

Dear Investors,

One and a half years have passed since the COVID - 19 epidemic related restrictions in March 2020 affected the activities of CAPITAL SERVICE S.A. (CSSA, Company), thus losing liquidity. In order to regain the ability to pay its liabilities to Mintos Investors, other Contractors and Institutions, the Company had to restructure its debt. 10 months have passed since then.

These past 10 months have been a period of very hard work, the main goal of which was to survive the organization, restore the Company's profitability over time and regain the reputation of a reliable borrower. Among the goals facing the Company, the most important thing is to keep the negotiated repayment schedules. Therefore, all activities, both operational and restructuring, are subordinated to it.

In the past period, significant cost optimization was achieved.

Work is constantly underway to eliminate unnecessary expenses, ranging from office supplies to fuel expenses for company cars. Employment in the Company was also reduced. The company currently employs 166 people. So there has been a decline in employment by almost 250 jobs compared to the previous year. Although it was most influenced by the closure of over 100 regional branches, savings on personnel costs were also made in other organizational units, mainly at the headquarters.

Apart from the savings on operating costs, a significant decrease in costs was also recorded in the area of credit risk. Due to the COVID-19 pandemic, changes to the legal regulations were introduced for a period of several months, which drastically limited the possibilities of obtaining income by the entire loan industry in Poland, including CSSA. It was necessary to tighten the terms of granting loans. This resulted in a significant reduction in the sales volume, which, admittedly, is slowly growing, but the Company still grants significantly less loans than before the pandemic. Thanks to a more rigorous scoring, the paid loan capital guarantees, however, the construction of a portfolio with the expected, low level of loss ratio, and thus a guarantee of achieving a specific profit on the loan.



The actions taken by the Company seem to be paying off. The best example is that the Company pays its liabilities in a timely manner, in accordance with the adopted repayment schedule and despite the persistent epidemic threat and related restrictions, saying this CAPITAL SERVICE S.A. expects to honour agreed repayment schedule and meet the obligations towards Mintos investors.


Capital Service S.A.
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