APG|SGA Out of Home Media

Financial Report

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Explanation of financial terms

EBITDA Earnings before interest, taxes, depreciation of tangible assets, and amortization of intangible assets

EBIT Earnings before interest and taxes

Consolidated balance sheet

Assets

in CHF 1 000	Notes	31.12.2020	31.12.2019
Buildings and land		**29 065**	32 576
Advertising plant		**23 459**	22 381
Other property, plant, and equipment		**3 495**	4 074
Property, plant, and equipment	3	**56 019**	59 031
Deferred tax assets	20	**1 515**	1 351
Other financial investments		**6 653**	7 400
Financial investments	4	**8 168**	8 751
Goodwill		**5 298**	5 648
Contractual advertising rights		**14 546**	15 515
Intangible fixed assets	5	**19 844**	21 163
Non-current assets		**84 031**	88 945
Inventories		**4 885**	3 865
Trade accounts receivable	6	**30 353**	44 331
Other accounts receivable	7	**8 359**	7 415
Deferred expenses and accrued income		**5 040**	6 547
Current financial assets	8	**6 000**	
Cash and cash equivalents	8	**66 587**	41 762
Current assets		**121 224**	103 920
Total		**205 255**	192 865

Shareholders’ equity and liabilities

in CHF 1 000	Notes	31.12.2020	31.12.2019
Share capital		**7 800**	7 800
Capital reserves, premiums		**12 938**	13 246
Treasury shares		**−1 491**	−853
Translation differences		**−2 128**	−2 098
Retained earnings		**72 291**	59 048
Shareholders’ equity	9	**89 410**	77 143
Financial liabilities			350
Provisions	10	**7 299**	7 979
Deferred tax liabilities	20	**2 651**	3 302
Non-current liabilities		**9 950**	11 631
Financial liabilities		**298**	
Trade accounts payable		**7 785**	7 989
Taxes payable		**4 879**	7 265
Other accounts payable	12	**27 059**	29 995
Accrued liabilities and deferred income	13	**64 967**	56 454
Provisions	10	**907**	2 388
Current liabilities		**105 895**	104 091
Liabilities		**115 845**	115 722
Total		**205 255**	192 865

Consolidated income statement

in CHF 1 000	Notes	2020	2019
Advertising revenue	24	**261 904**	318 494
Real estate revenue	16	**1 690**	1 693
Other operating income	17	**5 934**	40
Operating income		**269 528**	320 227
Fees and commissions		**−164 630**	−165 039
Personnel expenses	18	**−51 443**	−61 646
Operating and administrative costs		**−26 579**	−32 137
Operating result before depreciation and amortization (EBITDA)		**26 876**	61 405
Depreciation of tangible assets	3	**−9 267**	−8 790
Amortization of intangible assets	5	**−937**	−952
Amortization of goodwill	5	**−349**	−349
Operating result (EBIT)		**16 323**	51 314
Financial result	19	**23**	−124
Result from joint ventures			−129
Ordinary result before income tax		**16 346**	51 061
Income tax	20	**−3 103**	−9 229
Consolidated net income		**13 243**	41 832
Basic and diluted earnings per share, in CHF	21	**4.42**	13.95

Consolidated statement of changes in equity

in CHF 1 000	Share capital	Capital reserves premiums	Treasury shares	Translation differences	Retained earnings	Shareholders' equity
as at January 1, 2019	7 800	13 449	−748	−1 461	77 171	**96 211**
Consolidated net income					41 832	**41 832**
Translation differences				−637		**−637**
Distributions					−59 955	**−59 955**
Purchase of treasury shares			−1 018			**−1 018**
Sale of treasury shares		−192	913			**721**
Equity transaction costs		−11				**−11**
as at December 31, 2019	7 800	13 246	−853	−2 098	59 048	**77 143**
Consolidated net income					13 243	**13 243**
Translation differences				−30		**−30**
Purchase of treasury shares			−1 637			**−1 637**
Sale of treasury shares		−294	999			**705**
Equity transaction costs		−14				**−14**
as at December 31, 2020	7 800	12 938	−1 491	−2 128	72 291	**89 410**

Consolidated statement of cash flows

in CHF 1 000	Notes	2020	2019
Consolidated net income		**13 243**	41 832
Depreciation and amortization		**10 553**	10 091
Changes in provisions		**−757**	227
Changes in deferred taxes	20	**−816**	−1 377
Financial result with no cash impact		**−40**	137
Gain/loss from sale of non-current assets		**−5 925**	4
Result from joint ventures			129
Change in inventories		**−1 021**	−1 497
Change in accounts receivable		**12 999**	−11 303
Change in deferred expenses and accrued income		**1 442**	−29
Change in accounts payable and taxes payable		**−5 517**	4 137
Change in accrued liabilities and deferred income		**8 513**	7 486
Cash flow from operating activities		**32 674**	49 837
Capital expenditures in property, plant, and equipment	3	**−8 868**	−8 377
Capital expenditures in intangible assets	5	**−1 345**	−159
Capital expenditures in current financial investments		**−6 000**	
Sale of property, plant, and equipment		**8 525**	244
Sale of other financial investments		**813**	34
Net cash used in investing activities		**−6 875**	−8 258
Purchase of treasury shares		**−1 637**	−1 018
Sale of treasury shares		**691**	710
Increase of financial liabilities			358
Repayment of financial liabilities		**−51**	
Dividends to APG SGA SA shareholders			−59 956
Net cash used in financing activities		**−997**	−59 906
Currency translation effect on cash and cash equivalents		**23**	−39
Change in cash and cash equivalents		**24 825**	−18 366
Cash and cash equivalents as at January 1	8	**41 762**	60 128
Cash and cash equivalents as at December 31	8	**66 587**	41 762

Notes to the consolidated financial statements

1 Business activity

The APG SGA Group is active in all domains of Out of Home advertising. As a media company, we transport advertising messages into the public and private areas with posters, screens and related media as promotions and mobile advertising. This media performance is generated in streets, city centers, pedestrian zones, railway stations, shopping centers, airports, tourist resorts, and on the outside and inside of public transport vehicles. The Group is active in the Swiss market and in Serbia. Business operations are based on long-term concession agreements with public-sector and private partners. APG SGA SA is the parent company. It is a Swiss Stock Exchange (SIX)-listed company headquartered on Carrefour de Rive 1, 1207 Geneva (Switzerland).

2 Key reporting and valuation principles of the APG SGA Group

General fundamentals and reporting standards
The consolidated financial statements of the APG SGA Group have been prepared in accordance with Swiss Corporation Law and Accounting as well as the complete set of Accounting and Reporting Recommendations ARR (Swiss GAAP ARR). The Board of Directors approved the consolidated financial statements on March 12, 2021. The Annual General Meeting on April 28, 2021, will be asked to approve the consolidated financial statements.

The consolidated figures comprise the financial statements of the individual companies, which have been prepared according to uniform accounting and reporting guidelines. The consolidated financial statements have been prepared on a historical cost basis, with the exception of marketable securities, which are valued at fair value.

Scope and method of consolidation
The consolidated financial statements integrate the financial statements of APG SGA SA and of the Group's domestic and foreign companies. An overview of the principal Group companies is provided in note 25 of this report. Companies acquired are consolidated from the date on which control is obtained, while companies sold are excluded from the scope of consolidation as of the date on which control is given up, with any gain or loss recognized in the income statement. The acquired assets and liabilities are revalued and integrated according to the acquisition method.

The *full consolidation* method is applied to all companies in which the Group directly or indirectly exerts management control. All assets, liabilities and equity, as well as revenues and expenses of the consolidated companies, are fully recognized. Minority interests are presented as a separate component of the Group's equity and income. Intercompany transactions within the scope of consolidation and resulting receivables or payables are completely eliminated. Intercompany transactions and gains are eliminated in full.

Capital consolidation is based on the acquisition method, whereby the acquisition cost of an acquired company is eliminated at the time of acquisition against the fair value of net assets acquired, determined in accordance with uniform accounting principles.

Goodwill arising on business combinations represents the excess of the cost of acquisition over the Group's interest in the fair value of the recognized assets and liabilities at the date of acquisition. Goodwill from acquisition is capitalized at the date of acquisition and amortized. Contractual advertising rights acquired through business combinations as part of the purchase price allocation are part of the capitalized goodwill.

Investments between 20% and 50% are recognized in the consolidated financial statements according to the *equity method*, provided the Group has significant influence. In this case, the Group's percentage shares in the net assets are posted in the balance sheet under *Investments in joint ventures* and the respective share in profit or loss in the income statement under *Result from joint ventures*. Recorded losses arising from impairment are presented under *Income from joint ventures* in the income statement.

Investments of less than 20% are treated as investments at fair value and are not consolidated. They are presented in the consolidated balance sheet as *Other financial investments*. No such investments exist.

Critical accounting assumptions and estimates in the application of financial reporting standards
Financial reporting requires management estimates and assumptions that influence reported assets, liabilities, contingent liabilities and contingent assets as at the closing date, as well as income and expenses for the reporting period. These judgments, assumptions and estimates are made on the basis of information available or situations existing at the financial statement preparation date, which could prove to be different from reality in the future.

Foreign currency transactions
Translation for consolidation purposes: The financial statements of foreign Group companies are prepared in local currencies. For the purpose of consolidation, the local financial statements are translated into Swiss francs (CHF), which is the Group's presentation currency. The principal exchange rates used to translate foreign currencies in our Group were as follows:

Exchange rates **in CHF**	**Assets and liabilities** **Year-end exchange rate** **December 31, 2020**	 **December 31, 2019**	**Income, expenses** **Average exchange rate** **2020**	 **2019**
1 RSD	**0.009207**	0.009232	**0.009102**	0.009442

For the purpose of presenting consolidated financial statements, assets and liabilities for each balance sheet are translated at the closing rate at the balance sheet date, while income statements, cash flow statements and other movements are translated at average exchange rates for the year.

Exchange rate differences arising from the translation of balance sheets and income statements of foreign Group companies are taken directly to equity (currency translation differences) and not recognized in the income statement.

Translation of balances and transactions in the accounts of subsidiaries
In preparing the financial statements of the individual Group companies, assets and liabilities denominated in foreign currencies are translated at the closing exchange rates. Exchange differences resulting from the settlement of foreign currency transactions and from the translation of assets and liabilities denominated in foreign currencies are recognized as foreign exchange gains or losses in the income statement.

Current / non-current classification
With the exception of deferred tax assets and liabilities, which are classified as non-current, assets and liabilities are classified as current when their recoverability or payment is expected no later than 12 months after the year-end closing date.

Segment reporting
The Group manages its business primarily on the basis of country responsibilities (segments). Added value is created locally by the acquisition, sale, and management of advertising spaces. The nature of the business and the legal framework are country-specific. APG SGA disclaims the disclosure of segment results. Our direct competitors in Switzerland and Serbia do not publish segment results. Would APG SGA publish segment results, it would lead to considerable competitive disadvantages for our group, due to minor diversification abroad. Segment sales revenue by geographical region are disclosed in note 24.

Accounting principles
The following accounting principles were applied:

Cash and cash equivalents
Cash and equivalents containing cash, current postal and bank account receivables, and short-term deposits are held with first-class financial institutions. Short-term deposits have a maturity of up to three months. They are stated at nominal value.

Marketable securities
Securities are initially recognized at cost including transaction costs. All purchases and sales are recognized on the trade date. Securities are subsequently remeasured to their current fair value at each balance sheet date with unrealized gains and losses recognized in the income statement as financial result and classified as current assets. Foreign exchange gains and losses on securities are also recognized in the income statement.

Accounts receivable
Short-term accounts receivable are stated at nominal value less allowance for bad debts. The allowance for bad debts is calculated based on past experience and maturity structure as well as identifiable solvency risks.

The amount of the allowance is presented separately. It represents the difference between the receivable's carrying amount and its current estimated recoverable amount. When receivables are no longer collectible, they are written off against the allowance for bad debts. Changes in the carrying amount of the allowance and income from recoveries of receivables previously written off are recognized in operating and administrative costs in the income statement.

Inventories
Inventories mainly consist of parts necessary for the maintenance of installed street furniture, as well as street furniture or billboards in kit form or partially assembled. These do not meet the definition of property, plant and equipment. Inventories are valued at cost or lower net realizable value.

Property, plant and equipment
Property, plant and equipment are presented on the balance sheet at historical cost less accumulated depreciation and impairment losses. Depreciation is calculated on a straight-line basis over the estimated useful life of the asset or, for most of the advertising plant and the electronic advertising plant, over the average duration of the contracts, and in no case over more than 12 resp. 8 years. The following useful lives are applied to depreciation calculations:

– Buildings (without land) 20–40 years
– Advertising plant 8–12 years
– Electronic advertising plant 2–8 years
– Fittings, equipment, furniture 4–10 years
– Information technology 3–6 years
– Vehicles 4–6 years

Gains from the sale of property, plant, and equipment are recognized in the income statement in other operating income. Losses from the sale of property, plant, and equipment are recognized in operating and administrative costs. Assets with minor values are expensed directly in the income statement. Land is not depreciated, but value-adjusted, if necessary.

Finance lease agreements are capitalized and depreciated over the contractual terms.

Financial investments
Financial investments mainly comprise loans and long-term receivables to third parties as well as pension assets. Loans and receivables are stated at nominal values less valuation adjustments. Pension assets are stated at their nominal value.

Intangible assets
Intangible assets include contractual advertising rights and goodwill. Intangible assets are recognized if they are clearly identifiable and the costs reliably determinable, and if they bring a measurable benefit to the company over the course of several years. Intangible assets are valued at purchase cost less amortization and any necessary impairment.

Amortization is calculated on a straight-line basis. Contractual advertising rights are amortized over a period of up to 25 years or the shorter contractual period. Goodwill from acquisitions is amortized over up to 20 years.

Minority interests acquired are similarly measured using the purchase method. Accordingly, the difference between the purchase price and the proportionate equity on the basis of Swiss GAAP ARR is recognized as goodwill or negative goodwill.

Impairment of non-current assets
At every balance sheet date an assessment is made for non-current assets (in particular property, plant, equipment, intangible fixed assets including goodwill and financial assets) whether indicators for an impairment exist. If indicators for a continuous impairment exist, the recoverable amount of the asset is determined. An asset's recoverable amount is the higher of its fair value less costs to sell and its value in use. When the carrying amount of an asset exceeds its recoverable amount, an impairment loss is recognized separately in the income statement.

Treasury shares and share based payments
Treasury shares are recognized at their acquisition cost and deducted from shareholders' equity. Gains or losses on disposals are directly recorded in equity within capital reserves. Share based payments are measured at the grant date and recognized as personnel expenses in the case of remuneration for employees or as operating and administration costs in the case of remuneration for members of the Board of Directors. Share based payments from the Employee Stock Ownership Plan are measured at the date of purchase and recognized as personnel expenses.

Liabilities
Current liabilities include such with maturities up to 12 months, as well as accrued liabilities and deferred income. Liabilities are recognized at nominal values.

Provisions
Provisions are recognized when the Group has a present obligation as a result of a past event, it is probable that an outflow of resources will be required to settle the obligation and a reliable estimate of the amount can be made.

Pension benefit obligations
Pension benefit obligations of Group companies are recognized in the consolidated financial statements according to legal regulations and local rules of the respective countries. The actual economic impact of pension schemes for a Group company is calculated as at balance sheet date. An economic benefit is recorded, if it will be used for future pension contributions made by the company. An economic obligation is recognized if the requirements to record a provision are met. Unrestricted employer contribution reserves are capitalized as an asset.

The Swiss subsidiaries of the Group have a common legally independent pension plan financed by employer and employee contributions. The economic impact of a funding surplus or deficit of this pension plan, the change in employer contribution reserves and the contributions accrued for the period are charged to income as personnel expenses. The calculation of a funding surplus or deficit is made based on the annual financial statements of the pension plan prepared in accordance with Swiss GAAP ARR 26.

Apart from legally stipulated benefit plans, there are no other pension plans for subsidiaries in foreign countries. Their economic impact is measured according to the valuation methods applied locally.

Advertising revenue
Advertising revenue mainly consists of sales of advertising spaces and related services charged to customers such as printing and production costs. Whereas sales from related services are less than 5% of total advertising revenue. It is recorded net of discounts and excluding VAT. Sales of advertising spaces are accrued on a straight-line basis over the running period of the advertising campaign.

Fees and commissions
Fees and commissions contain concession fees and rental costs, commissions payable to advertising agencies, contributions in kind in the form of billposting services rendered to concession partners, and poster production costs. Variable fees are calculated according to the accrued revenues, while fixed fees are expensed in the period the related services are rendered.

Income taxes
Current income tax is calculated on taxable profits for the year and recognized on an accrual basis. Current income tax relating to items recognized directly in equity is recognized in equity and not in the income statement. Deferred income tax results from temporary valuation differences in Swiss GAAP ARR and fiscal accounting. Deferred tax is calculated using local tax rates that have been enacted by the balance sheet date. Effects from tax loss carryforwards are not capitalized pursuant to the recognition option under Swiss GAAP ARR, regardless of whether they are estimated by the company to be usable or not.

Transactions with related parties
Related parties include the principal shareholders of APG SGA SA, the members of the Board of Directors, and of the Executive Board.

Earnings per share
Earnings per share are calculated by dividing net income by the weighted average number of shares outstanding. The average number of shares outstanding does not include treasury shares.

Change in the scope of consolidation
In 2020 the scope of consolidation did not change.

The scope of consolidation was changed in 2019 by the liquidation of the company TAQ Belgrade in Serbia. TAQ was consolidated according to the equity method and deconsolidated as at 31 July 2019.

3 Property, plant and equipment

in CHF 1 000	Buildings Land	Advertising plant	Fittings Equipment Furniture	IT	Vehicles	Total
At cost						
as at January 1, 2019	105 546	75 731	6 798	8 990	8 819	**205 884**
Additions	486	6 440	103	358	990	**8 377**
Disposals		−2 208	−3	−25	−719	**−2 955**
Reclassifications		10	−10			
Translation differences		−434	−9	−11	−1	**−455**
as at December 31, 2019	106 032	79 539	6 879	9 312	9 089	**210 851**
Additions	56	7 821	32	245	714	**8 868**
Disposals	−3 415	−1 800		−29	−1 881	**−7 125**
Reclassifications	−95		81	14		
Translation differences		−32	−1			**−33**
as at December 31, 2020	102 578	85 528	6 991	9 542	7 922	**212 561**
Accumulated depreciation						
as at January 1, 2019	−71 673	−54 239	−5 283	−7 457	−7 385	**−146 037**
Additions	−1 783	−5 180	−355	−755	−717	**−8 790**
Disposals		1 985	3	3	715	**2 706**
Reclassifications		−10	10			
Translation differences		286	8	6	1	**301**
as at December 31, 2019	−73 456	−57 158	−5 617	−8 203	−7 386	**−151 820**
Additions	−1 781	−5 834	−341	−546	−765	**−9 267**
Disposals	1 724	903		29	1 869	**4 525**
Translation differences		20				**20**
as at December 31, 2020	−73 513	−62 069	−5 958	−8 720	−6 282	**−156 542**
Net book value						
as at December 31, 2019	32 576	22 381	1 262	1 109	1 703	**59 031**
as at December 31, 2020	29 065	23 459	1 033	822	1 640	**56 019**

The buildings are used predominantly for operating purposes. The Group did not enter into any finance lease agreements (prior year: none).

4 Financial investments

in CHF 1 000	December 31, 2020	December 31, 2019
Deferred tax assets	**1 515**	1 351
Loans	**3 990**	3 925
Long-term receivables from sale of business activities	**45**	316
Bad debt allowance on loans and long-term receivables	**−183**	−455
Employer contribution reserve (see note 11)	**2 785**	3 598
Long-term securities	**16**	16
Total	**8 168**	8 751

5 Intangible fixed assets

in CHF 1 000	Goodwill	Contractual advertising rights	Total
At cost			
as at January 1, 2019	111 840	18 970	**130 810**
Translation differences		−545	**−545**
as at December 31, 2019	111 840	18 425	**130 265**
Additions		15	**15**
Translation differences	−1	−46	**−47**
as at December 31, 2020	111 839	18 394	**130 233**
Accumulated amortization			
as at January 1, 2019	−105 843	−2 038	**−107 881**
Additions	−349	−952	**−1 301**
Translation differences		80	**80**
as at December 31, 2019	−106 192	−2 910	**−109 102**
Additions	−349	−937	**−1 286**
Translation differences		−1	**−1**
as at December 31, 2020	−106 541	−3 848	**−110 389**
Net book value			
as at December 31, 2019	5 648	15 515	**21 163**
as at December 31, 2020	5 298	14 546	**19 844**

Capital expenditures in intangible assets with cash effect amounted to CHF 1,345,000 (PY CHF 159,000). The deviation from the above mentioned figures relates to investments in Serbia, which were contractually recorded and settled in different years.

6 Trade accounts receivable

in CHF 1 000	December 31, 2020	December 31, 2019
Trade accounts receivable	**33 278**	47 065
Bad debt allowance	**−2 925**	−2 734
Total	**30 353**	44 331

Change in bad debt allowance of trade accounts receivable

in CHF 1 000	2020	2019
as at January 1	**−2 734**	−2 567
Addition	**−507**	−397
Utilization	**60**	98
Reversal	**254**	73
Translation differences	**2**	59
as at December 31	**−2 925**	−2 734

7 Other accounts receivable

in CHF 1 000	December 31, 2020	December 31, 2019
Tax refund claims	**44**	583
VAT receivable	**121**	5
Prepayments to suppliers	**7 088**	4 778
Personnel and social benefits	**640**	1 422
Receivables from loans to third parties	**514**	525
Short-term receivables from sale of business activities	**1 424**	1 161
Other	**113**	353
Bad debt allowance	**−1 585**	−1 412
Total	**8 359**	7 415

Change in bad debt allowance of other accounts receivable

in CHF 1 000	2020	2019
as at January 1	**−1 412**	−2 035
Addition	**−297**	−302
Utilization	**21**	777
Reversal	**101**	75
Translation differences	**2**	73
as at December 31	**−1 585**	−1 412

8 Cash and cash equivalents

in CHF 1 000	December 31, 2020	December 31, 2019
Cash, postal and bank account balances	**53 673**	39 761
Time deposits	**12 914**	2 001
Total	**66 587**	41 762

The consolidated statement of cash flows, cash and cash equivalents comprise the accounts listed above.

A time deposit in the amount of CHF 6,000,000 is presented in the balance sheet as current financial assets, since its remaining term is more than 90 days.

9 Shareholders' equity

The share capital of CHF 7,800,000 is composed of 3,000,000 registered shares with a par value of CHF 2.60.

Information on the purchase and sale of treasury shares

2019		**Quantity**	**Average price in CHF**
as at January 1, 2019		2 071	
1st quarter	Additions		
	Disposals	−121	331.50
2nd quarter	Additions	1 210	282.41
	Disposals	−2 508	259.96
3rd quarter	Additions	980	269.41
	Disposals	−5	288.50
4th quarter	Additions	1 430	288.33
	Disposals		
as at December 31, 2019		3 057	

2020		**Quantity**	**Average price in CHF**
as at January 1, 2020		3 057	
1st quarter	Additions	450	208.03
	Disposals	−383	193.87
2nd quarter	Additions	1 551	178.40
	Disposals	−2 925	182.02
3rd quarter	Additions	1 677	178.16
	Disposals	−110	171.82
4th quarter	Additions	5 200	186.15
	Disposals	−382	175.28
as at December 31, 2020		8 135	

As at December 31, 2020, treasury shares accounted for 0.3% of the share capital (PY 0.1%).

The Swiss Pension Plan of APG SGA Group holds 15,256 APG SGA shares as at December 31, 2020 (PY 15,256). The shares held by related parties are disclosed in the notes to the financial statements of APG SGA SA (see page 38).

The amount of not distributable reserves and retained earnings amounts to CHF 8,743,000 (PY CHF 8,744,000).

The General Meeting of May 14, 2020, decided not to pay a dividend.

In 2019, a dividend of CHF 20.00 per share was paid out.

10 Provisions

in CHF 1 000	Pension plan	Dismantling obligations	Other	2020 Total	Pension plan	Dismantling obligations	Other	2019 Total
as at January 1	3 788	2 548	4 031	**10 367**	4 340	2 557	3 463	**10 360**
Addition			383	**383**			891	**891**
Utilization	−431		−2 108	**−2 539**	−552		−268	**−820**
Translation differences		−1	−4	**−5**		−9	−55	**−64**
as at December 31	3 357	2 547	2 302	**8 206**	3 788	2 548	4 031	**10 367**
Thereof current	612		295	**907**	743		1 645	**2 388**
Thereof non-current	2 745	2 547	2 007	**7 299**	3 045	2 548	2 386	**7 979**

Provision for pension plan covers contributions for protection of vested rights of employees in relation to the change from a defined benefit plan to a defined contribution plan according to Swiss pension law as at January 1, 2013. Other includes provisions for contractual commitments to purchase street furniture, incentive plans and VAT.

11 Employee benefits

Employer contribution reserve

in CHF 1 000	2020	2019
Nominal and book value as at January 1	**3 598**	3 598
Employer contributions		
Usage	**−813**	
Nominal and book value as at December 31	**2 785**	3 598

Employer contribution reserve is presented under *Other financial investments* in the consolidated balance sheet.

Economic benefit/obligation and pension costs in CHF 1 000	Funding surplus/deficit according to Swiss GAAP ARR 26 31.12.2020	Economic impact Group 31.12.2020	Economic impact Group 31.12.2019	Change to prior year or charge to income current year	Contri-butions for the period	Pension costs in personnel expenses 2020	Pension costs in personnel expenses 2019
Pension plans without funding surplus/deficit						5 920	6 012
Pension plans with funding surplus							
Pension plans with funding deficit							
Total						5 920	6 012

Summary of pension costs

in CHF 1 000	2020	2019
Contributions to pension plan expensed at Group companies	**5 920**	6 012
Contributions to pension plan credited to employer contribution reserve		
Contributions to pension plan made from employer contribution reserve		
Contributions and changes in employer contribution reserve	**5 920**	6 012
Increase/reduction economic benefit Group from excess coverage		
Reduction/increase economic obligation Group from insufficient coverage		
Total change in economic impact from excess/insufficient coverage		
Pension costs included in personnel expenses for the period	**5 920**	6 012

12 Other accounts payable

in CHF 1 000	December 31, 2020	December 31, 2019
Prepayments by customers	**19 084**	20 870
VAT owed	**3 482**	4 020
Personnel and social benefits	**772**	447
Other	**3 721**	4 658
Total	**27 059**	29 995

13 Accrued liabilities and deferred income

Accrued liabilities and deferred income mainly comprise accrued rental fees and commissions, as well as deferred advertising revenue.

In the reporting year, estimates were higher than normal, particularly with respect to fees, as certain negotiations with concession partners were still ongoing regarding COVID-19 relief at the time of balance sheet preparation.

14 Off-balance-sheet commitments

The following off-balance-sheet commitments exist:
There were no unrecognized guaranty obligations to third parties and no pledged or assigned assets with reservation of ownership.

Commitments relating to lease, rent and minimum franchise payments given in the ordinary course of business:

In the ordinary course of business, our company has entered into the following agreements, primarily:
– contracts with cities, airports and transport companies, which entitle us to operate their advertising business and collect the related revenues, in return for payment of fees comprising a fixed portion or guaranteed minimum amounts
– rental agreements for billboard locations on private property
– rental agreements for office premises

At the balance sheet date the above mentioned commitments were as follows:

in CHF million	December 31, 2020	December 31, 2019
Up to one year	**118.0**	124.4
More than 1 year until 5 years	**365.9**	415.2
More than 5 years	**97.3**	129.9
Total	**581.2**	669.5

In May 2018, the Federal Administrative Court made an interim decision that allows the group to conclude contracts with SBB and to continue its collaboration in respect to advertising. While the main decision remains pending the group made assumptions in respect to future commitments and options agreed.

15 Business acquisitions and disposals

In the reporting year no business acquisitions took place.

In 2019 TAQ Belgrade was liquidated and deconsolidated as at 31 July 2019. This joint venture in which our Serbian subsidiary Alma Quattro held a 50% stake has been recognized in the consolidated statements according to the equity method.

16 Real estate revenue

The space rented to third parties is 10,495 m^2 or 37.4% of the entire useful area (PY 10,032 m^2 or 33.4%).

17 Other operating income

in CHF 1 000	2020	2019
Net gains from sale of buildings and land	**4 370**	
Net gains from sale of other property, plant, and equipment	**1 564**	40
Total other operating income	**5 934**	40

18 Personnel expenses

in CHF 1 000	2020	2019
Wages and salaries	**−40 004**	−49 922
Ordinary pension costs	**−5 920**	−6 012
Social security and retirement benefits	**−4 690**	−4 540
Other personnel expenses	**−829**	−1 172
Total personnel expenses	**−51 443**	−61 646

The APG SGA Group employs a total number of 491 persons (PY 507), thereof 443 (PY 455) in Switzerland and 48 (PY 52) in Serbia, calculated on the basis of full-time equivalents 100%.

The reduction of personnel expenses is primarily driven by a reduction in variable salary payments, short-time work compensation, job cuts and a temporary reduction of fixed compensation for the members of the Executive Board.

19 Financial result

in CHF 1 000	2020	2019
Interest earnings	**116**	98
Other financial income	**1**	2
Result from marketable securities	**5**	10
Total financial income	**122**	110
Foreign exchange translation differences	**−30**	−152
Bank expenses	**−62**	−55
Interest expenses	**−7**	−25
Other financial expenses		−2
Total financial expenses	**−99**	−234
Total financial result	**23**	−124

20 Income tax

Taxes paid and expensed are composed of the following items:

in CHF 1 000	2020	2019
Current income tax expense	**−3 919**	−10 606
Deferred tax income / (expense)	**816**	1 377
Total	**−3 103**	−9 229

2020	Tax rate	Amount in CHF 1 000
Weighted average applied tax rate	19.2%	3 142
Use of not capitalized tax loss carryforward		−39
Actual tax rate	19.0%	3 103

2019	Tax rate	Amount in CHF 1 000
Weighted average applied tax rate	18.3%	9 322
Use of not capitalized tax loss carryforward		−93
Actual tax rate	18.1%	9 229

The total amount of not capitalized deferred tax asset relating to tax loss carryforwards amounts to CHF 0 (PY CHF 40,000). For calculation of deferred taxes, an average tax rate of 17.0% (previous year 17.0%) was applied.

21 Earnings per share

Earnings per share are calculated as follows:

	2020	2019
Net income, in CHF 1 000	**13 243**	41 832
Weighted average number of shares	**2 996 553**	2 998 302
Basic and diluted earnings per share, in CHF	**4.42**	13.95

APG SGA SA has no instruments with a dilutive effect on earnings per share.

22 Transactions with related parties

Our Group had transactions with the following related parties:
- JCDecaux Group, a principal shareholder
- Interplakat AG, Bern, owned by the Scheidegger family
- Members of the Board of Directors
- Members of the Executive Board

The tables below show the amounts with each party:

JCDecaux Group, in CHF 1 000	**2020**	**2019**
Sales to related party	**809**	585
Purchases from related party	**793**	1 361
Receivables as at 31 December toward related party	**401**	94
Payables as at 31 December toward related party	**174**	205

Interplakat AG, in CHF 1 000	**2020**	**2019**
Sales to related party	**275**	21
Purchases from related party	**1 629**	1 957
Receivables as at 31 December toward related party	**128**	
Payables as at 31 December toward related party	**65**	83

Sales to JCDecaux Group relate mostly to advertising revenue and purchases to capital expenditures in advertsing plant. Sales to Interplakat AG relate to advertising revenue and purchases to fees and commissions.

The information required by Art. 663c (transparency requirements) of the Swiss Code of Obligations is disclosed in the notes to the financial statements of APG SGA SA (see page 38).

23 Share based payments

As part of variable remuneration a certain number of treasury shares are allocated to employees. These shares are blocked for 3 years and cannot be sold during this period. The table below shows the amount included in personnel expenses and the number of allocated shares:

	2020	2019
Amount in CHF 1 000 included in personnel expenses	**334**	452
Number of allocated shares	**1 830**	1 720

As part of variable remuneration for the Board of Directors a certain number of treasury shares are allocated. These shares are blocked for 3 years and cannot be sold during this period. The table below shows the amount included in operating and administrative costs and the number of allocated shares:

	2020	2019
Amount in CHF 1 000 included in operating and administrative costs	**179**	179
Number of allocated shares	**984**	714

APG SGA has an Employee Stock Ownership Plan. It entitles employees to obtain a certain number of treasury shares for a special price with a discount of 25%. The purchase is limited to 10% of the previous year's remuneration. The shares are blocked for 5 years and cannot be sold during this period. The table below shows the discount included in personnel expenses and the number of shares purchased by employees:

	2020	2019
Amount in CHF 1 000 included in personnel expenses	**105**	103
Number of shares purchased by employees	**986**	200

24 Segment information by regions

in CHF 1 000	2020	2019
Advertising revenue Switzerland	**250 903**	304 003
Advertising revenue Serbia	**11 001**	14 491
Total advertising revenue	**261 904**	318 494

25 Investments of APG SGA Group[1]

Company, headquarters	Share capital in local currency		Consolidation method	Share of capital in %
Switzerland				
Allgemeine Plakatgesellschaft AG, Zurich	CHF	9 400 000.00	F	100.00
Alpenplakat AG, Hünenberg	CHF	200 000.00	F	100.00
Swiss Poster Research Plus AG, Zurich	CHF	100 000.00	F	100.00
Visiorama AG, Zurich	CHF	100 000.00	F	100.00
Serbia				
Alma Quattro d.o.o., Belgrade	RSD	83 271 117.25	F	100.00

[1] Status December 31, 2020

F = Full consolidation
E = Equity consolidation

In 2019 the subsidiaries APG SGA Traffic AG, Paron AG, Visiorama AG and Alkon AG were merged into Allgemeine Plakatgesellschaft AG. Sportart AG was renamed to Visiorama AG.

For changes of investments in Serbia, see note 15.

26 Events after the closing date

The measures ordered by the authorities at the beginning of 2021 have once again led to significant restrictions on mobility, accompanied by widespread retail closures, which have in turn resulted in a considerable drop in revenue for January and February.

The duration and intensity of this negative impact cannot be estimated at present.

These financial statements consider events after the closing date until March 12, 2021.

APG SGA SA

Geneva

Report of the statutory auditor
to the General Meeting

on the consolidated financial statements 2020

Report of the statutory auditor

to the General Meeting of APG SGA SA

Geneva

Report on the audit of the consolidated financial statements

Opinion

We have audited the consolidated financial statements of APG SGA SA and its subsidiaries (the Group), which comprise the consolidated balance sheet as at 31 December 2020 and the consolidated income statement, consolidated statement of changes in equity and consolidated cash flow statement for the year then ended, and notes to the consolidated financial statements, including a summary of significant accounting policies.

In our opinion, the consolidated financial statements (pages 33 to 40) give a true and fair view of the consolidated financial position of the Group as at 31 December 2020 and its consolidated financial performance and its consolidated cash flows for the year then ended in accordance with Swiss GAAP FER and comply with Swiss law.

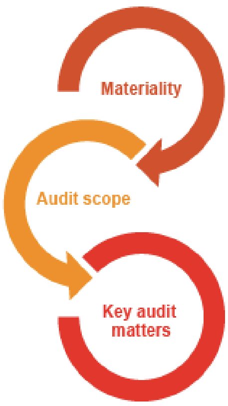
Basis for opinion

We conducted our audit in accordance with Swiss law and Swiss Auditing Standards. Our responsibilities under those provisions and standards are further described in the "Auditor's responsibilities for the audit of the consolidated financial statements" section of our report.

We are independent of the Group in accordance with the provisions of Swiss law and the requirements of the Swiss audit profession and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Our audit approach

Overview



Overall Group materiality: CHF 1'923'000

- We executed full scope audit work at two entities in Switzerland
- Our audit scope addressed 94 % of the Group's revenue and 82 % of the Group's profit before tax.

As key audit matter the following area of focus has been identified:

- Accruals and deferrals for revenues, fees and commissions

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Materiality

The scope of our audit was influenced by our application of materiality. Our audit opinion aims to provide reasonable assurance that the consolidated financial statements are free from material misstatement. Misstatements may arise due to fraud or error. They are considered material if, individually or in aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of the consolidated financial statements.

Based on our professional judgement, we determined certain quantitative thresholds for materiality, including the overall Group materiality for the consolidated financial statements as a whole as set out in the table below. These, together with qualitative considerations, helped us to determine the scope of our audit and the nature, timing and extent of our audit procedures and to evaluate the effect of misstatements, both individually and in aggregate, on the consolidated financial statements as a whole.

Overall Group materiality	CHF 1'923'000
How we determined it	5% of the average profit before tax considering the last 3 years
Rationale for the materiality benchmark applied	We chose average profit before tax as the benchmark because, in our view, it is the benchmark against which the performance of the Group is most commonly measured, and it is a generally accepted benchmark. As a response to the financial impact of COVID-19 pandemic on the financial statements, we calculated the profit before tax as an average of the most recent financial years.

Audit scope

We tailored the scope of our audit in order to perform sufficient work to enable us to provide an opinion on the consolidated financial statements as a whole, taking into account the structure of the Group, the accounting processes and controls, and the industry in which the Group operates.

We designed our audit by determining materiality and assessing the risks of material misstatement in the consolidated financial statements. In particular, we considered where subjective judgements were made; for example, in respect of significant accounting estimates that involved making assumptions and considering future events that are inherently uncertain. As in all of our audits, we also addressed the risk of management override of internal controls, including among other matters consideration of whether there was evidence of bias that represented a risk of material misstatement due to fraud.

Report on key audit matters based on the circular 1/2015 of the Federal Audit Oversight Authority

Key audit matters are those matters that, in our professional judgement, were of most significance in our audit of the consolidated financial statements of the current period. These matters were addressed in the context of our audit of the consolidated financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

Accruals and deferrals for revenues, fees and commissions

Key audit matter	How our audit addressed the key audit matter
As described in the accounting policies (Page 10 ff. and Note 13, page 21), the group recognises advertising revenues over the period in which the advertising campaign runs. The corresponding fees and commissions are recorded based on recognised revenues and taking into consideration fixed and/or variable terms of the agreements. We focussed on this area due to the complexity of the calculation and due to the fact that the accrued revenue, fees and commissions amounts to CHF 5.0 million (assets) and CHF 64.9 million (liabilities). The group's IT system calculates, controls and recognizes such entries based on the manual inputs of the underlying contracts and agreements. The group is addressing the risk for erroneous manual data input with an embedded process including both manual and automated controls.	We assessed the design and the implementation of the Internal Control System (ICS) and the corresponding key controls regarding the calculation of accruals and deferrals. Our testing included the following procedures: • We tested the IT General Controls of the IT systems used for the calculation, controlling and recognition of accruals and deferrals for revenues, fees and commissions. • We tested key manual and automated controls around the fees and commissions settings and calculation of fees and commissions notes. This included system rules to calculate fees and commissions and controls around the contract information input in the system. • We tested key manual and automated controls around the revenue recognition settings and calculation of revenue. • On a sample basis we tested the input factors of the calculation determining the accrual for partners by agreeing them to the underlying agreements. • We tested a sample of revenue transactions, particularly around the period end by agreeing transactions to the progress of the advertising campaign to ensure revenues, fees and commissions are calculated correctly. The combination of the tests of controls and the substantive testing we carried out and described above gave us sufficient audit comfort to address the aforementioned risks over accruals and deferrals.

Responsibilities of the Board of Directors for the consolidated financial statements

The Board of Directors is responsible for the preparation of the consolidated financial statements that give a true and fair view in accordance with Swiss GAAP FER and the provisions of Swiss law, and for such internal control as the Board of Directors determines is necessary to enable the preparation of consolidated financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the consolidated financial statements, the Board of Directors is responsible for assessing the Group's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the Board of Directors either intends to liquidate the Group or to cease operations, or has no realistic alternative but to do so.

Auditor's responsibilities for the audit of the consolidated financial statements

Our objectives are to obtain reasonable assurance about whether the consolidated financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with Swiss law and Swiss Auditing Standards will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these consolidated financial statements.

A further description of our responsibilities for the audit of the consolidated financial statements is located at the website of EXPERTsuisse: http://expertsuisse.ch/en/audit-report-for-public-companies. This description forms part of our auditor's report.

Report on other legal and regulatory requirements

In accordance with article 728a paragraph 1 item 3 CO and Swiss Auditing Standard 890, we confirm that an internal control system exists which has been designed for the preparation of consolidated financial statements according to the instructions of the Board of Directors.

We recommend that the consolidated financial statements submitted to you be approved.

PricewaterhouseCoopers AG

Stefan Räbsamen	Philipp Gnädinger
Audit expert Auditor in charge	Audit expert

Zürich, 12 March 2021

Financial statements of APG SGA SA

Balance sheet

Assets

in CHF 1 000	Notes	31.12.2020	31.12.2019
Cash and cash equivalents		**479**	552
Accounts receivable from third parties		**90**	209
Accounts receivable from Group companies		**1 476**	518
Deferred expenses and accrued income		**31**	93
Current assets		**2 076**	1 372
Loans to Group comanies		**16 000**	17 084
Loans to third parties		**3 445**	3 378
Investments	2.1	**117 620**	117 620
Non-current assets		**137 065**	138 082
Total		**139 141**	139 454

Shareholders’ equity and liabilities

in CHF 1 000		31.12.2020	31.12.2019
Accounts payables to third parties		**374**	337
Accrued liabilities and deferred income		**1 532**	1 468
Current liabilities		**1 906**	1 805
Long-term provisions		**1 956**	1 802
Long-term liabilities		**1 956**	1 802
Liabilities		**3 862**	3 607
Share capital		**7 800**	7 800
Legal capital reserves		**5 632**	5 632
Legal retained earnings		**13 118**	13 118
Free reserve from retained earnings		**1 903**	1 903
Retained earnings		**108 247**	39 486
Net annual profit		**70**	68 761
Treasury shares	2.2	**−1 491**	−853
Shareholders' equity		**135 279**	135 847
Total		**139 141**	139 454

Income statement

in CHF 1 000	**Notes**	**2020**	**2019**
Net income from investments	2.3	**1 200**	71 176
Other revenue		**3 424**	2 955
Personnel expenses		**−2 756**	−3 160
Administrative costs		**−1 699**	−1 856
Earnings before extraordinary items, interests and taxes		**169**	69 115
Financial expenses	2.4	**−335**	−526
Financial income	2.5	**246**	268
Earnings before extraordinary items and taxes		**80**	68 857
Prior-period income	2.6	**101**	75
Earnings before taxes		**181**	68 932
Taxes		**−111**	−171
Net annual profit		**70**	68 761

Notes to the financial statements

The financial statements of APG SGA SA, Geneva have been prepared in accordance with the legal provisions of Swiss Corporation Law. They complement the consolidated financial statements prepared pursuant to Swiss GAAP ARR. The consolidated financial statements reflect the financial status of the Group as a whole, whereas the financial statements of APG SGA SA refer only to the parent company. The reference base for the appropriation of available earnings, as resolved by the Annual General Meeting, is the retained earnings and free reserves reported in the financial statements of APG SGA SA.

1 Valuation principles applied in the financial statements

Cash and cash equivalents
Cash and cash equivalents are held with first-class financial institutions. They are stated at nominal value.

Accounts receivables and loans
Accounts receivables and loans are stated at nominal value less allowance for bad debts. The allowance for bad debts is calculated based on identifiable solvency risks.

Investments
Investments are valued at historical costs less any necessary impairment.

Accounts payable
Accounts payable are stated at nominal value.

Provisions
Provisions are recognized when the company has a present obligation as a result of a past event, it is probable that an outflow of resources will be required to settle the obligation and a reliable estimate of the amount can be made.

Net income from investments
Net income from investments contains dividends received from subsidiaries as well as gains from the sale of investments and impairment of investments.

Financial expenses
Financial expenses include interests payable, bank expenses, losses from the sale of treasury shares and foreign currency translation losses.

Financial income
Financial income contains interest receivable and gains from the sale of treasury shares as well as gains from currency translation.

Foreign currency translation
For assets and liabilities in Euro the following exchange rates were applied:

As at December 31, 2020:	CHF/EUR 1.08220
As at December 31, 2019:	CHF/EUR 1.08526

2 Explanation and break down of positions

The number of employees based on full-time equivalent was not more than 10 in average of last year.

2.1 Investments

The following investments are held directly by APG SGA SA:

Company, headquarters	as at December 31, 2020		as at December 31, 2019	
	Shares in %	Votes in %	Shares in %	Votes in %
Allgemeine Plakatgesellschaft AG, Zurich	100%	100%	100%	100%
Alpenplakat AG, Hünenberg	100%	100%	100%	100%
Visiorama AG, Zurich (former Sportart AG)	100%	100%	100%	100%
Alma Quattro d.o.o., Belgrade (Serbia)	100%	100%	100%	100%

In 2019 the following transactions took place: The investments in APG SGA Traffic AG and Paron AG have been sold to Allgemeine Plakatgesellschaft AG. Visiorama AG has been merged into Allgemeine Plakatgesellschaft AG and Sportart AG has been renamed to Visiorama AG.

2.2 Treasury shares

The following treasury shares are held by the company:

As at December 31, 2020: 8 135 shares
As at December 31, 2019: 3 057 shares

The following treasury shares were purchased by the company:

	No of shares	Transaction value (in CHF 1 000)
During financial year 2020	8 878	1 637
During financial year 2019	3 620	1 018

The following treasury shares were disposed by the company:

	No of shares	Transaction value (in CHF 1 000)
During financial year 2020	3 800	693
During financial year 2019	2 634	694

As part of variable remuneration a certain number of treasury shares are allocated to employees and members of the Board of Directors. These shares are blocked for 3 years and cannot be sold during this period. Further the company has an Employee Stock Ownership Plan. It entitles employees to obtain a certain number of shares for a special price with a discount of 25%. The purchase is limited to 10% of the previous year's remuneration. The shares are blocked for 5 years and cannot be sold during this period.

The following treasury shares were allocated to related parties:

	Financial year 2020		**Financial year 2019**	
	No of shares	**Value (CHF 1 000)**	**No of shares**	**Value (CHF 1 000)**
Board of Directors/Executive Board	3 327	607	2 042	520
Other employees	448	79	564	174

2.3 Net income from Investments

in CHF 1 000	**2020**	**2019**
Income from dividends	**1 200**	43 090
Gain from sale of investments		28 086
Total net income from investments	**1 200**	71 176

2.4 Financial expenses

in CHF 1 000	**2020**	**2019**
Bank expenses	**−2**	−6
Interest expenses		−69
Loss from sale of treasury shares	**−308**	−220
Foreign exchange translation losses	**−25**	−231
Total financial expenses	**−335**	−526

2.5 Financial income

in CHF 1 000	**2020**	**2019**
Interest income	**246**	268
Total financial income	**246**	268

2.6 Prior-period income

in CHF 1 000	**2020**	**2019**
Gain from recovery of previous losses on accounts receivable	**101**	75
Total prior-period expenses and income	**101**	75

3 Accounts payable to pension plan

As at December 31, 2020, the company had payables to its pension plan in the amount of CHF 47,000 (PY CHF 44,000).

4 Guaranty obligations

The company has guaranty obligations in favor of its subsidiaries in a total amount of CHF 15,000,000 (PY CHF 15,000,000).

5 Excess reserves

In financial year 2020, excess reserves have not been released (PY no excess reserves released).

6 Ownership of shares by the members of the Board of Directors and of the Executive Board

Name	Function	Shares as at December 31, 2020	Shares as at December 31, 2019
Daniel Hofer	Chairman	3 053	2 505
Robert Schmidli	Vice-Chairman	312	203
Xavier Le Clef	Member	759 220[1]	759 111[1]
Stéphane Prigent	Member	900 332[2]	900 223[2]
Markus Scheidegger	Member	98 045[3]	97 936[3]
Maya Bundt	Member	0[4]	-
Jolanda Grob	Member	0[4]	-
Markus Ehrle	Chief Executive Officer	2 421	1 675
Beat Hermann	Chief Financial Officer	2 800	1 964
Beat Holenstein	Head of Partner & Product Management	809	534
Christian Gotter	Head of Logistics	458	390
Marcel Seiler[5]	Head of Human Resources		52
Daniel Strobel[6]	Head of Advertising Market & Subsidiaries		938
Andy Bürki[7]	Head of Advertising Market	49	
Total		1 767 499	1 765 531

[1] Of which 758,888 Pargesa Asset Management S.A., Luxembourg / Stichting Administratiekantoor Frère-Bourgeois, Rotterdam (NL).
[2] Of which 900,000 JCDecaux SA
[3] Including Polymedia Holding AG and Andreas Scheidegger
[4] Member of the Board of Directors from 14.05.2020
[5] Member of the Executive Board until 31.05.2019
[6] Member of the Executive Board until 31.03.2019
[7] Member of the Executive Board from 01.04.2019

The APG SGA Group has no stock options program.

7 Significant shareholders[1]

	Shares as reported as at December 31, 2020	in %	Shares as reported as at December 31, 2019	in %
JCDecaux SA, Neuilly-sur-Seine (F)[2]	900 000	30.00 [5]	900 000	30.00 [5]
Pargesa Asset Management S.A., Luxembourg / Stichting Administratiekantoor Frère-Bourgeois, Rotterdam (NL)[3]	758 888	25.30 [5]	758 888	25.30 [5]
Pictet Asset Management SA, Geneva (CH)	136 039	4.53 [5]	179 387	5.98 [5]
Polymedia Holding AG, Markus and Andreas Scheidegger, Bern (CH)	98 045	3.27 [5]	97 936	3.26 [5]
APG SGA SA, Geneva (CH) (shares)	8 135	0.27 [5, 6]	3 057	0.10 [5, 6]
APG SGA SA, Geneva (CH) (conditional purchase option)[4]	147 000	4.9 [6]	147 000	4.90 [6]

[1] 3% or more of shares, in the form of stocks or rights to purchase and/or sell stocks. The information is derived from announcements made by shareholders pursuant to Art. 120 et seq. Financial Market Infrastructure Act (FMIA) as at December 31, 2020 subject to the availability of other information.
All published notifications can be found at https://www.six-exchange-regulation.com/de/home/publications/significant-shareholders.html

[2] JCDecaux SA, rue Soyer 17, 92200 Neuilly-sur-Seine (F), is controlled by JCDecaux Holding SA, rue Soyer 17, 92200 Neuilly-sur-Seine (F), whose shareholders are
- Members of the Decaux family: Jean-François Decaux (London/GB), Jean-Charles Decaux (Neuilly-sur-Seine/F), Jean-Sébastien Decaux (Brussels/B), Jean-Pierre Decaux (Paris/F), and Danielle Decaux (Neuilly-sur-Seine/F)
- JFD Investissements (Luxembourg/L), and JFD Participations (Luxembourg/L), companies under the direct control of Jean-François Decaux
- Open 3 Investimenti (Uccle/B), a company under the direct control of Jean-Sébastien Decaux

[3] The beneficial owner is Stichting Administratiekantoor Frère-Bourgeois, Rotterdam (NL). For detailed information on the relationship between Stichting Frère-Bourgeois und Pargesa Asset Management see: https://apgsga.ch/controlling.structure.

[4] On February 29, 2008, JCDecaux announced that it had granted a stock purchasing option to APG SGA SA. The option is an entitlement to purchase up to 147,000 APG SGA SA shares, which represent up to 4.9% of the voting rights of the company (see Annual Report, Corporate Governance: Clauses on changes of control, page 29).

[5] Number of shares according to stock register as at December 31, 2020 and December 31, 2019

[6] Registered without voting rights

8 Events after the closing day

None.

Proposal of the Board of Directors

The Board of Directors proposes to the Annual General Meeting on April 28, 2021:

1. to carry forward the profit brought forward of CHF 108,317,284, composed of CHF 70,127 in net annual profit plus a profit brought forward of CHF 108,247,157.

The Board of Directors proposes that the distribution of dividends be suspended for the financial year 2020.

APG SGA SA

Geneva

Report of the statutory auditor
to the General Meeting

on the financial statements 2020

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Report of the statutory auditor

to the General Meeting of APG SGA SA

Geneva

Report on the audit of the financial statements

Opinion

We have audited the financial statements of APG SGA SA, which comprise the balance sheet as at 31 December 2020, income statement and notes for the year then ended, including a summary of significant accounting policies.

In our opinion, the accompanying financial statements (Pages 33 to 40) as at 31 December 2020 comply with Swiss law and the company’s articles of incorporation.

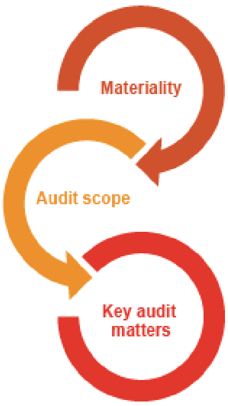
Basis for opinion

We conducted our audit in accordance with Swiss law and Swiss Auditing Standards. Our responsibilities under those provisions and standards are further described in the “Auditor’s responsibilities for the audit of the financial statements” section of our report.

We are independent of the entity in accordance with the provisions of Swiss law and the requirements of the Swiss audit profession and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Our audit approach

Overview



Overall materiality: CHF 1'390'000

We tailored the scope of our audit in order to perform sufficient work to enable us to provide an opinion on the financial statements as a whole, taking into account the structure of the entity, the accounting processes and controls, and the industry in which the entity operates.

As key audit matter the following area of focus has been identified:

- Recoverability of investments

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Materiality

The scope of our audit was influenced by our application of materiality. Our audit opinion aims to provide reasonable assurance that the financial statements are free from material misstatement. Misstatements may arise due to fraud or error. They are considered material if, individually or in aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of the financial statements.

Based on our professional judgement, we determined certain quantitative thresholds for materiality, including the overall materiality for the financial statements as a whole as set out in the table below. These, together with qualitative considerations, helped us to determine the scope of our audit and the nature, timing and extent of our audit procedures and to evaluate the effect of misstatements, both individually and in aggregate, on the financial statements as a whole.

Overall materiality	CHF 1'390'000
How we determined it	1% of total assets
Rationale for the materiality benchmark applied	We chose total assets as the benchmark because the entity holds mainly investments in subsidiaries and provides financing to them. In addition, total assets is a generally accepted benchmark with regard to materiality considerations in holding companies.

Audit scope

We designed our audit by determining materiality and assessing the risks of material misstatement in the financial statements. In particular, we considered where subjective judgements were made; for example, in respect of significant accounting estimates that involved making assumptions and considering future events that are inherently uncertain. As in all of our audits, we also addressed the risk of management override of internal controls, including among other matters consideration of whether there was evidence of bias that represented a risk of material misstatement due to fraud.

Report on key audit matters based on the circular 1/2015 of the Federal Audit Oversight Authority

Key audit matters are those matters that, in our professional judgement, were of most significance in our audit of the financial statements of the current period. These matters were addressed in the context of our audit of the financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

Recoverability of investments

Key audit matter	How our audit addressed the key audit matter
In accordance with the accounting policies (as detailed on page 35) investments are valued at historical cost less any impairments. The investments directly held by the company are described in note 2.1 of the notes to the financial statements. The carrying amount of investments as per 31 December 2020 amounts to CHF 117.6 million. We focused on this area due to the significance of the investments value on total assets.	We tested the recoverability of the investments by performing the following procedures: • We reviewed management's assessment for each individual investment. • We assessed the impairment test at an individual investment level and discussed the assumptions made with management. The impairment test was assessed in respect of sensitivity of the underlying assumptions, the underlying substance of the investment and the profitability in the past. The support provided by management and the combination of the procedures described above provided appropriate support to determine the recoverability of the carrying value of investments.

Responsibilities of the Board of Directors for the financial statements

The Board of Directors is responsible for the preparation of the financial statements in accordance with the provisions of Swiss law and the company's articles of incorporation, and for such internal control as the Board of Directors determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the Board of Directors is responsible for assessing the entity's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the Board of Directors either intends to liquidate the entity or to cease operations, or has no realistic alternative but to do so.

Auditor's responsibilities for the audit of the financial statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with Swiss law and Swiss Auditing Standards will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

A further description of our responsibilities for the audit of the financial statements is located at the website of EXPERTsuisse: http://expertsuisse.ch/en/audit-report-for-public-companies. This description forms part of our auditor's report.

Report on other legal and regulatory requirements

In accordance with article 728a paragraph 1 item 3 CO and Swiss Auditing Standard 890, we confirm that an internal control system exists which has been designed for the preparation of financial statements according to the instructions of the Board of Directors.

We further confirm that the proposed appropriation of available earnings complies with Swiss law and the company's articles of incorporation. We recommend that the financial statements submitted to you be approved.

PricewaterhouseCoopers AG

Stefan Räbsamen	Philipp Gnädinger
Audit expert Auditor in charge	Audit expert

Zürich, 12 March 2021

Agenda

Announcement of annual results 2020 and publication of the annual report
March 15, 2021

General Meeting
April 28, 2021
(Based on the federal government's COVID-19 Ordinance 3 for the protection of shareholders and employees, the ordinary General Meeting will take place without the physical presence of shareholders or their proxies. APG|SGA shareholders will be able to exercise their rights by postal or electronic channels through the independent proxy.)

Announcement of semi-annual results 2021
July 29, 2021

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This is the original version, which was approved
by the Board of Directors on March 12, 2021

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