

2021

Annual Report

APG|SGA



APG|SGA
Out of Home Media

Geschäftsadresse

Terre
d'aventure.

APG|SGA

VERKAUFSPREISER
ab 12,90 €

Alexander
Calder
& Fischli
Weiss

The financial year at a glance

- Significant influence of the pandemic on financial year 2021.
- Improved margins through cost-reduction program.
- Financial situation very sound.
- Dividend of CHF 11 per share.

Key figures

Advertising revenue

in CHF

266.1 million

EBIT

in CHF

15.3 million

APG|SGA share performance 2021

in CHF



APG|SGA Group key figures

in 1 000 CHF

	2021	2020	2020 adjusted for one-time effects ¹	Change	Change adjusted for one-time effects
Advertising revenue	266 145	261 904	261 904	1.6%	1.6%
– Switzerland	251 551	250 903	250 903	0.3%	0.3%
– International	14 594	11 001	11 001	32.7%	32.7%
Operating income	269 485	269 528	265 158	0.0%	1.6%
EBITDA	25 828	26 876	22 506	–3.9%	14.8%
– in % of operating income	9.6%	10.0%	8.5%		
EBIT	15 344	16 323	11 953	–6.0%	28.4%
– in % of operating income	5.7%	6.1%	4.5%		
Consolidated net income	12 663	13 243	9 521	–4.4%	33.0%
– in % of operating income	4.7%	4.9%	3.6%		
Cash flow from operating activities	10 589	32 674	32 674	–67.6%	–67.6%
Free cash flow²	5 480	25 799	19 762	–78.8%	–72.3%
Investments in property, plant, and equipment	6 610	8 868	8 868	–25.5%	–25.5%
– advertising panel	4 422	7 821	7 821	–43.5%	–43.5%
– other investments	2 188	1 047	1 047	109.0%	109.0%
Earnings per share, in CHF	4.23	4.42	3.18	–4.3%	33.0%

¹ Adjusted for effect of property sale

² Cash flow from operating activities (operating cash flow) CHFt 10 589 (previous year: CHFt 32 674) less net cash used in investing activities CHFt 5 109 (previous year: CHFt 6 875), (see page 46 Consolidated statement of cash flows)

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Dear Shareholder

Significant influence of the pandemic on business development

The restrictions imposed by the authorities to stem the COVID-19 pandemic once again had a significant impact on the sales and earnings development of APG|SGA in the financial year 2021.

The obligation to work at home imposed by Swiss authorities led to a huge reduction in mobility in the first half of the year and again toward the end of the year – particularly in public transport. But the business model of an Out of Home advertising company is based on as many contacts as possible reached by its advertising panels. For APG|SGA, this means analog and digital advertising spaces in public spaces, particularly railway stations, airports and other public transport, all of which were significantly affected by the decline in frequency. In addition, extensive restrictions on certain economic sectors meant that they in turn



“We would like to thank our employees, who have performed remarkably under difficult framework conditions, and our shareholders, concession issuers, advertising customers and market partners for their support and trust.”

Dr. Daniel Hofer
Chairman of the Board APG|SGA



“With our very solid position, technological lead and proven business model, our mid- to long-term market and earnings prospects remain positive.”

Markus Ehrle
Chief Executive Officer APG|SGA

reduced their advertising investments considerably. Minimum guarantees and higher concession fees also had an impact on the result.

Continuing development of growth projects despite comprehensive cost-reduction measures

Faced with these extremely difficult framework conditions, APG|SGA implemented various measures to reduce costs and secure liquidity. The company experienced solidarity from shareholders, employees and contract partners, who all offered support through this ongoing crisis. It also consistently developed digital growth projects and expanded the service portfolio to make it fit for the future. APG|SGA also concluded or extended a number of marketing contracts in the last year. Despite the persistence of poor general conditions and limited visibility, from our perspective the fundamental factors for both Out of Home Media and APG|SGA remain positive. This was evident in the second quarter and the beginning of the fourth quarter, when the relaxation of individual restrictions was followed immediately by signs of recovery.

Board of Directors remains stable, General Meeting to be held as a virtual event

At the APG|SGA AG General Meeting on April 28, 2021, all members standing for reelection were confirmed for a further year. Thus, the Board of Directors continues to comprise Dr. Daniel Hofer (Chairman), Xavier Le Clef (Vice-Chairman), Dr. Maya Bundt, Jolanda Grob, Stéphane Prigent and Markus Scheidegger. Jolanda Grob (Chair) and Markus Scheidegger were elected to the Board of Directors' Remuneration Committee.

All members of the Board of Directors will stand for re-election at the next General Meeting. Invoking the federal government's COVID-19 Ordinance 3, in January 2022 the Board of Directors decided that the Annual General Meeting on April 28, 2022 would go ahead without the physical presence of shareholders and proxies, to protect both them and employees. APG|SGA shareholders will be able to exercise their rights by postal or electronic channels through the independent proxy.

Previously announced shareholder-friendly dividend policy put into action

As expected, the financial year 2021 was once again very much characterized by the pandemic. Despite the highly difficult general conditions, the company was able to ensure a very solid financial situation with numerous, consistent measures in the area of cost management and securing liquidity. With these conditions in mind, and in view of the positive prospects that will hopefully soon come to bear once restrictions are lifted, the Board of Directors considers a dividend payment appropriate. The shareholder-friendly dividend policy announced last year is

set to be implemented for the financial year 2021 as planned. This includes plans to propose paying out 100% of the group profit, in any case at least CHF 11 per share, as dividend payments for the financial years 2021, 2022 and 2023. The Board of Directors will therefore propose to the General Meeting that a dividend of CHF 11 per share be paid for the financial year 2021.

Very good prospects for Out of Home Media and APG|SGA once the pandemic has been overcome

The omicron variant and its very high infection rates shaped general conditions at the beginning of 2022. This resulted in a noticeable restraint in campaigns for the first quarter of 2022 on the advertiser side during this period. The ongoing development of the revenue situation will now largely depend on how quickly mobility in public spaces and public transport, in particular, returns to normal following the removal of most restrictions in Switzerland as of February 17, 2022. Fortunately, over the last two years we have repeatedly noticed that positive sales dynamics quickly set in as soon as restrictions are loosened. However, in these times of reduced visibility, advertising behavior remains correspondingly short term. A reliable forecast of business development is thus not feasible.

Generally speaking, we believe the prospects for Out of Home media and APG|SGA are very good once the pandemic is under control, because this is when it will be of decisive import for companies in every sector to present their brands, products and services in public spaces with a wide reach and among all sectors of the population. Out of Home advertising should have a particularly strong position in the communication mix due to its unique strengths.

Both analog and digital products and services of APG|SGA, the leading Out of Home media company in Switzerland, represent a compelling starting point for future development.

The Board of Directors and the Management Board remain certain that APG|SGA is very solidly positioned and that its proven business model will see it emerging from this crisis in a solid position, and that the mid- and long-term revenue prospects in the operating business remain positive for APG|SGA.

We would like to take this opportunity to thank all our employees, who have achieved extraordinary things under difficult conditions and who have impressed us with their high level of expertise.

On behalf of the Board of Directors and the Executive Board, we would also like to extend our warm thanks to our shareholders, licensees, advertising customers and other market partners, who have exhibited solidarity with APG|SGA in these challenging and uncertain times, supported us and in so doing expressed their trust in the company.



Dr. Daniel Hofer
Chairman of the Board



Markus Ehrle
Chief Executive Officer

Financial Report

APG|SGA Group

Group-wide sales revenues increased by 1.6% to CHF 266.1 million during the financial year 2021. Real estate revenue rose by 6.4% to CHF 1.8 million. Other operating income represented the sale of obsolete tangible assets, which amounted to CHF 1.5 million in the reporting period. This resulted in operating income for the financial year 2021 of CHF 269.5 million, which, adjusted for one-time effects in the previous year, represented an increase of 1.6%.

Fees and commissions grew by 3.1% in the financial year 2021. This disproportionate increase in comparison to sales revenue is due to non-sales-volume-related fees and tougher competitive conditions in the procurement market.

In the financial year 2021, APG|SGA managed to further reduce expenses for personnel, operations and administration. Despite further expenditure in growth projects such as the expansion of the digital service portfolio and digital automated booking and processing platforms, operating and administrative costs were reduced by 3.9% through a mix of temporary and long-term cost-saving measures. Personnel expenses fell by 5.9% in the reporting period. Along with process optimization, compensation for short-time work contributed to this reduction.



“In light of difficult framework conditions, we introduced a range of cost-saving measures, but we nevertheless remain committed to promising digital growth projects. Our financial situation is very sound.”

Beat Herrmann
Chief Financial Officer APG|SGA

Despite a diverse range of measures, the pandemic had a significant influence on the operational result in the reporting period. For the financial year 2021, this resulted in an EBITDA of CHF 25.8 million (previous year, adjusted for one-time effects: CHF 22.5 million), an EBIT of CHF 15.3 million (previous year, adjusted for one-time effects: CHF 12.0 million) and a consolidated net income of CHF 12.7 million (previous year, adjusted for one-time effects: CHF 9.5 million). Margins were improved by further cost reductions.

Cash flow

Operating cash flow for the financial year 2021 amounted to CHF 10.6 million (previous year: CHF 32.7 million). The significant decline of 67.6% was primarily driven by a massive rise in receivables from customers due to the revenue growth in the end of the year. After deduction of net cash used in investing activities of CHF 5.1 million, this resulted in a free cash flow of CHF 5.5 million.

Balance sheet

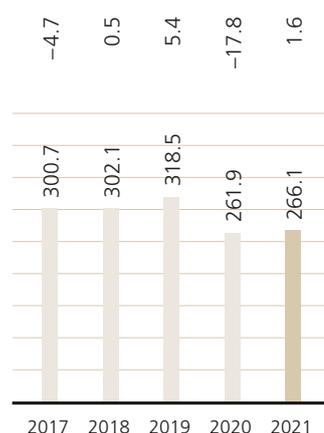
The balance sheet total increased by CHF 10.3 million in the financial year 2021 to CHF 215.5 million. Capitalization of the goodwill from the takeover of WWP AG led to an increase in non-current assets. Intangible assets amounted to CHF 25 million, representing 11.6% of total assets.

Current assets increased by CHF 7.4 million. Trade accounts receivable increased by CHF 7.4 million, while short-term financial investments (fixed-term deposits) fell by CHF 6.0 million. As at December 31, 2021, cash equivalents amounted to CHF 72.4 million. Equity totaled CHF 101.7 million, representing an equity ratio of 47.2%.

Advertising revenue

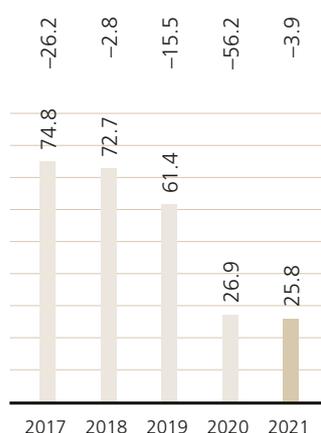
CHF m

Change vs. PY in %



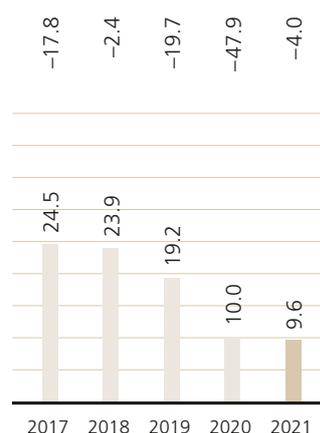
EBITDA

CHF m



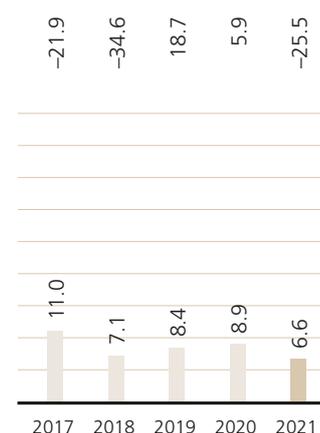
EBITDA margin

in % of operating income



Investments in property, plant, and equipment

CHF m



Key figures

5-year financial highlights of the APG|SGA Group

		2021	2020	2019	2018	2017
Balance sheet						
Buildings and land	CHF m	27.4	29.1	32.6	33.9	35.1
Advertising panel	CHF m	22.4	23.5	22.4	21.5	23.3
Current assets	CHF m	128.6	121.2	103.9	109.6	141.0
Net liquidity	CHF m	72.4	66.3	41.8	60.1	90.5
Equity	CHF m	101.7	89.4	77.1	96.2	120.3
Total assets	CHF m	215.5	205.3	192.9	201.7	237.1
– Change versus PY		5.0%	6.4%	–4.4%	–14.9%	–13.4%
Income statement						
Advertising revenue	CHF m	266.1	261.9	318.5	302.1	300.7
– Switzerland	CHF m	251.6	250.9	304.0	287.2	288.1
– International	CHF m	14.6	11.0	14.5	14.9	12.6
Operating income (OI)	CHF m	269.5	269.5	320.2	304.6	304.8
Fees and commissions	CHF m	169.7	164.6	165.0	139.4	134.6
	in % OI	63.0%	61.1%	51.5%	45.8%	44.2%
Personnel expenses	CHF m	48.4	51.4	61.6	61.4	62.4
	in % OI	18.0%	19.1%	19.3%	20.1%	20.5%
Depreciation of tangible assets	CHF m	9.0	9.3	8.8	10.8	11.0
	in % OI	3.3%	3.4%	2.7%	3.5%	3.6%
Amortization of intangible assets	CHF m	1.5	1.3	1.3	2.4	2.4
	in % OI	0.6%	0.5%	0.4%	0.8%	0.8%
EBITDA	CHF m	25.8	26.9	61.4	72.7	74.8
Operating result (EBIT)	CHF m	15.3	16.3	51.3	59.5	61.3
Consolidated net income	CHF m	12.7	13.2	41.8	47.2	50.7
Statement of cash flows						
Cash flow from operating activities	CHF m	10.6	32.7	49.8	49.4	47.8
Free cash flow	CHF m	5.5	25.8	41.6	41.6	37.6
Financial indicators						
EBITDA margin	in % OI	9.6%	10.0%	19.2%	23.9%	24.5%
Operating result (EBIT margin)	in % OI	5.7%	6.1%	16.0%	19.5%	20.1%
Consolidated net income	in % OI	4.7%	4.9%	13.1%	15.5%	16.6%
Cash flow from operating activities	in % OI	3.9%	12.1%	15.6%	16.2%	15.7%
ROE		13.3%	15.9%	48.3%	43.6%	38.7%
Investments						
Advertising panel	CHF m	4.4	7.8	6.4	5.2	8.1
Other investments in property, plant, and equipment	CHF m	2.2	1.1	1.9	1.8	2.8
Intangible and financial assets	CHF m	7.2	0.0	0.0	2.8	4.9
Employees (Full-time 100% equivalent as basis)		483	491	507	500	519

Explanation of financial terms: see page 46

Share development

		2021	2020	2019	2018	2017
Data per share						
Operating result (EBIT)	CHF	5.13	5.45	17.11	19.86	20.46
Cash flow from operating activities	CHF	3.54	10.90	16.62	16.47	15.94
Consolidated net income	CHF	4.23	4.42	13.95	15.74	16.92
Equity held by APG SGA SA shareholders	CHF	33.98	29.84	25.73	32.11	40.13
Payout	CHF	11.00 ²	0.00	0.00	20.00	24.00
Payout ratio ¹		260.0%	0.0%	0.0%	127.1%	142.0%
Share price data						
Market price high/low	CHF	247.5/178.0	288.5/155.2	361.0/243.0	465.0/303.3	510.0/384.75
Year-end market price	CHF	199.0	197.4	284.0	330.0	455.25
Payout yield ³		5.5%	0.0%	0.0%	6.1%	5.3%
Market capitalization ³	CHF m	597.0	592.2	852.0	990.0	1 365.8
– versus shareholders' equity		5.9	6.6	11.0	10.3	11.4
– versus operating income		2.2	2.2	2.7	3.3	4.5
P/E ratio ³		47.0	44.7	20.4	21.0	26.9

¹ Including payout on treasury stock

² Proposal to the General Meeting

³ Based on market price as at December 31

Price trend since December 31, 2016



Source: SIX Swiss Exchange AG

Business development

SWITZERLAND

Advertising revenues for 2021 came in at CHF 251.6 million, slightly higher (0.3%) than the previous year, once again reflecting the considerable negative effect of the pandemic. Reduced footfall again had an impact on advertising, with communication spaces such as railway stations, public transport and airports, as well as the promotional space business, particularly affected by reduced mobility. Revenues in the sectors of travel & tourism and events & culture were particularly impacted, and so too – following disruption to supply chains – was the automotive sector.

Measures for combating the pandemic influence business development

There was markedly high volatility in the monthly revenue results throughout the coronavirus waves and the corresponding official measures. These fluctuations, which resulted in rebookings and cancellations, created major (extra) planning and processing work for our employees in Sales, Operations, and Poster Installation. In total, 24,500 campaigns were carried out in the reporting year. The breakdown of revenues into local/regional and national customers was more or less equal.

An even greater degree of short-term planning meant that analog business was outshone by digital revenues, which offered more flexible booking options along with an expanded range.

Restrictions particularly affected Out of Home Media

According to Media Focus, gross advertising pressure in the overall advertising market was around CHF 5.6 billion in 2021, 12.3% more than the previous year, with particular growth in online and TV advertising. With ongoing restrictions on mobility and resulting reduction in footfall, the Out of Home Media included in this pure gross analysis (without taking into account discounts or special conditions) registered a drop of 1.2% compared to 2020, with a slight fall in market share in the media mix. APG|SGA still managed to increase its share of the Out of Home market from 64.5% to 65.4% in these statistics, underlining its high performance in the extremely competitive outdoor advertising market.



“Our campaign, which calls on people to get vaccinated and was developed in cooperation with the advertising agency Ruf Lanz, received a lot of positive feedback.”

Lejla Islamovic
Marketing Communication Manager,
APG|SGA



A study published in January 2022 proves once again that posters – such as this “F200” at Brig railway station – are by far the most accepted advertising medium among the Swiss population (source: LINK/Aussenwerbung Schweiz AWS)



Substantial expansion of digital advertising

With its further expansion of digital advertising in the reporting year, APG|SGA has built on its leading role in the Digital Out of Home sector. This included substantial developments in the digital range covering various communication spaces in Swiss cities and railway stations such as Locarno, Bellinzona, Zurich, Rapperswil, Uster, Wetzikon, Zug, Aarau, Olten, Sion, Brig, Visp, Baden, Basel, Neuchâtel, Biel/Bienne, La Chaux-de-Fonds, Fribourg, Lausanne and Geneva. Six additional "Airport ePanel AdWalks" were created at Check-in 2 in Zurich Airport, which attract the attention of passengers thanks to dynamic image flow technology that enables creative applications.

In total, there are now 1,000 large-format "ePanels" and "eBoards" – most of them available for programmatic booking. This allows customers to target the timing and location of their advertising and information to target groups even more precisely. In southern Switzerland, the digital portfolio increased to include 120 "TrafficMediaScreens" in 81 vehicles of Trasporti Pubblici Luganesi (TPL). This means that APG|SGA operates by far the largest digital network in Ticino as well, while continuing to expand its leading position in the field of transport advertising at a national level.

"Nurture" funding program for start-ups

Last fall, APG|SGA launched its "Nurture" funding program for start-up companies in Switzerland. JCDecaux, the global leader in Out of Home Media, has already successfully launched "Nurture" in a number of countries, including the UK, France, Germany, the USA and Australia. APG|SGA is a partner of this network. The program helps selected start-ups increase awareness of their young brands. They also benefit from various other services offered by "Nurture". Young companies can take advantage of mentoring in the areas of marketing and Out of Home Media, data insights and exclusive, tailored offers from APG|SGA. The aim is to give start-ups visibility in public spaces and to offer them advice and a comprehensive range of Out of Home products to help them become "mature" market participants.



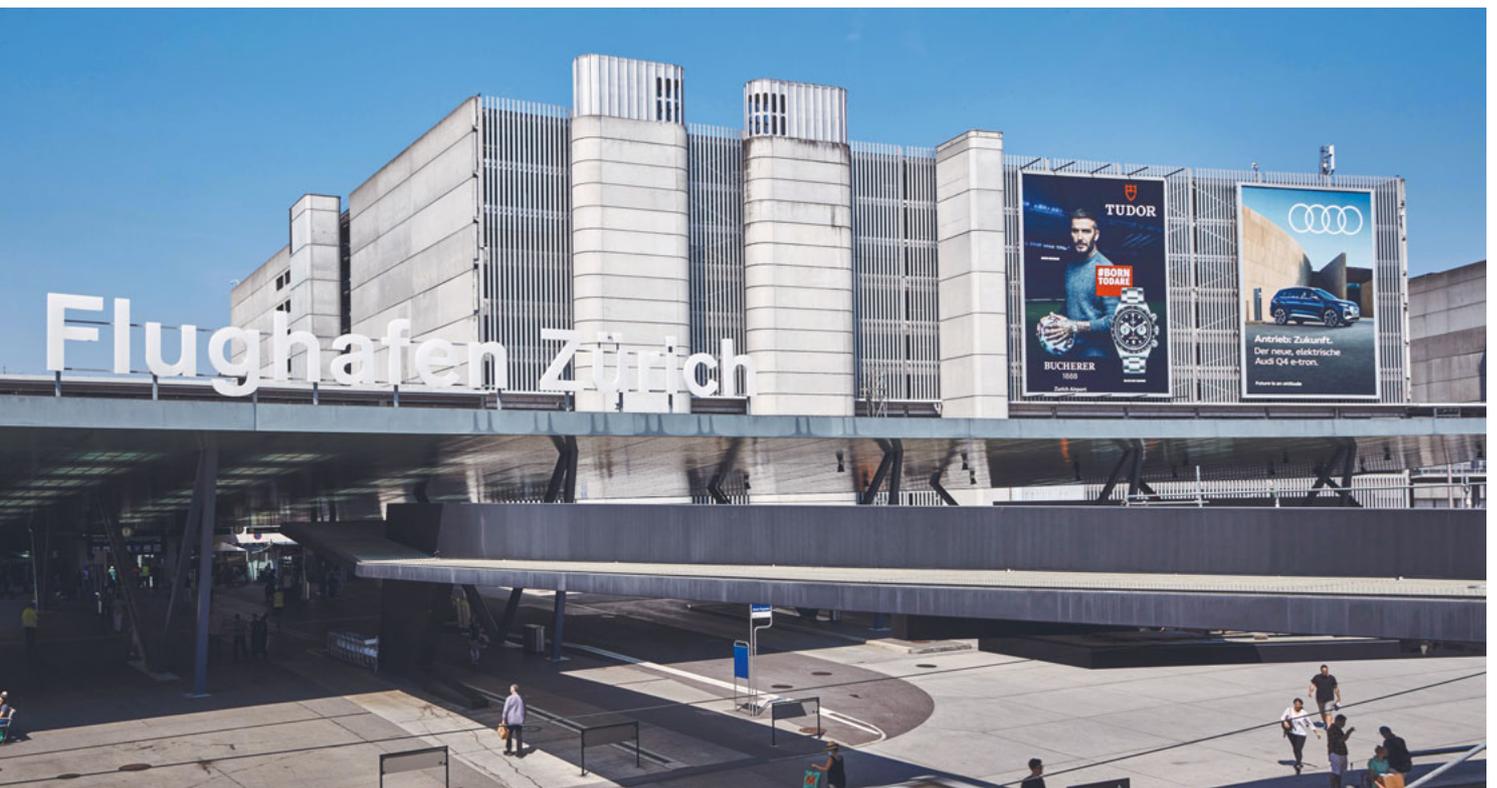
"With 'Nurture', we're helping to set innovative start-ups on the path to success with comprehensive advice and even individually tailored Out of Home Media solutions."

Marc Eberhart
Key Account Management, APG|SGA



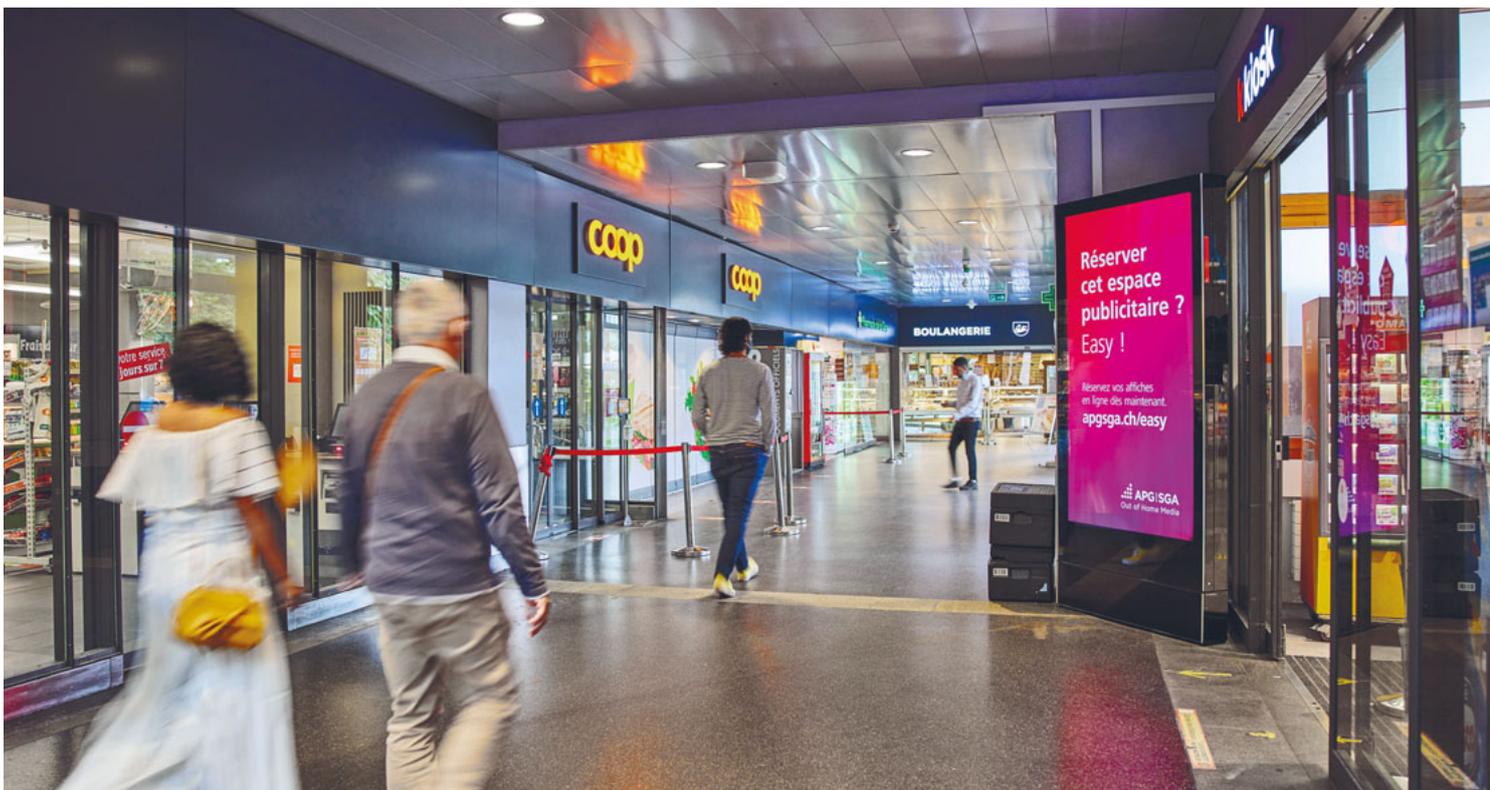
Above – Seven “ePanels” were installed in Uster railway station. Together with a total of 187 analog APG|SGA spaces in the city, they form a broad, high-reach advertising range for targeting an active, mobile public.

Below – At Zurich Airport, advertisers have access to a high-quality analog and digital range which reaches passengers at the international hub as well as visitors to one of the busiest shopping centers in Switzerland.



Above – Following further expansion, the digital range – as seen here in Zug railway station – now encompasses 1,000 large-format screens, confirming APG|SGA's leading role in the DOOH (digital Out of Home) segment.

Below – At APG|SGA, screens – such as this “ePanel” in Neuchâtel – are largely programmatic and can also be booked via the completely new e-commerce platform with the unique APG|SGA easy webshop.



Successful launch of e-commerce platform

Under its comprehensive digital strategy, APG|SGA launched a completely new e-commerce platform in 2021. The main elements are a new website, a comprehensive product finder and APG|SGA easy, a web shop that is setting new standards in the planning and booking of analog and digital Out of Home Media. With these and other sophisticated IT solutions, APG|SGA is further expanding its technological lead in the Swiss Out of Home Media market.

The new, dynamic web presence offers a wealth of useful features and information about services, innovations and products from APG|SGA. Online visitors can also get plenty of facts and figures about the role, significance and advertising impact of Out of Home Media. The product finder shows all the products and formats available from APG|SGA in the different communication spaces – over 160,000 of them. The centerpiece of this new e-commerce solution is APG|SGA easy – the new, intuitive planning and booking platform that offers a unique purchasing experience to new and existing customers alike.

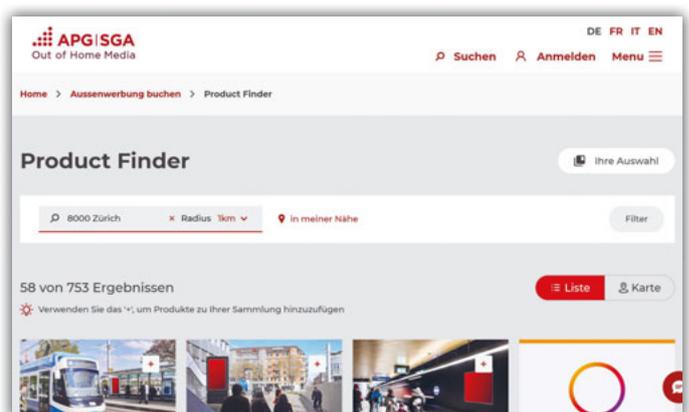


“Our new web shop is setting new standards in the planning and booking of analog and digital Out of Home Media.”

Thomas Perret
Head of E-Commerce, APG|SGA

Synergies in the field of targeting solutions, technical platforms and data

The two areas of programmatic DOOH and mobile advertising were combined in organizational terms and together offer advertising customers synergies in the areas of targeting solutions, technical platforms and data. The field of mobile advertising and the aymo products are now well established in the market and growing all the time. Programmatic DOOH was successfully introduced. Over 900 screens at top locations are available for programmatic booking through APG|SGA, with VIOOH functioning as the SSP (supply side platform). In 2021, 70 campaigns were carried out. Agencies and customers alike value – and make the most of – the option of airing advertising at precise locations and times, geared to the respective target group.



Success in partner management despite challenging environment

In the Partners & Operations division, the portfolio on both public and private property was further optimized in successful tenders (including Schaffhausen, Sierre, Geneva-Meyrin, tl Lausanne) in addition to numerous contract renewals and new acquisitions. We were primarily able to secure these tenders thanks to the excellent assessment and appreciation of our high-quality services and dossiers. In some tenders (Zurich transport authorities, Coop, the town of Sion), we were clearly outbid by competitors who wish to gain a foothold in the Out of Home Media market, with offers that were extremely high and risky in terms of fees and minimum guarantees.

As of September 30, 2021, APG|SGA took over WWP Plakatwerbung AG in full, and with it over 650 high-quality poster sites. APG|SGA, Allgemeine Plakatgesellschaft AG, started marketing and managing around 150 locations from January 1, 2022. The other 500 locations were integrated into the portfolio of our subsidiary Alpenplakat AG, which has been operating under the name Swissplakat AG since November 2021.

APG|SGA further consolidated its leading position in Switzerland for analog and digital Out of Home Media in the attractive “Mountains” communication space. During the course of the year, numerous major mountain destinations, such as Anzère, Arosa-Lenzerheide, Grächen, Grindelwald-Männlichen, Jungfraubahnen, Ovronnaz, Scuol and Zermatt Bergbahnen AG, chose to extend their exclusive collaboration and partnership with APG|SGA for the long term.

The massive decline in footfall in some communication areas caused by official measures led to discussions with numerous concession partners regarding fee reductions in 2021. For the most part, we met with understanding and achieved – at least to an extent – solidarity and concessions. Unfortunately, we couldn’t achieve a solution in the case of BernMobil, leading us to seek a judicial assessment regarding a possible contractual imbalance in the reporting year. Proceedings are still under way, with an assessment still outstanding.

High-quality, highly flexible logistics organization

The internal logistics organization also provided services of the highest quality in the previous year – despite the difficult overall conditions caused by the pandemic. In analog poster installation, planning was characterized by unprecedented volatility in posting volume and short notice of bookings, with a corresponding effect on poster and advertising material production. Numerous analog and digital construction projects in various communication spaces can now be successfully and cost-effectively implemented in-house.



“Our advertising customers benefit from tailor-made mobile advertising and programmatic solutions thanks to synergies in the areas of targeting, technical platforms and data.”

Seline Guggisberg
Head of Partner & Account Management
aymo mobile targeting, APG|SGA



Above – APG|SGA was able to further consolidate its position in the mountains – including Lenzerheide, seen here with summertime tourists – an attractive communication space that remained very busy even during the pandemic.

Below – Exclusive partnerships with numerous major mountain destinations – such as Zermatt, pictured here – were extended and cooperation further intensified.



SERBIA

APG|SGA's international operations in the form of Serbian subsidiary Alma Quattro d.o.o. contributed 5.5% to group revenues in the financial year 2021.

Revenues developing at pre-pandemic levels

A particularly early start to vaccinations in Serbia, coupled with extensive easing of measures in public life, meant the economy recovered relatively quickly and there was a noticeable sense of optimism in the country. Active, targeted marketing resulted in extremely positive development in sales. At CHF 14.6 million, advertising revenues were 32.7% higher than the previous year, and in fact 0.7% higher than 2019. This is testament to the impressive recovery potential of Out of Home Media once framework conditions point to "normality" once more.

Further expansion of large-format digital LED boards

In 2021, this attractive portfolio underwent further expansion, with investment in large-format digital LED boards. An additional 13 LED screens were put into operation in the best locations in the city of Belgrade. Despite additional inventory and ongoing price pressure from a competitor, our subsidiary managed to keep capacity utilization at a high level in both the analog and digital areas.

The competitor in question had been awarded a concession for the operation of 250 digital advertising panels in 2020, despite a long-term exclusive contract between Alma Quattro and the city of Belgrade. In the view of APG|SGA, this award violates international law. The case is subject to international arbitration proceedings, which are still ongoing.



"Following a dynamic and extremely challenging yet successful year, it is clear to me that anything is possible, even in uncertain times."

Sanja Pesic
Chief Executive Officer Alma Quattro



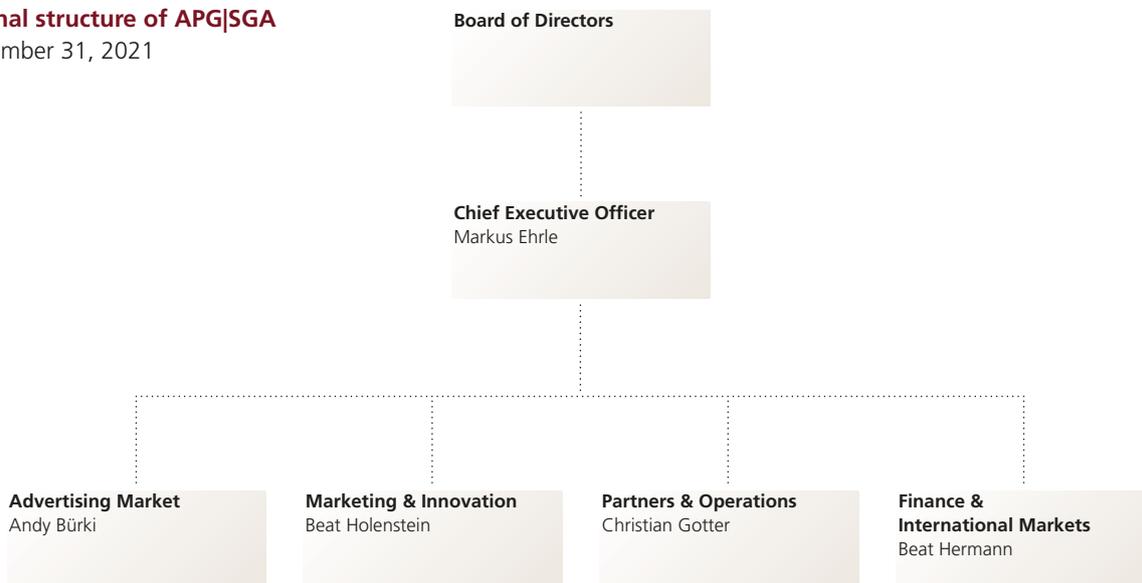
Above – The classic 12 m² billboard (4x3 m) continues to enjoy great popularity – including this special format in Belgrade, located in front of one of Serbia’s largest shopping centers.

Below – In the heart of Belgrade, on the popular promenade of Knez Mihailova, a network with a total of 19 digital spaces (2 m²) offers exclusive advertising opportunities in a prestigious location.



Corporate Governance

Operational structure of APG|SGA as of December 31, 2021



Group structure and shareholders

Introduction

The principles and rules that govern the management and supervision of the APG|SGA Group are set forth in the articles of incorporation, the organizational regulations of the Board of Directors, and the regulations of the Executive Committees. The Board of Directors regularly reviews these documents and updates them in the event of new developments. The articles of incorporation of APG|SGA SA can be viewed at www.apgsga.ch/articlesofincorporation. The organizational regulations of the Board of Directors and the regulations of the Executive Committees can be seen at www.apgsga.ch/corporate-governance. The information published here corresponds to the requirements of the Directive on Information Relating to Corporate Governance by SIX Swiss Exchange.

Listed company

Company name, headquarters: APG SGA SA, Geneva
 Market capitalization as at December 31, 2021: CHF 597.0 million
 Place listed: SIX Swiss Exchange
 Security no.: 1 910 702
 ISIN: CH0019107025
 Ticker: APGN

Participating interests

The list of participating interests is provided in the Financial Report (cf. page 47) on page 26.

Cross-shareholdings

No capital or voting cross-shareholdings exist between the APG|SGA Group and other companies.

Significant shareholders¹

	Shares as reported as of December 31, 2021	in %	Shares as reported as of December 31, 2020	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)	143 664	4.79 ⁵	136 039	4.53 ⁵
Polymedia Holding AG, Markus and Andreas Scheidegger, Berne (CH)	98 334	3.28 ⁵	98 045	3.27 ⁵
APG SGA SA, Geneva (CH) (shares)	4 935	0.16 ^{5,6}	8 135	0.27 ^{5,6}
APG SGA SA, Geneva (CH) (conditional purchase option) ⁴			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, 2021 subject to the availability of other information. All published notifications can be found at <https://www.six-exchange-regulation.com/en/home/publications/significant-shareholders.html>.

² JCDecaux SA, rue Soyier 17, 92200 Neuilly-sur-Seine (F), is controlled by JCDecaux Holding SA, rue Soyier 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 (Milan/IT), 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 and Pargesa Asset Management, see: <https://apgsa.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 Clauses on changes of control, page 29). This purchasing option expired on April 21, 2021.

⁵ Number of shares according to stock register as at December 31, 2021 and December 31, 2020.

⁶ Registered without voting rights

Capital structure

Ordinary, authorized, and conditional capital

As at December 31, 2021, the share capital of APG|SGA SA amounted to CHF 7,800,000, fully paid in and subdivided into 3,000,000 registered shares with a par value of CHF 2.60 per share. As at December 31, 2021, APG|SGA SA had neither authorized nor conditional capital.

As at December 31, 2021, consolidated shareholders' equity amounted to CHF 101.7 million (PY CHF 89.4 million). Details on the changes in shareholders' equity are provided in the respective annual reports: for the years 2021/2020 on page 45 of the present report, for the years 2020/2019 on page 45 of the 2020 report. The Annual Report 2020 is available at www.apgsa.ch/report

Shares, participation, and bonus certificates

APG|SGA SA shares are registered shares with a par value of CHF 2.60 per share. Each individual share is equivalent to one vote. There are no differential dividend entitlements, except that no dividend is paid on treasury shares. There are no preferential rights for individual shareholders.

APG|SGA SA has not issued any participation or bonus certificates.

Share register

Each share recorded in the share register entitles its owner to one vote.

Registration with voting rights may be denied for the following reasons:

- If the purchaser, in spite of a request by the company, fails to explicitly confirm that he/she has purchased or is holding such registered shares in his/her own name and for his/her own account.
- If registration of the purchaser might prevent the company from being able to provide the evidence required by Swiss legal provisions regarding the acquisition of real estate by persons residing abroad.

Convertible bonds and options

No convertible bonds have been issued. There are no option plans for employees or members of the Board of Directors.

Board of Directors

Members, activities, and interests

The Board of Directors of APG|SGA SA comprises six members.

Members	Member since	End of term
Dr. Daniel Hofer , Chairman	2014	2022
Xavier Le Clef , Vice-Chairman	2015	2022
Dr. Maya Bundt	2020	2022
Jolanda Grob	2020	2022
Stéphane Prigent	2015	2022
Markus Scheidegger	2000	2022
Departures		
Robert Schmidli , Vice-Chairman ¹		
General Secretariat		
Julia Gerdes		

¹ Stepped down effective April 28, 2021 having reached statutory age limit



Daniel Hofer



Xavier Le Clef

The Board members execute additional functions beyond their responsibility for APG|SGA SA and/or other companies of the Group and have informed APG|SGA SA about such functions. These functions comprise activities within the framework of important associations, foundations, or institutions in Switzerland and abroad, as well as official positions and political mandates.

Dr. Daniel Hofer (1963)

Chairman, non-executive member.

Swiss citizen, Master of Business Administration (University of Rochester, New York/USA) and Doctorate of Business Administration (University of South Australia, Adelaide/AUS). Member of the Group Executive Board of the JCDecaux SA, Paris (F), and CEO of the Germany, Austria, Central and Eastern Europe region and Central Asia with subsidiaries in 14 countries. 2010–2014: CEO of APG|SGA SA. 2006–2010: member of the Management Board of the NZZ Media Group and Publishing Director of NZZ AG. 2002–2005: CEO of the International Division and member of the Executive Committee at PubliGroupe SA. Prior to this, many years of management experience in media marketing in Switzerland. Chairman, vice-chairman and member of boards of directors of various companies and holdings of the JCDecaux SA. 2008–2012: president of the International Advertising Association (IAA), Swiss Chapter. President of AWS Outdoor Advertising Switzerland from 2010 to 2017. Former member of the Board of KS/CS Communication Switzerland. Vice-president of WOO (World Out of Home Organization), a worldwide industry association, from 2011 to 2014, and since 2017.

Xavier Le Clef (1976)

Vice-Chairman, non-executive member.

Belgian citizen, Master in Business Economics at the Solvay Brussels School of Economics and Management, and Master of Business Administration at the Vlerick Business School in Belgium. Advanced studies in finance at the Institut Européen d'Administration des Affaires (INSEAD) in France. Started his career with Arthur D. Little (2000–2006) as a manager in Belgium, France, and Germany. Joined Compagnie Nationale à Portefeuille (CNP), Loverval (B) in 2006 with responsibility for monitoring various portfolio companies. Nominated to the Board of Directors in 2011, he has been CEO of CNP since 2015. Chairman or member of the boards of directors of various listed and non-listed shareholdings of Groupe Frère.



Maya Bundt

Dr. Maya Bundt (1971)

Non-executive member.

Dual Swiss-German citizen, diploma in geo-ecology (University of Bayreuth), postgraduate diploma in applied statistics (ETH Zurich) and doctorate in environmental sciences/soil physics (ETH Zurich). Head of Cyber & Digital Solutions at Swiss Re Reinsurance since 2016 and Cyber Practice Leader at the group level since 2021. Since 2003: various management positions at Swiss Re, including Chief of Staff Group Strategy (2013–2016) and Head IT Functional Management (2008–2013). 2000 to 2003: Strategy Consultant, Boston Consulting Group. Since 2017: member of the Board of Directors, Valiant Bank. Member of the WEF's Global Future Council for Cybersecurity, member of the digitalswitzerland Cybersecurity Commission and Governance of Digital Risks partner at the International Center for Corporate Governance.

Jolanda Grob (1973)

Non-executive member.

Swiss citizen, master's in psychology and pedagogy (University of Fribourg). Various postgraduate courses (leadership, people development, coaching, change management, strategic workforce planning). Since 2018: Chief Human Resources Officer Switzerland, Zurich Versicherungs-Gesellschaft AG. Since 2010: various global management positions at Zurich Insurance Group, including Global Head of Employee Research & Engagement and Global HRBP. 2005 to 2009: Head of International Learning, Development & Talent Management at Amgen. 1999 to 2005: various HR management positions at Coca-Cola Schweiz, Unilever and Deloitte & Touche.



Jolanda Grob



Stéphane Prigent

Stéphane Prigent (1961)

Non-executive member.

French citizen, graduate of the École des hautes études commerciales (HEC) in Paris (F). Joined JCDecaux SA, Paris (F), in 1994 as Controlling Director France. Corporate Financial Controller from 2002, Corporate Finance Director since 2011. Also president of JCDecaux Europe Holding, JCDecaux Asia Holding, JCDecaux America Holding, and JCDecaux Africa Holding. Recognized financial controlling expert with 30 years' professional experience in international corporate controlling, including six years at Xerox France (1984–1990) and five years at SC Johnson France (1990–1994), latterly as financial controller for Germany, Austria and Switzerland, and more than 25 years at the JCDecaux Group.

Markus Scheidegger (1965)

Non-executive member.

Swiss citizen, studied law and qualified as attorney-at-law for canton Bern (1993). Began professional career in the Tax and Legal division of ATAG Ernst & Young AG, Bern (1993–1995). Independent lawyer since 1995. Member of the Board of Directors of Polymedia Holding AG, Muri bei Bern, since 1996. Chairman of the Board of Directors of Uldry AG, Hinterkappelen, since 2002. Member of the boards of directors of various Swiss SMEs.



Markus Scheidegger

Elections and terms of office

According to the articles of incorporation, the Board of Directors comprises three to seven members. They are individually elected by the General Meeting of Shareholders for a term of one year and may be re-elected without restrictions. Members who have reached the age of 71 are, as a general rule, required to resign on the date of the subsequent General Meeting. However, they may remain in office if this would benefit the continuity and proper functioning of the Board of Directors.

Internal organizational structure

According to the law and the articles of incorporation, the Board of Directors is the supreme management body of the Group. It has the authority to decide on all matters that, according to the law and the articles of incorporation, are not in the competence of the General Meeting, or which it has not delegated to other bodies through regulations and decisions. By majority vote, it determines the strategic, organizational, financial, and accounting guidelines to be followed by the APG|SGA Group. In the event of a tied vote, the Chairman does not have a casting vote.

The Board of Directors meets as often as business requires, but at least four times per year or once a quarter. Each member of the Board of Directors may ask the Chairman to call a meeting. In financial year 2021, the Board of Directors held five ordinary meetings (February, March, May, September, and December) with the regular participation of Executive Board members. Members of the Executive Board have no automatic right of participation or contribution. The average duration of individual meetings is a half or full day. Most meetings were attended by all members of the Board of Directors.

Two permanent committees are appointed to assist the Board of Directors in its activities: the Audit Committee and the Remuneration Committee. Their tasks and competences are defined in the regulations of the Board committees and primarily encompass functions of assessment, consulting, and supervision. In some individual cases, delegated by the Board of Directors, they also have decision-making powers. The committees prepare the activities of the Board of Directors in the domains assigned to them and directly inform the Board on all important matters.

The Audit Committee comprises Board members Stéphane Prigent (Chairman) and Maya Bundt. The Committee has the following tasks:

- to supervise the independence and efficiency of external audits
- to review risk management in the areas of finance and operations

- to review the organization and efficiency of the internal control system
- to determine the investment strategy and the real estate policy
- to analyze the consolidated interim and annual statements and forward them to the Board of Directors.

In the year under review, the Audit Committee held three ordinary meetings (in February, July, and November), with participation of the CEO and the CFO. They have no automatic right of participation or contribution. At one meeting, the external auditor was present. Each meeting lasted half a day.

The members of the Remuneration Committee are elected individually by the General Meeting of Shareholders pursuant to Art. 28 of the articles of incorporation. The committee currently comprises the following Board members: Jolanda Grob (Chair) and Markus Scheidegger. This committee reviews:

- the remuneration policy
- the selection criteria for the members of the Executive Board
- their basic conditions of employment
- the proposals regarding their remuneration and participation
- management development and succession planning.

In the year under review, the Remuneration Committee held two meetings (in February and November). Each meeting lasted half a day. The CEO and CFO also took part in meetings of the Remuneration Committee. They have no automatic right of participation or contribution.

In order to ensure continuous improvement in its work, the Board of Directors conducts an annual self-evaluation procedure.

Delimitation of the areas of responsibility between the Board of Directors and the Executive Board

The Board of Directors decides on all matters entrusted to it by law, the articles of incorporation, and the company regulations. Implementing and complementing Article 716a of the Swiss Code of Obligations and Article 27 of the articles of incorporation, the following decisions in particular are the exclusive responsibility of the Board of Directors:

- determination of business policies and financial strategies
- approval of sales, cost, and investment budgets of the APG|SGA Group
- establishment, acquisition, sale, liquidation, and merger of subsidiaries
- exercise of voting rights in the general meetings of the subsidiaries and drafting of the recommendations to private individuals who represent the company on the boards of directors or in other bodies of subsidiaries

- conclusion of loan contracts (whether as lender or borrower), contracts of surety, or any other form of guarantee contracts – excluding concession contracts – that involve obligations by the company toward third parties in excess of CHF 2 million
- conclusion of contracts for non-budgeted items where the amount exceeds CHF 1 million.

The Board of Directors has entrusted the Executive Board, under the direction of the CEO, with the management of current operations. The Executive Board is responsible for all matters that another body of the company is not responsible for under the law, the articles of incorporation, or the organizational regulations of the Board of Directors.

Information and control instruments vis-à-vis the Executive Board

In addition to the tasks assigned to the Audit and the Remuneration Committees, the Board of Directors is provided at every meeting with the relevant information pertaining to management, revenue, and profit. The Board of Directors is informed verbally and in writing about the following financial data:

- quarterly, semi-annual, and annual statements (balance sheet, statement of income)
- annual budget figures, regular comparisons of actual with budgeted figures, and projections
- annually consolidated five-year plan
- extraordinary occurrences.

The Executive Board assesses the Group's risk exposure annually using a structured process; the results are then approved by the Board of Directors. This process identifies strategic, operational and financial risk, and evaluates it according to scope and probability. If an overall risk is defined as critical, effective measures are defined to prevent the risk from occurring, to reduce the probability of it occurring or to limit its financial impact. Effective monitoring processes are defined for relevant business operations as part of an internal monitoring system. The following risks have been identified as key for APG|SGA:

- Business environment in view of contractual concession and minimum fees: increased intensity of competition and contracts with higher concession fees and increased minimum fees. Negative business development, declining advertising budgets, officially mandated restrictions on mobility and economic activities for combating the coronavirus, along with advertising bans, may reduce sales revenues and impact profitability. Climate change is causing heatwaves and other extreme weather events with increasing frequency, which can result in a temporary reduction in general mobility and in turn negatively impact the profitability of our advertising panels.

- Security, stability and reliability of the IT infrastructure: the advance of automation and digitalization along the entire value creation chain increases the importance of the stability, reliability and security of our IT infrastructure. In particular, protecting the IT infrastructure against cyberattacks is a top priority.

This assessment was approved by the Board of Directors on December 10, 2021.

In addition, the Chairman of the Board of Directors is in constant contact with the CEO. Extraordinary occurrences must be reported immediately by the members of the Executive Board to the CEO, who must immediately inform the Chairman of the Board of Directors. If required, the Chairman of the Board of Directors participates in the meetings of the Executive Board. With the consent of the Chairman, each member of the Board of Directors may request that management provide information on the Group's business performance, as well as access to records and documents. The Board of Directors assigns signatory powers to staff members. As a rule, signatory powers are collective (two signatures required).

Notes on general trading blackouts

During trading blackouts, employees who hold key roles and possess insider knowledge are prohibited from purchasing or selling shares in APG|SGA AG. The Board of Directors therefore issued a regulation on insider trading on December 10, 2021.

The following blackout periods apply:

- December 1 until two trading days after publication of annual figures
- June 1 until two trading days after publication of semi-annual figures



Markus Ehrle



Beat Hermann



Andy Bürki

Management

Executive Board		since
Markus Ehrle (1965), Swiss citizen	Chief Executive Officer	2011
Beat Hermann (1969), Swiss citizen	Chief Financial Officer & International Markets	2012
Andy Bürki (1974), Swiss citizen	Advertising Market	2019
Christian Gotter (1970), Swiss citizen	Partners & Operations	2012
Beat Hostenstein (1968), Swiss citizen	Marketing & Innovation	2007

Markus Ehrle took over the leadership of APG|SGA as Chief Executive Officer on June 1, 2014. From April 1, 2011, until May 31, 2014, he was responsible for the Marketing & Business Development division at APG|SGA. He had a long career at PubliGroupe SA, including positions as Account Director, Marketing Director and Deputy CEO of Publimedia AG; he was also a member of the boards of various subsidiaries (including web-based companies). From 2006 to 2011 he worked for the NZZ Media Group, where he was in charge of the Advertising Market & Business Development department. He has Swiss federal degrees in communication management and marketing management, and is President of AWS Outdoor Advertising Switzerland, a member of the Board of IAA International Advertising Association, Swiss Chapter, and a member of the Communications Council of KS/CS Communication Switzerland.

Beat Hermann was appointed CFO of APG|SGA effective April 1, 2012; in this position, he is responsible for finance, IT, and infrastructure. On September 1, 2014, he additionally assumed management responsibility of International Markets. He began his career as an internal auditor and later controller with the Volcafe/ED&F Man Group in Switzerland and in Latin America. From 2000, he was Director of Finance & Administration with Sony Music Entertainment in Switzerland. Within the Lindt & Sprüngli Group, he first worked as a senior corporate controller, and from 2006 to 2011 served as the CFO of the Ghirardelli Chocolate Company (Lindt & Sprüngli Group) in San Francisco (USA). He holds a degree in business administration (lic. oec. publ.) from the University of Zurich. He has since continued his studies with executive courses at Harvard University and The Wharton School, and has also completed an Advanced Management Program at INSEAD, Singapore.

Andy Bürki has been a member of the Executive Board since April 1, 2019, with responsibility for Advertising Market within APG|SGA. From 1999 to 2015, he held various functions within Tamedia AG, including Sales Promotion Project Manager (1999–2001) and head of advertising markets for Tages-Anzeiger (2006–2015). He gained experience of the outdoor advertising market between 2002 and 2006 as a key account manager at Clear Channel Plakanda GmbH. From 2015 to 2018, he was a member of the board of NZZ Media Solutions AG, with responsibility for the advertising market of NZZ products. He has a diploma in marketing planning (1998) and a degree in communication management (2005). In 2013, he completed an Executive Master of Business Administration in General Management at the University of Applied Sciences in Business Administration Zurich.

Christian Gotter has been a member of the Executive Board since June 1, 2019, with responsibility for Partners & Operations within APG|SGA. From 2012 to 2019, he was head of the Logistics division and member of the Executive Board. His previous roles enabled him to acquire broad specialist knowledge of logistics, supply chain management and distribution. His previous employers include ABB Turbo Systems AG (1989–1994), ABB Kraftwerke AG (1994–1996), ABX Logistics AG (1996–2000), Central Station AG (2000–2001), Planzer Transport AG (2001–2005) and Tobler Haustechnik AG, where he was head of Logistics and Transport from 2005 to 2011, managing a staff of over 200. He has commercial training, is a federally qualified forwarding agent (graduation 1994), has completed the Certificate of Advanced Studies SME management course at the University of St. Gallen (2010), has a Diploma in Advanced Management awarded jointly by Swiss Programs in Management (SKU) and the Executive School of the University of St. Gallen (2016), and has completed the CAS Change and Innovation Management at the University of St. Gallen (2021)..



Christian Gotter



Beat Holenstein

Beat Holenstein has been a member of the Executive Board since June 1, 2019, with responsibility for Marketing & Innovation within APG|SGA. He previously headed the Partner & Product Management division as an Executive Board member between 2011 and 2019. Between 2009 and 2011, he was head of Marketing/Acquisitions. Within the company, he previously held positions as agency manager (1996–1997), implementation manager (1998–2000) and manager of the Zurich branch with national key account management responsibility (2001–2008). Before joining APG|SGA in 1996, he worked for Zürcher Kantonalbank. He is a member of the board of AWS Outdoor Advertising Switzerland and holds Swiss federal diplomas in organization, marketing planning, and sales management, and an EMBA (Executive Master of Business Administration FHGR) in smart and digital marketing (2020).

Management contracts

APG|SGA SA and its associated companies have concluded no management contracts with third parties.

Compensation, participations, and loans

Scope and stipulation procedure of compensation

The Remuneration Committee submits proposals to the Board of Directors for approval of the remuneration policy and compensation for the members of the Board of Directors on an annual basis. The members of the APG|SGA Board of Directors receive a fixed compensation.

All employees except for APG|SGA Group management and executives receive a fixed salary along with a voluntary incentive bonus based on results.

At the request of the Remuneration Committee, management compensation is reviewed and determined by the Board of Directors on an annual basis. The remuneration model consists of a basic salary together with a variable component (short-term incentive), both of which are dependent on the operating profit and net income. Both the basic salary and the short-term incentive are paid in cash. In addition, a long-term incentive program has been developed on the basis of a “bonus/malus system”. Based on the target values for operating profit and net income and qualitative targets, a third of the target bonus is disbursed annually with a third of this amount paid in cash and two thirds in blocked shares. Two thirds of the target bonus is set aside in a “bonus/malus account” and paid out, a third each in the following years. If the specified targets are not achieved, then these values are deducted accordingly from the “bonus/malus account”.

Shares are allocated on the basis of their weighted average price on the first 10 trading days of the month following the General Meeting. Due to the extraordinary situation in the year under review, the Board of Directors has agreed a divergent regulation for determining the variable compensation to be paid to the Executive Board for 2021. The details can be found on pages 30–33 of the remuneration report.

The General Meeting of Shareholders votes annually on the following proposals from the Board of Directors about the compensation to be paid to the Board of Directors and the Executive Board:

1. Approval of a maximum total amount for the compensation to be paid to the Board of Directors for the period from the end of the current General Meeting of Shareholders until the next ordinary General Meeting;
2. Approval of a maximum total amount for the fixed compensation to be paid to the Executive Board for the coming financial year;
3. Approval of a maximum total amount for the variable compensation to be paid to the Executive Board for the past financial year.

The Board of Directors may also divide the corresponding proposals into individual compensation elements and/or present them to the General Meeting of Shareholders for approval for different time periods.

If the General Meeting of Shareholders refuses to approve a maximum total amount for the Executive Board and/or the Board of Directors, the Board of Directors may present a new proposal to the same General Meeting of Shareholders or convene a new General Meeting of Shareholders.

The remuneration system and the remuneration of the members of the Board of Directors and the members of the Executive Board are disclosed in the Remuneration Report on pages 30–33.

Statutory rules in relation to the number of permitted activities pursuant to Art. 12 para. 1 (1) of the Ordinance Against Excessive Remuneration in Listed Companies Limited by Shares (ERCO)

A member of the Board of Directors may exercise up to 15 additional mandates beyond their responsibility for the APG|SGA Group, although no more than five of these may be with listed companies. A member of the Executive Board may exercise up to six additional mandates beyond their responsibility for the APG|SGA Group, although no more than one of these may be with a listed company. A member of the Board of Directors or the

Executive Board may exercise up to 12 additional mandates with non-profit and/or charitable legal entities (such as associations and other charitable, social and cultural or sporting organizations, as well as foundations, trusts, and employee benefit schemes) beyond their responsibility for the APG|SGA Group.

Mandates held by a member of the Board of Directors or the Executive Board with legal entities that are controlled by the company or that control the company are not deemed to be mandates outside the APG|SGA Group.

Mandates held by a member of the Board of Directors or the Executive Board in associated legal entities outside the APG|SGA Group are always deemed to collectively constitute a mandate outside the APG|SGA Group.

The stated limits may be exceeded temporarily by up to one third of the permitted number of mandates in the relevant categories.

Before accepting mandates in legal entities outside the APG|SGA Group, members of the Executive Board must obtain the consent of the Board of Directors, or of the Remuneration Committee if such powers have been delegated to it.

The term “mandate” refers to membership of the highest governing or executive bodies of legal entities that are required to be entered into the commercial register or in a corresponding register abroad.

Shareholders' participation rights

Voting rights

At the General Meeting of APG|SGA SA, each individual share entitles its owner to one vote. Voting rights can be exercised only if the shareholder is registered in the share register and thus entitled to participate at the General Meeting. Shareholders may be represented at the General Meeting of Shareholders by the independent proxy or by a third party only if they have issued these representatives with a written power of attorney. In such cases, the power of attorney that has been issued with instructions is valid only for a specific General Meeting of Shareholders and cannot be made the object of a contract. In addition, the shareholder may issue the independent proxy with powers of attorney and instructions electronically. The shares are indivisible and the company recognizes only one single representative per share.

Statutory quorums

The following decisions require the votes of at least two thirds of the represented shares and the absolute majority of the par value of the represented shares:

- change of company purpose
- introduction of shares carrying voting rights
- authorized or conditional capital increase
- capital increase from shareholders' equity, with non-cash contributions or acquisitions in kind, and granting of special privileges
- limitation or elimination of subscription rights
- relocation of the company domicile
- dissolution of the company

Convocation of the General Meeting of Shareholders

The ordinary General Meeting of Shareholders takes place every year within six months after the close of the financial year. Extraordinary General Meetings are convened as often as necessary, particularly in cases where a meeting is required by law. Shareholders representing a par value of at least 10% may demand the convocation of an extraordinary General Meeting. Any such demand must be made no less than 50 days before the proposed meeting date. The convocation of the General Meeting of Shareholders by the Board of Directors must be dispatched no less than 20 days in advance of the day of the meeting, and must list the agenda and the motions of the Board of Directors and the shareholders.

Agenda

Shareholders representing a par value of CHF 225,000 may demand inclusion of an item in the agenda. Any such demand must be made no less than 50 days before the proposed meeting date.

Registrations in the share register

No registration is performed between the time of dispatch of the invitation to and the closure of a General Meeting.

Changes of control and defensive measures

Duty to make an offer

There are no statutory opting-out or opting-up clauses.

Clauses on changes of control

Gewista Werbegesellschaft mbH (Austria) (Gewista) and JCDecaux SA (France) (JCDecaux) on the one hand and APG|SGA SA on the other have terminated the joint venture contract governing their mutual relationship in conjunction with Europlakat International Werbegesellschaft mbH (Austria) (EPI), in the stock capital of which Gewista and APG|SGA SA participated with 50% each. The contract, agreed on October 26, 2007, grants both parties mutual rights of pre-emption and change-of-control-related purchasing options in the participating interests that were split up as part of the dissolution of the joint venture. Additionally, the contract grants JCDecaux pre-emption rights and purchasing options in foreign subsidiaries of APG|SGA SA, whereby such options are contingent on a change of control in APG|SGA SA.

In this context, JCDecaux has agreed not to expand its current participation in APG|SGA SA (30%). APG|SGA SA was entitled to a maximum purchasing option of 4.9% of its own share capital if JCDecaux should fail to comply with the obligations stated above. This purchasing option and the clause on changes of control expired on April 21, 2021.

Auditor

Term of mandate and term of office of the auditor in charge

PricewaterhouseCoopers AG has been the statutory auditor of APG|SGA SA and the Group auditor since 2013. The auditor in charge, Stefan Räsamen, has held this position since 2018. The Audit Committee ensures that the auditor in charge is rotated after no more than seven years.

Auditing fee and additional fees

For financial year 2021, the auditing fee of PricewaterhouseCoopers AG for services in conjunction with the auditing of the financial statements totaled CHF 139,000.

Information instruments of the auditor

On behalf of the Board of Directors, the Audit Committee annually reviews the independence, qualification, performance, and fees of the auditor. It prepares a proposal for the Board of Directors for selection of the auditor, which is then submitted by the Board to the General Meeting. The Board of Directors annually reviews the scope of the external audit, the audit plans, and the respective procedures, and discusses the audit results with the external auditor. In a joint meeting at least once a year, the auditor reports to the Audit Committee of the Board of Directors on the auditing work and its essential results. A regular exchange of information takes place between the auditor and the CFO.

Information policy

The APG|SGA Group practices an open information policy toward the financial market and the general public. The shareholders receive semi-annual correspondence informing them about the Group's business performance.

The Annual Report, the detailed Financial Report, the letters to shareholders, the stock price, and press releases are available at www.apgsga.ch. Financial media and analysts conferences are held at least once per year. The publication of share price-relevant facts is governed by the provisions relating to the ad-hoc disclosure requirements of SIX Swiss Exchange. Interested parties may subscribe to media releases at www.apgsga.ch/en/newsletter/register

Key dates:

- closing date: December 31
- Announcement of annual results 2021 and publication of the Annual Report: March 16, 2022
- General Meeting: April 28, 2022
(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)
- closing date for the semi-annual results: June 30
- announcement of the semi-annual results: July 29, 2022

Remuneration Report

1. Introduction

This Remuneration Report complies with Article 13 et seq. of the Federal Council Ordinance of November 20, 2013, Against Excessive Remuneration in Listed Companies Limited by Shares (ERCO). This Ordinance was issued by the Federal Council in response to the adoption by the Swiss electorate of the federal-level “popular initiative against fat cat salaries” (also known as the “Minder Initiative”) on March 3, 2013. This report also respects the Directive on Information Relating to Corporate Governance (DCG) issued by SIX Exchange Regulation, and the Swiss Code of Best Practice issued by *economiesuisse*.

The report describes the basic remuneration policy, the procedure by which remuneration is determined, and the elements and structure of the system of remuneration for the Board of Directors and Executive Board of APG|SGA. It also contains the information required under Articles 14–16 ERCO, specifically details of fixed and variable performance-related remuneration to the Board of Directors and Executive Board.

This Remuneration Report replaces the information previously presented in the Notes to the Balance Sheet in accordance with Article 663b^{bis} of the Swiss Code of Obligations.

2. Basic remuneration policy

The long-term objective of APG|SGA is to achieve an attractive and sustainable return, or increase in value, for its shareholders. Our Group pursues this aim in a demanding and highly competitive environment. To operate successfully in this market, we must attract and retain talented, performance-driven and motivated management staff.

APG|SGA's present system of remuneration was introduced effective 2012 in the interests of good corporate governance. It is structured in such a way that the interests of the members of the Board of Directors and the Executive Board are aligned with the long-term objectives of the company and the interests of the shareholders.

The remuneration system supports the sustainable, long-term success of the Group, and corresponds to both modern practice and market custom. Great importance is attached to transparency of the individual elements of remuneration.

3. Procedure for determining compensation

3.1. Remuneration Committee

Each year, the General Meeting of Shareholders elects the members of the Remuneration Committee on an individual basis. The term of office of these members ends at the close of the next Annual General Meeting.

The Remuneration Committee has the following tasks and responsibilities:

- preparing and periodically reviewing the remuneration policy and principles of the APG|SGA Group, as well as remuneration-related performance criteria; periodically reviewing how these are applied in practice, and submitting the corresponding proposals and recommendations to the Board of Directors
- preparing all relevant decisions by the Board of Directors concerning remuneration for the members of the Board of Directors and Executive Board, and submitting the corresponding proposals and recommendations to the Board of Directors
- briefing the Board of Directors twice a year on the process used to determine remuneration
- ensuring appropriate remuneration

3.2. Board of Directors

Subject to the powers of the General Meeting of Shareholders, in accordance with the provisions of ERCO, the Board of Directors bears ultimate responsibility for the remuneration system. It proposes the members of the Remuneration Committee to the General Meeting of Shareholders. As at the end of 2021, the Committee was composed of Jolanda Grob (Chair) and Markus Scheidegger, all members of the Board of Directors. If the Committee does not have its full number of members at any point between two General Meetings, the Board of Directors appoints additional members to serve out the remaining term of office.

The Board of Directors determines, on the basis of the proposal from the Remuneration Committee, the amount of remuneration its members should receive. The relevant provisions of ERCO on approval for remuneration apply. The Board of Directors submits to the General Meeting of Shareholders the proposal requesting approval of its remuneration.

The Board of Directors determines, on the basis of the proposal from the Remuneration Committee, the amount of remuneration the members of the Executive Board should receive.

3.3. General Meeting of Shareholders

In compliance with the provisions of ERCO, the General Meeting votes on the approval of remuneration for the Board of Directors and Executive Board.

4. Elements and structure

4.1. Elements of remuneration for the Board of Directors

The total remuneration paid to the Board of Directors comprises the following components:

- annual fixed directors' fees, paid in cash
- fee for committee work (CHF 20,000 for the Chairman and CHF 10,000 per member), paid in cash
- fixed long-term remuneration in the form of APG|SGA SA shares, which vest for a minimum of three years

This remuneration system is stable and cannot be manipulated. It does not encourage excessive risk-taking, nor does it create short-term incentives, and thus does not result in any activity that may harm the reputation of APG|SGA SA.

For these reasons, a conscious decision was made not to include any variable component in the fees paid to the Board of Directors.

4.2. Elements of remuneration for the Executive Board

The generally applicable elements of remuneration for the Executive Board described in Art. 4.2.1 below were adjusted by the Board of Directors due to the effects of COVID-19 in the manner described in Art. 4.2.2 for the financial year with respect to the variable component.

4.2.1. General representation

The total remuneration paid to the Executive Board comprises the following elements:

- basic salary (fixed component), paid in cash
- short-term incentive (variable component), paid in cash
- long-term incentive (variable component), one third of which is paid in cash, and two thirds in the form of APG|SGA SA shares, which vest for a minimum of three years

The fixed element of remuneration constitutes the basic annual salary, which reflects the market value and the individual skills and experience of the members of management.

The variable element is capped at twice the fixed remuneration.

The short-term incentive is based on quantitative targets, and is paid out in cash. This is measured based on whether the budgets for EBITDA (earnings before interest, taxes, depreciation and amortization) and net income were met. These factors each have a 50% weighting. The bonus is calculated on a linear basis using the target bonus and the target attainment. Where targets are attained in full, 100% of the target bonus will be paid out. No bonus is paid if target attainment is 70% or less. The maximum bonus is paid if target attainment is 130% or more.

The long-term incentive is based on quantitative and qualitative corporate targets. The quantitative targets carry an 80% weighting, the qualitative targets 20%. If the targets are achieved, the bonus will be credited to a "bonus/malus account", which operates on a rolling three-year basis. Two thirds of the balance in the "bonus/malus account" is carried forward to the next year, and its payment thus deferred. One third of the balance is paid out each year if the balance is positive. One third of this bonus is paid in cash, and two thirds in the form of APG|SGA SA shares, which vest for a minimum of three years.

Shares are allocated on the basis of their weighted average price on the first 10 trading days of the month that follows the General Meeting.

If the targets are not achieved, a debit is charged to the "bonus/malus account", and the account balance declines accordingly. It may even fall to below zero, the result of which is that no further payments are made until the balance is positive once again.

4.2.2. Consideration of the effect of COVID-19 in variable compensation for the Executive Board

With respect to the variable compensation, the principles for the financial year 2021 described in Art. 4.2.1 were adjusted for the effect of COVID-19. The effects of COVID-19 on the quantitative targets were discussed intensively by the Board of Directors' Remuneration Committee in a number of meetings and incorporated into the final judgment of the Board of Directors as follows:

- For the months of January to April, the original target at EBIT level (profit before interest and taxes) was used as the measurement basis. For the months from May to December, the measurement basis was composed in equal parts of the original target at EBIT level and the revised target at EBIT level issued at the end of April 2021. This multi-tiered evaluation basis is explained by the course of measures for combating COVID-19.
- The key financial figure of EBIT was used as the sole quantitative calculation basis.
- The target achievement corridor (70%–130%) for the short-term variable compensation was suspended due to COVID-19.

The qualitative targets were left unchanged and evaluated by the Remuneration Committee.

5. Remuneration in 2021

Sections 5, 6 and 7 are subject to review by the auditor.
The payments listed below are accruals and undisbursed amounts for financial year 2021.

5.1. 2021 remuneration for members of the Board of Directors¹

Name	Function	Fixed Compensation			Total 2021	Total 2020
		Cash portion	Value in shares	Social benefits		
Dr. Daniel Hofer	Chairman	200 000	100 000	23 000	323 000	323 000
Robert Schmidli ²	Vice-Chairman	29 000	7 000	2 000	38 000	114 000
Xavier Le Clef	Vice-Chairman	58 000	20 000	6 000	84 000	84 000
Dr. Maya Bundt	Member	65 000	20 000	7 000	92 000	52 000 ³
Jolanda Grob	Member	75 000	20 000	8 000	103 000	58 000 ³
Stéphane Prigent	Member	78 000	20 000	8 000	106 000	106 000
Markus Scheidegger	Member	68 000	20 000	7 000	95 000	95 000
Total		573 000	207 000	61 000	841 000	832 000

5.2. 2021 remuneration for members of the Executive Board¹

	Fixed Compensation				Variable Compensation		Total Compensation		
	Cash portion	Social benefits	Total	Short-term cash	Long-term allocation	Social benefits	Total	2021	2020
Total	1 589 000	504 000	2 093 000	427 000	431 000	73 000	931 000	3 024 000	2 687 000
Highest individual remuneration:									
Markus Ehrle, CEO	437 000	151 000	588 000	172 000	166 000	29 000	367 000	955 000	836 000
Bonus/malus account ⁴			Balance previous year	New allocation current year			Pay-out	Change	Balance to be carried forward
Total			779 000	431 000			404 000	27 000	806 000
Highest individual remuneration:									
Markus Ehrle, CEO			316 000	166 000			161 000	5 000	322 000

For members of the Executive Board, variable compensation amounted to between 20% and 60% of the fixed wage component.

¹ Amounts allocated, accrued, rounded

² Stepped down from the Board of Directors having reached the statutory age limit

³ Elected to the Board of Directors at the General Meeting on May 14, 2020; fee limited on pro rata temporis basis

⁴ Based on a long-term incentive plan: one third of the balance of the bonus/malus account is paid out yearly (whereof 1/3 in cash and 2/3 in shares)

6. Loans and credit granted to members of the Board of Directors and Executive Board

As in the previous year, no loans were made or credit granted to members of the Board of Directors or Executive Board during the reporting year. There are also no loans or credit outstanding.

Furthermore, as in the previous year, no guarantees or sureties were provided to third parties, neither was any other form of security provided for members of the Board of Directors or Executive Board.

7. Payments, loans, and credit granted to former members of the Board of Directors and Executive Board, and related parties

In the reporting year, as in the previous year, no loans were made or credit granted to former members of the Board of Directors or Executive Board during the reporting year. There are also no such loans or credit outstanding.

As in the previous year, no fees were paid to related parties on anything other than market terms during the reporting year.

As in the previous year, no loans were made or credit granted to related parties on anything other than market terms during the reporting year. There are also no loans or credit outstanding.

Transactions with related parties are disclosed in the Financial Report (cf. page 47), in Note 22 to the consolidated annual financial statements.

8. Participations

The participations (number of shares) held by members of the Board of Directors and the Executive Board are disclosed in the Financial Report (cf. page 47), in Note 6 to the annual financial statements of APG|SGA SA.

Report of the statutory auditor

to the General Meeting of APG SGA SA

Geneva

We have audited the remuneration report of APG SGA SA for the year ended 31 December 2021. The audit was limited to the information according to articles 14–16 of the Ordinance against Excessive Compensation in Stock Exchange Listed Companies (Ordinance) on pages 30 to 33 (paragraph 5 to 7) of the remuneration report.

Board of Directors' responsibility

The Board of Directors is responsible for the preparation and overall fair presentation of the remuneration report in accordance with Swiss law and the Ordinance against Excessive Compensation in Stock Exchange Listed Companies (Ordinance). The Board of Directors is also responsible for designing the remuneration system and defining individual remuneration packages.

Auditor's responsibility

Our responsibility is to express an opinion on the remuneration report. We conducted our audit in accordance with Swiss Auditing Standards. Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the remuneration report complies with Swiss law and articles 14–16 of the Ordinance.

An audit involves performing procedures to obtain audit evidence on the disclosures made in the remuneration report with regard to compensation, loans and credits in accordance with articles 14–16 of the Ordinance. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatements in the remuneration report, whether due to fraud or error. This audit also includes evaluating the reasonableness of the methods applied to value components of remuneration, as well as assessing the overall presentation of the remuneration report.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Opinion

In our opinion, the remuneration report of APG SGA SA for the year ended 31 December 2021 complies with Swiss law and articles 14–16 of the Ordinance.

PricewaterhouseCoopers AG

Stefan Räbsamen
Audit expert
Auditor in charge

Philipp Gnädinger
Audit expert

Zürich, 11 March 2022

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Corporate Responsibility

APG|SGA aims to foster comprehensive and sustainable values for its partners, customers, shareholders and employees, while making a contribution to the environment and society. Balanced consideration of environmental (planet), social (people) and economic (profit) factors in decision-making and implementation processes is regarded as vital for the long-term success of the company.

Corporate responsibility and sustainability is enshrined as one of the six values of the APG|SGA Code of Conduct alongside enthusiasm, partnership, entrepreneurship, integrity and transparency – values that are anchored in our daily work. APG|SGA has been reporting on its active commitment to environmental protection for more than 15 years. Since 2018, we have expanded our reporting to reflect an overall view of corporate responsibility.

Both our sustainability strategy and our company strategy follow the APG|SGA corporate Mission Statement, which consists of a vision & purpose as well as promises & principles.

The full corporate Mission Statement and Code of Conduct:
www.apgsga.ch/corporatemissionstatement

The sustainability strategy is based on the triad of people, planet, profit, and both the guidelines of the Global Reporting Initiative (GRI) and the UN's Sustainable Development Goals.

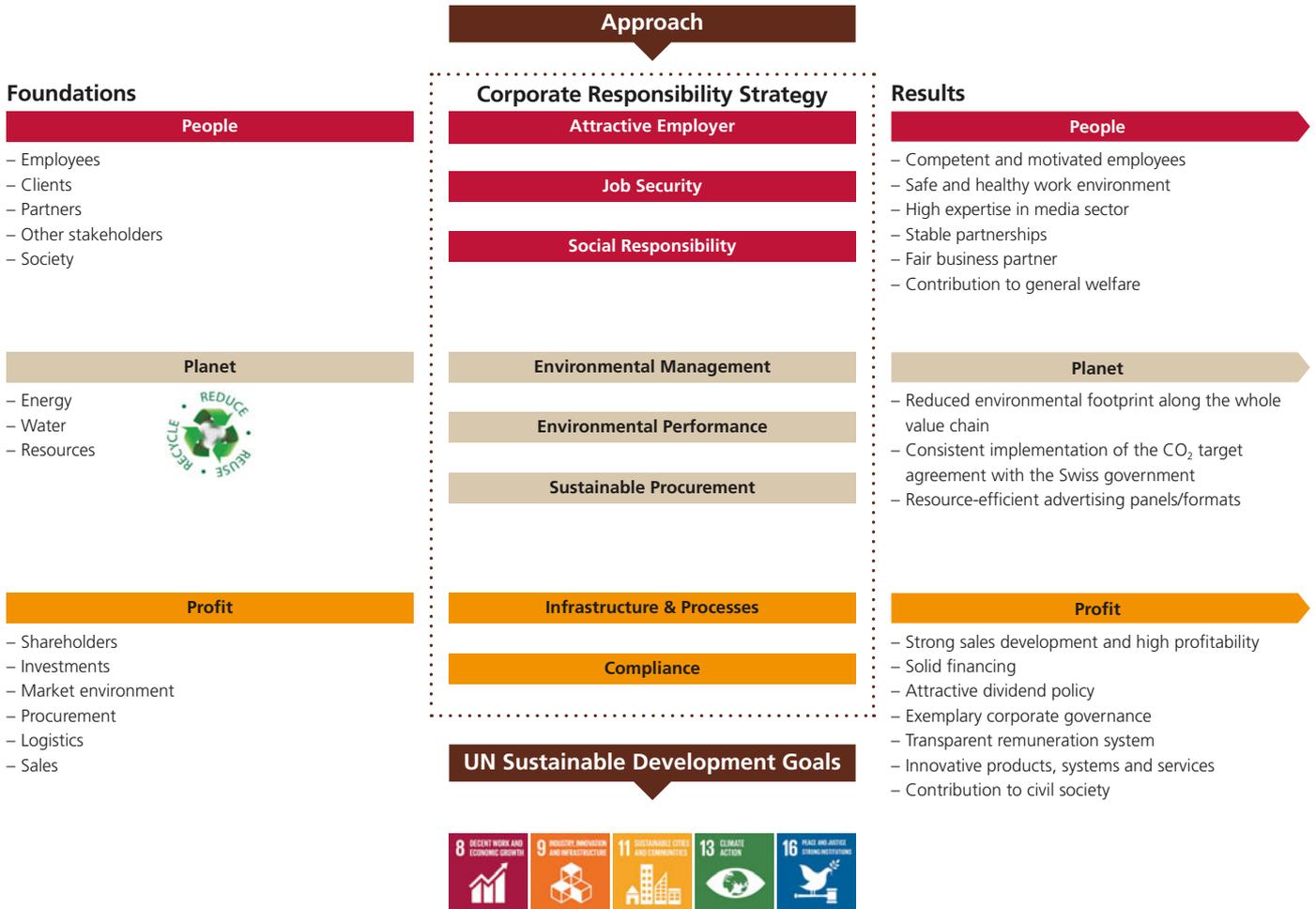
Complete, constantly updated Sustainability Report:
www.apgsga.ch/sustainability

Corporate Mission Statement

Vision

“We want to use the very best communication solutions in public spaces to inspire people.”

Purpose	Promises	Principles
<ul style="list-style-type: none"> – Focus on Out of Home Media – Sustainability and quality orientation – Development of best locations – Use of technological opportunities 	<ul style="list-style-type: none"> – Compliance with service promises to customers, partners, employees, shareholders, society and the environment – Creativity, technology and innovation at the heart of marketing positioning, as well as the product and service portfolio 	<ul style="list-style-type: none"> – Cooperation, management and leadership based on the values of enthusiasm, partnership, entrepreneurship, integrity, transparency and sustainability – Creation of a positive experience with each contact – Compliance with the Code of Conduct



People

Modules and direction

Attractive employer

APG|SGA is committed to the creation of future-oriented, attractive jobs in a challenging work environment and the promotion of its employees.

Key facts and achievements 2021

- **Values:** Our employees embody the values defined in the Code of Conduct in their daily working life. To consolidate these values, a company-wide dialog was cultivated, addressing each of the different values at various levels.
- **Vocational and further training:** Employees are specifically trained and promoted. This commitment may be financial or temporal.
- As at the end of 2021, APG|SGA had a total of nine apprentices and interns.
- **Leadership culture:** The potential and leadership programs (PEP/FEP) were carried out with 10 employees.
- **Reintegration:** APG|SGA proactively promotes the reintegration of people following illness or accident. The clear objective is the social stabilization of those affected.
- **Feedback culture:** The results of the employee survey were communicated internally and improvement measures introduced where necessary.
- **Remuneration policy:** APG|SGA offers a fair market and performance-based remuneration. The issue of equal pay between genders is of great importance to us. For the certification of equal pay conditions and thus compliance with the Gender Equality Act, we used the federal equal pay tool (Logib). SGS (Société Générale de Surveillance SA) carried out an evaluation of our input on behalf of the federal authorities and officially confirmed that all the requirements for adherence with wage equality were fulfilled, and issued us with the Fair-ON-Pay+ certificate.
- **Fringe benefits:** Employees profit from staff discounts and offers, and up-to-date fringe benefits.

Forecast 2022–2026

- A number of feedback instruments (employee satisfaction survey, line manager appraisal, objective setting and review) reflect our focus on values.
- The objective is to meet the demand for qualified employees through training in the form of vocational training and internships.
- APG|SGA offers its employees internal training tailored to meet the changing requirements of the company.
- Company leadership development (FEP) training is carried out periodically.
- The measures for improvement arising from the employee survey were implemented.

APG|SGA employees

as at December 31, 2021

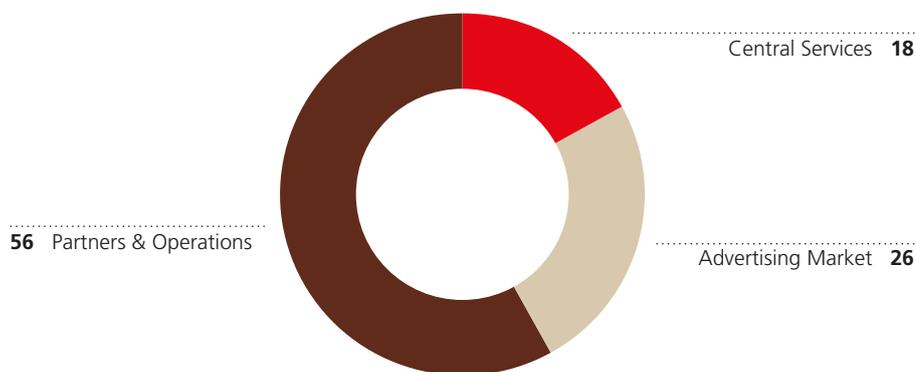
	2021	2020
Total ¹	483	491
By country		
Switzerland	436	443
Serbia	47	48
By demographics		
Share of men, in %	70	69
Share of women, in %	30	31
Share of full-time positions (90–100%), in %	78	79
Share of part-time positions (<90%), in %	22	21
Apprentices and interns ²	9	9

¹ Full-time 100% equivalent as basis, percentages rounded, excluding apprentices and interns

² Switzerland, APG|SGA: commercial 7, logistics 2, IT 0

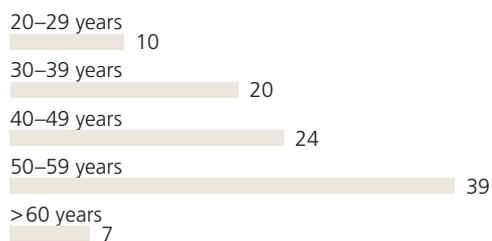
APG|SGA employees in Switzerland, by business unit

in %



Age structure

in %, excluding apprentices and interns



People

Modules and direction

Workplace safety/health protection

APG|SGA promotes a culture of safety at a high level. Preventative measures are used to protect the health of employees.

Key facts and achievements 2021

- In 2021, APG|SGA continued to implement the system and associated approaches defined by Switzerland's Federal Coordination Commission for Occupational Safety (FCOS).
- Training in workplace safety and health protection for all billposters in all business locations.
- **Accident/illness:** 98% of employees had no absences due to accident in 2021 (BU and/or NBU). The level of absenteeism across the whole company remained at 2020 levels.
- **Indoor air quality:** In 2021, measurements and evaluations of indoor air quality were carried out to facilitate appropriate improvement measures..
- **Building/work safety and fire safety:** In 2021, APG|SGA set itself the goal of further implementing and refining the system developed around the FCOS guideline 6508. Aarau, Basel, Chur and Wallisellen were audited using ASA (occupational health) control sheets. The safety system is up to date.

Forecast 2022–2026

- Training of company vehicle drivers to promote anticipatory driving and accident avoidance via e-learning.
- Work safety, health protection and sustainability will be instilled in all apprentices as a thematic block.
- Employees in the Logistics division will be tasked with developing a safety concept for the avoidance of cuts and falls, and with training employees accordingly.
- In the coming years, we will review additional measures for improving noise protection and air quality in the workplace.
- In 2022, building/work safety and fire safety audits are planned for the Lausanne, Lugano and Lucerne offices.

Social responsibility

APG|SGA takes its social responsibilities seriously.

- Through poster sponsorship, we offer non-profit organizations as well as cultural and sporting events support to a media value in the tens of millions.
- All fasteners for affixing advertising vehicles are manufactured by a social institution.
- Household items for APG|SGA properties are procured from the Swiss Workshop for the Blind and Visually Impaired.

- Poster sponsorship to be continued for the benefit of Swiss society.
- Continuation of partnership with social institutions for procurement.

Planet

Modules and direction

Environmental management

APG|SGA sees environmental management as a continuous process in which identification of environmental impact, action planning, management/monitoring and, if necessary, adjustments are integral components.

Key facts and achievements 2021

- The area of “environment” regularly included as an agenda item for the Board of Directors/Executive Board. The objectives were approved by this body and facts and figures on progress thoroughly discussed.
- Employees are informed of the sustainability strategy and facts and figures of the Sustainability Report 2020 through newsletters and orientation at the individual offices.

Forecast 2022–2026

- Constant assessment of the defined modules and objectives.
- Regular communication of environmental achievements to employees.
- Sustainability regularly included as an agenda item for the Board of Directors/Executive Board.
- Management objectives also include objectives in the area of corporate responsibility.

Environmental performance

APG|SGA makes an active contribution to environmental protection, consistently reducing its CO₂ emissions to levels below legal regulations.

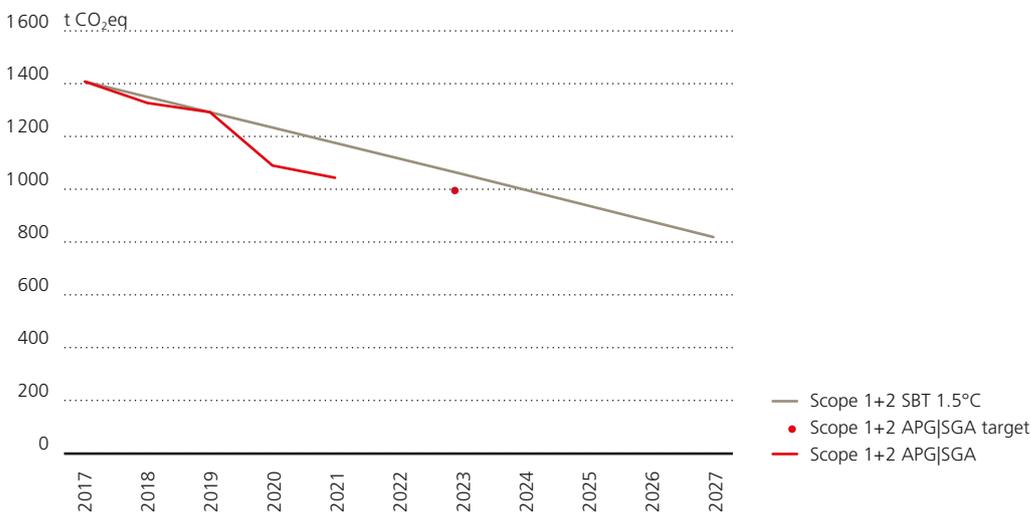
- **Overall environmental impact:** In comparison with 2020, the overall environmental impact fell by about 4%. Greenhouse gas emissions fell by around 4%.
- **Energy consumption:** Energy consumption remained at 2020 levels.
- **Vehicles:** Fuel consumption has fallen by 10% since 2020.
- **Electricity:** Electricity consumption has increased by 2% compared with 2020.
- **Heating energy:** In comparison with 2020, heating energy consumption was further reduced due to employees working from home.

- 10% reduction in environmental impact per CHF by 2022 (base year 2017).
- Optimization of energy in APG|SGA premises and reduction of energy consumption by advertising vehicles.
- Development of further CO₂ measures.
- The Zurich office is planning to install a photovoltaic installation which will ensure near-self-sufficiency in electricity supply for the site.
- Development of measures for targeted reduction of energy consumption, and promotion of an ongoing upgrade of APG|SGA advertising vehicles with new technology.
- Between 2022 and 2026, further measures for reduction of heating energy are planned. District heating, hot water from solar energy and further building insulation measures will improve our environmental footprint.

Planet

Modules and direction	Key facts and achievements 2021	Forecast 2022–2026
	<ul style="list-style-type: none"> – Disposal: Compared with the previous year, total waste decreased by 9% in 2021. – Materials: Material consumption fell by 11% for the same period. – CDP climate protection ranking: In the international climate protection ranking carried out by the CDP (Carbon Disclosure Project) in 2021, APG SGA scored a “B”, comparable with prestigious, listed companies in the CDP Climate Score. – In 2018, APG SGA introduced internal, science-based climate goals. These were adjusted in 2019 to keep in line with the vision of a 1.5°C future. 	<ul style="list-style-type: none"> – Recycling quotient for poster disposal more than 90%. – Improvement of ecological assessment. – Continuation of CDP climate protection ranking and participation in B Corp certification. Where possible, APG SGA will invest in its own environmental projects rather than purchasing or outsourcing environmental certificates. – Climate goals in line with the 1.5°C future vision (greenhouse gas emissions in scope 1+2, base year 2017): <ul style="list-style-type: none"> – By 2023, reduction of 30% – By 2035, reduction to “net 0”

Measured greenhouse gas emissions compared with science-based reduction path



Planet

Modules and direction

Sustainable procurement

APG|SGA sets standards for environmentally and socially responsible production.

Key facts and achievements 2021

- **CO₂ reduction path:** Intensifying the CO₂ reduction path to 95 g CO₂/km under the WLTP (Worldwide harmonized Light Duty Vehicles Test Procedure) standard in the procurement of new passenger vehicles.
- **Eco-fleet:** Along with the gas-powered fleet, 2021 saw the procurement of further hybrid and e-vehicles in line with CO₂ emissions targets.
- **Eco-electricity:** Purchase of 100% eco-electricity (naturemadeStar) for illuminated advertising and commercial premises.
- **More energy-efficient technology:** 150 light boxes were once again fitted and optimized with the latest LED tube technology in 2021. Better illumination with lower electricity consumption.
- **Work clothing:** The focus is on sustainability in the procurement of work clothing.
- **Suppliers:** We are in regular dialog with suppliers concerning improvements in sustainable supply chains

Forecast 2022–2026

- Promotion of alternative vehicle propulsion systems.
- Comprehensive e-mobility concept for APG|SGA's fleet management.
- Gas vehicles: gas content in fueling maintained at a level of 98%.
- An electric vehicle test phase is planned for 2022; the findings from this will drive the decision on systematic conversion of the fleet. We will consider electric and hybrid vehicles.
- APG|SGA continues to purchase 100% eco-electricity.
- Ongoing reduction of electricity consumption in digital and illuminated advertising vehicles (increasing energy efficiency).
- Evaluation of suitable suppliers and supply chain labels that guarantee positive ethical, social and environmental conditions.

Profit

Modules and direction**Key facts and achievements 2021****Forecast 2022–2026****Long-term existence of the company**

The optimal generation of earnings forms the foundation for the sustainable existence and competitiveness of the company.

- In the financial year 2021, the APG|SGA Group generated an EBIT of CHF 15.3 million and a consolidated net income of CHF 12.7 million.
- The cash flow from operating activities amounted to CHF 10.6 million.

- APG|SGA will continue to focus on consistently following its defined objectives. All decisions are made in the interests of long-term company success.

Attractive shareholder policy

APG|SGA aims for attractive returns for shareholders and pays appropriate dividends in line with its business performance.

- The Board of Directors will propose to the General Meeting that an ordinary dividend of CHF 11 per share be paid for the financial year 2021.

- APG|SGA will continue to pursue an attractive dividend return and pay a reasonable dividend.

Infrastructure and processes

APG|SGA obtains and operates long-lasting, high quality infrastructure, such as buildings, facilities and tools.

- Revised processes to increase the efficiency of operations and material flow.
- Improvement of route planning for more efficient management of poster space.
- Management of company vehicles through an external provider to increase fleet efficiency.

- Constant process and route optimization to minimize mileage.
- Evaluation of defined objectives and implementation of measures relating to external vehicle procurement.

Compliance

APG|SGA adheres to all legislation, guidelines and standards. APG|SGA evaluates the effectiveness of internal control systems and guidelines. In the event of misconduct, appropriate measures are taken.

- Annual review and revision of the APG|SGA Code of Conduct.
- Training of all office employees through e-learning on the topic of "Anti-Bribery and Corruption Guidelines". All office employees successfully underwent refresher courses.

- Continual improvement and implementation of legislative changes through e-learning.
- Consistent training for new employees. Current employees are periodically informed about the changes. Compliance with guidelines is regularly reviewed.

Consolidated balance sheet

Assets	in 1000 CHF	31.12.2021	31.12.2020
Buildings and land		27 412	29 065
Advertising panel		22 353	23 459
Other property, plant, and equipment		3 870	3 495
Property, plant, and equipment		53 635	56 019
Deferred tax assets		1 708	1 515
Other financial investments		6 622	6 653
Financial investments		8 330	8 168
Goodwill		11 024	5 298
Contractual advertising rights		13 956	14 546
Intangible fixed assets		24 980	19 844
Non-current assets		86 945	84 031
Inventories		4 478	4 885
Trade accounts receivable		37 712	30 353
Other accounts receivable		9 166	8 359
Deferred expenses and accrued income		4 870	5 040
Short-term financial investments			6 000
Cash and cash equivalents		72 362	66 587
Current assets		128 588	121 224
Total		215 533	205 255
Shareholders' equity and liabilities	in 1000 CHF	31.12.2021	31.12.2020
Share capital		7 800	7 800
Capital reserves, premiums		13 060	12 938
Treasury shares		-918	-1 491
Translation differences		-3 169	-2 128
Retained earnings		84 954	72 291
Shareholders' equity		101 727	89 410
Other non-current financial liabilities		370	
Provisions		6 070	7 299
Deferred tax liabilities		2 733	2 651
Non-current liabilities		9 173	9 950
Financial liabilities			298
Trade accounts payable		4 532	7 785
Taxes payable		3 202	4 879
Other accounts payable		30 483	27 059
Accrued liabilities and deferred income		65 909	64 967
Provisions		507	907
Current liabilities		104 633	105 895
Liabilities		113 806	115 845
Total		215 533	205 255

Consolidated income statement

in 1000 CHF	2021	2020	Change
Advertising revenue	266 145	261 904	1.6%
Real estate revenue	1 799	1 690	6.4%
Other operating income	1 541	5 934	-74.0%
Operating income	269 485	269 528	0.0%
Fees and commissions	-169 720	-164 630	3.1%
Personnel expenses	-48 400	-51 443	-5.9%
Operating and administrative costs	-25 537	-26 579	-3.9%
Operating result before depreciation and amortization (EBITDA)	25 828	26 876	-3.9%
Depreciation of tangible assets	-9 001	-9 267	-2.9%
Amortization of intangible assets	-1 057	-937	12.8%
Amortization of goodwill	-426	-349	22.0%
Operating result (EBIT)	15 344	16 323	-6.0%
Financial result	-155	23	
Ordinary result before income tax	15 189	16 346	-7.1%
Income tax	-2 526	-3 103	-18.6%
Consolidated net income	12 663	13 243	-4.4%
Basic and diluted earnings per share, in CHF	4.23	4.42	-4.3%

Consolidated statement of changes in equity

in 1000 CHF	Share capital	Capital reserves, premiums	Treasury shares	Translation differences	Retained earnings	Shareholders' equity
as at January 1, 2020	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 net income					12 663	12 663
Translation differences				-1 041		-1 041
Purchase of treasury shares			-2			-2
Sale of treasury shares		123	575			698
Equity transaction costs		-1				-1
as at December 31, 2021	7 800	13 060	-918	-3 169	84 954	101 727

Consolidated statement of cash flows

in 1000 CHF	2021	2020
Consolidated net income	12 663	13 243
Depreciation and amortization	10 484	10 553
Changes in provisions	-1 558	-757
Changes in deferred taxes	-139	-816
Financial result with no cash impact	-53	-40
Gain from sale of non-current assets	-1 541	-5 925
Change in inventories	384	-1 021
Change in accounts receivable	-8 369	12 999
Change in deferred expenses and accrued income	287	1 442
Change in accounts payable and taxes payable	-2 074	-5 517
Change in accrued liabilities and deferred income	505	8 513
Cash flow from operating activities	10 589	32 674
Capital expenditures in property, plant, and equipment	-6 610	-8 868
Capital expenditures in intangible assets	-671	-1 345
Capital expenditures in short-term financial investments		-6 000
Purchase of subsidiaries	-5 490	
Sale of property, plant, and equipment	1 662	8 525
Sale of other financial investments		813
Sale of short-term financial investments	6 000	
Net cash used in investing activities	-5 109	-6 875
Purchase of treasury shares	-2	-1 637
Sale of treasury shares	697	691
Repayment of financial liabilities	-298	-51
Net cash used in financing activities	397	-997
Currency translation effect on cash and cash equivalents	-102	23
Change in cash and cash equivalents	5 775	24 825
Cash and cash equivalents as at January 1	66 587	41 762
Cash and cash equivalents as at December 31	72 362	66 587

Explanation of financial terms

Cash flow margin Cash flow from operating activities in % of operating income

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

EBIT Earnings before interest and taxes

Equity ratio Shareholders' equity in % of balance sheet total

Free cash flow Cash flow from operations minus cash flow from investments

Payout ratio Payout in % of consolidated net income

P/E ratio Price/earnings ratio: ratio of share price to earnings per share

ROE Return on equity: consolidated net income in % of average shareholders' equity

Financial Report – Source

The detailed Financial Report is published in English. It is available free of charge or can be downloaded from

www.apgsga.ch/report

Cover

In addition to a revolving “Startower”, there are various “F200L” spaces around the reception at APG|SGA in Zurich, where more than 145 employees work to inspire people with the best communication solutions in public spaces.

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