reinsurance income or expenses	-1 734 065	0	1 476 769	142 482	-114 834
Financial income from reinsurance contracts			133 075		133 075
Total changes in the statement of motor casco income	-1 734 065	0	1 609 824	142 482	18 241
Cash flows					
Reinsurance premiums paid	1 323 514				1 323 514
Recoveries from reinsurance contracts			-960 925		-960 925
Total cash flows	1 323 514		-960 925		362 588
Net assets of the reinsurance contract 30.06.2026	-1 110 410	0	5 787 202	413 380	5 090 172
Final balance of reinsurance assets at 30.06.2026	0	0	5 787 202	413 380	5 968 501
Final balance of the reinsurance liability on 30.06.2026	-1 110 410	0	0	0	-878 329

Annex 9. Transactions in shares

In the second quarter of 2026, 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	6 months 2026	6 months 2025
Calculated insurance premiums for the members of the management board	3730	3214
Indemnities paid to members of the management board	0	0
Calculated insurance premiums for the members of the Supervisory Board	1005	1565
Damages paid to the members of the Supervisory Board	0	0
Calculated insurance premiums for the company related to the members of the supervisory board	4563	1635
Indemnities paid to companies related to a member of the supervisory board	1551	0

Insurance indemnities were not paid to members of the management board or supervisory board.

Elama has not entered service contracts with the members of the company's supervisory board or related companies in the second quarter.