

## Financial Report





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## Consolidated financial statements

### Explanation of financial terms

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

**EBIT** Earnings before interest and taxes

## Consolidated balance sheet

### Assets

in CHF 1 000	Notes	31.12.2021	31.12.2020
Buildings and land		27 412	29 065
Advertising plant		22 353	23 459
Other property, plant, and equipment		3 870	3 495
<b>Property, plant, and equipment</b>	3	<b>53 635</b>	<b>56 019</b>
Deferred tax assets	20	1 708	1 515
Other financial investments		6 622	6 653
<b>Financial investments</b>	4	<b>8 330</b>	<b>8 168</b>
Goodwill		11 024	5 298
Contractual advertising rights		13 956	14 546
<b>Intangible fixed assets</b>	5	<b>24 980</b>	<b>19 844</b>
<b>Non-current assets</b>		<b>86 945</b>	<b>84 031</b>
Inventories		4 478	4 885
Trade accounts receivable	6	37 712	30 353
Other accounts receivable	7	9 166	8 359
Deferred expenses and accrued income		4 870	5 040
Current financial assets	8		6 000
Cash and cash equivalents	8	72 362	66 587
<b>Current assets</b>		<b>128 588</b>	<b>121 224</b>
<b>Total</b>		<b>215 533</b>	<b>205 255</b>

### Shareholders' equity and liabilities

in CHF 1 000	Notes	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
<b>Shareholders' equity</b>	9	<b>101 727</b>	<b>89 410</b>
Other non-current liabilities		370	
Provisions	10	6 070	7 299
Deferred tax liabilities	20	2 733	2 651
<b>Non-current liabilities</b>		<b>9 173</b>	<b>9 950</b>
Financial liabilities			298
Trade accounts payable		4 532	7 785
Taxes payable		3 202	4 879
Other accounts payable	12	30 483	27 059
Accrued liabilities and deferred income	13	65 909	64 967
Provisions	10	507	907
<b>Current liabilities</b>		<b>104 633</b>	<b>105 895</b>
<b>Liabilities</b>		<b>113 806</b>	<b>115 845</b>
<b>Total</b>		<b>215 533</b>	<b>205 255</b>

## Consolidated income statement

in CHF 1 000	Notes	2021	2020
Advertising revenue	24	266 145	261 904
Real estate revenue	16	1 799	1 690
Other operating income	17	1 541	5 934
<b>Operating income</b>		<b>269 485</b>	<b>269 528</b>
Fees and commissions		-169 720	-164 630
Personnel expenses	18	-48 400	-51 443
Operating and administrative costs		-25 537	-26 579
<b>Operating result before depreciation and amortization (EBITDA)</b>		<b>25 828</b>	<b>26 876</b>
Depreciation of tangible assets	3	-9 001	-9 267
Amortization of intangible assets	5	-1 057	-937
Amortization of goodwill	5	-426	-349
<b>Operating result (EBIT)</b>		<b>15 344</b>	<b>16 323</b>
Financial result	19	-155	23
<b>Ordinary result before income tax</b>		<b>15 189</b>	<b>16 346</b>
Income tax	20	-2 526	-3 103
<b>Consolidated net income</b>		<b>12 663</b>	<b>13 243</b>
<b>Basic and diluted earnings per share, in CHF</b>	21	<b>4.23</b>	<b>4.42</b>

## Consolidated statement of changes in equity

in CHF 1 000	Share capital	Capital reserves premiums	Treasury shares	Translation differences	Retained earnings	Shareholders' equity
as of January 1, 2020	7 800	13 246	-853	-2 098	59 048	<b>77 143</b>
Consolidated net income					13 243	<b>13 243</b>
Translation differences				-30		<b>-30</b>
Purchase of treasury shares			-1 637			<b>-1 637</b>
Sale of treasury shares		-294	999			<b>705</b>
Equity transaction costs		-14				<b>-14</b>
as of December 31, 2020	7 800	12 938	-1 491	-2 128	72 291	<b>89 410</b>
Consolidated net income					12 663	<b>12 663</b>
Translation differences				-1 041		<b>-1 041</b>
Purchase of treasury shares			-2			<b>-2</b>
Sale of treasury shares		123	575			<b>698</b>
Equity transaction costs		-1				<b>-1</b>
as of December 31, 2021	7 800	13 060	-918	-3 169	84 954	<b>101 727</b>



## Consolidated statement of cash flows

in CHF 1 000	Notes	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	20	-139	-816
Financial result with no cash impact		-53	-40
Gain/loss 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
<b>Cash flow from operating activities</b>		<b>10 589</b>	<b>32 674</b>
Capital expenditures in property, plant, and equipment	3	-6 610	-8 868
Capital expenditures in intangible assets	5	-671	-1 345
Capital expenditures in current financial investments			-6 000
Capital expenditures in investments in subsidiaries	15	-5 490	
Sale of property, plant, and equipment		1 662	8 525
Sale of other financial investments			813
Sale of current financial investments		6 000	
<b>Net cash used in investing activities</b>		<b>-5 109</b>	<b>-6 875</b>
Purchase of treasury shares		-2	-1 637
Sale of treasury shares		697	691
Repayment of financial liabilities		-298	-51
<b>Net cash used in financing activities</b>		<b>397</b>	<b>-997</b>
Currency translation effect on cash and cash equivalents		-102	23
<b>Change in cash and cash equivalents</b>		<b>5 775</b>	<b>24 825</b>
Cash and cash equivalents as at January 1	8	66 587	41 762
Cash and cash equivalents as at December 31	8	72 362	66 587

## Notes to the consolidated financial statements

### 1 Business activity

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

### 2 Key reporting and valuation principles of the APG SGA Group

#### General fundamentals and reporting standards

The consolidated financial statements of the APG SGA Group have been prepared in accordance with Swiss Corporation Law and Accounting as well as the complete set of Accounting and Reporting Recommendations ARR (Swiss GAAP ARR). The Board of Directors approved the consolidated financial statements on March 11, 2022. The Annual General Meeting on April 28, 2022, will be asked to approve the consolidated financial statements.

The consolidated figures comprise the financial statements of the individual companies, which have been prepared according to uniform accounting and reporting guidelines. The consolidated financial statements have been prepared on a historical cost basis, with the exception of marketable securities and investments of less than 20%, which are valued at fair value.

#### Scope and method of consolidation

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

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

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

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

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

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

### Critical accounting assumptions and estimates in the application of financial reporting standards

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

### Foreign currency transactions

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

Exchange rates	Assets and liabilities		Income, expenses	
	Year-end exchange rate		Average exchange rate	
in CHF	December 31, 2021	December 31, 2020	2021	2020
1 RSD	0.008806	0.009207	0.009197	0.009102

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

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

### Translation of balances and transactions in the accounts of subsidiaries

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

**Current / non-current classification**

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

**Segment reporting**

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

**Accounting principles**

The following accounting principles were applied:

Cash and cash equivalents

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

Marketable securities

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

Accounts receivable

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

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

Inventories

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

### Property, plant and equipment

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

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

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

Assets subject to a finance lease agreement are capitalized and depreciated over the contractual terms.

### Financial investments

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

### Intangible assets

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

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

Minority interests acquired are similarly measured using the purchase method. Accordingly, the difference between the acquisition cost and the proportionate share of the newly valued net assets is recognized as goodwill or negative goodwill.

### Impairment of non-current assets

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

Treasury shares and share based payments

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

Liabilities

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

Provisions

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

Pension benefit obligations

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

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

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

Advertising revenue

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

Fees and commissions

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

### Income taxes

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

### Transactions with related parties

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

### Earnings per share

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

### **Change in the scope of consolidation**

The scope of consolidation was changed by the first-time full consolidation of WWP PLAKATWERBUNG AG as of October 1, 2021.

In 2020 the scope of consolidation did not change.

### 3 Property, plant and equipment

in CHF 1 000	Buildings Land	Advertising plant	Fittings Equipment Furniture	IT	Vehicles	Total
<b>At cost</b>						
as at January 1, 2020	106 032	79 539	6 879	9 312	9 089	<b>210 851</b>
Additions	56	7 821	32	245	714	<b>8 868</b>
Disposals	-3 415	-1 800		-29	-1 881	<b>-7 125</b>
Reclassifications	-95		81	14		
Translation differences		-32	-1			<b>-33</b>
as at December 31, 2020	102 578	85 528	6 991	9 542	7 922	<b>212 561</b>
Change in scope of consolidation		360				<b>360</b>
Additions		4 422	150	1 047	991	<b>6 610</b>
Disposals	-10	-2 373	-903	-4 430	-1 024	<b>-8 740</b>
Translation differences		-631	-6	-19	-1	<b>-657</b>
as at December 31, 2021	102 568	87 306	6 232	6 140	7 888	<b>210 134</b>
<b>Accumulated depreciation</b>						
as at January 1, 2020	-73 456	-57 158	-5 617	-8 203	-7 386	<b>-151 820</b>
Additions	-1 781	-5 834	-341	-546	-765	<b>-9 267</b>
Disposals	1 724	903		29	1 869	<b>4 525</b>
Translation differences		20				<b>20</b>
as at December 31, 2020	-73 513	-62 069	-5 958	-8 720	-6 282	<b>-156 542</b>
Additions	-1 643	-5 594	-298	-636	-830	<b>-9 001</b>
Disposals		2 297	871	4 430	1 021	<b>8 619</b>
Translation differences		413	5	6	1	<b>425</b>
as at December 31, 2021	-75 156	-64 953	-5 380	-4 920	-6 090	<b>-156 499</b>
<b>Net book value</b>						
as at December 31, 2020	29 065	23 459	1 033	822	1 640	<b>56 019</b>
as at December 31, 2021	27 412	22 353	852	1 220	1 798	<b>53 635</b>

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



## 4 Financial investments

in CHF 1 000	December 31, 2021	December 31, 2020
Deferred tax assets	1 708	1 515
Loans	3 823	3 990
Long-term receivables from sale of business activities		45
Bad debt allowance on loans and long-term receivables	-132	-183
Employer contribution reserve (see note 11)	2 785	2 785
Long-term securities	146	16
Total	8 330	8 168

## 5 Intangible fixed assets

in CHF 1 000	Goodwill	Contractual advertising rights	Total
<b>At cost</b>			
as at January 1, 2020	111 840	18 425	130 265
Additions		15	15
Translation differences	-1	-46	-47
as at December 31, 2020	111 839	18 394	130 233
Additions (see note 15)	6 152	1 068	7 220
Disposals		-933	-933
Translation differences		-749	-749
as at December 31, 2021	117 991	17 780	135 771
<b>Accumulated amortization</b>			
as at January 1, 2020	-106 192	-2 910	-109 102
Additions	-349	-937	-1 286
Translation differences		-1	-1
as at December 31, 2020	-106 541	-3 848	-110 389
Additions	-426	-1 057	-1 483
Disposals		933	933
Translation differences		148	148
as at December 31, 2021	-106 967	-3 824	-110 791
<b>Net book value</b>			
as at December 31, 2020	5 298	14 546	19 844
as at December 31, 2021	11 024	13 956	24 980

Capital expenditures in intangible assets with cash effect amounted to CHF 671,000 (PY CHF 1,345,000). The deviation from the above mentioned figures relates to investments in Serbia, which were contractually recorded and settled in different years.

## 6 Trade accounts receivable

in CHF 1 000	December 31, 2021	December 31, 2020
Trade accounts receivable	40 522	33 278
Bad debt allowance	-2 810	-2 925
Total	37 712	30 353

### Change in bad debt allowance of trade accounts receivable

in CHF 1 000	2021	2020
as at January 1	-2 925	-2 734
Addition	-549	-507
Utilization	518	60
Reversal	42	254
Translation differences	104	2
as at December 31	-2 810	-2 925

## 7 Other accounts receivable

in CHF 1 000	December 31, 2021	December 31, 2020
Tax refund claims	153	44
VAT receivable	4	121
Prepayments to suppliers	7 354	7 088
Personnel and social benefits	1 205	640
Receivables from loans to third parties	510	514
Short-term receivables from sale of business activities	1 320	1 424
Other	120	113
Bad debt allowance	-1 500	-1 585
Total	9 166	8 359

### Change in bad debt allowance of other accounts receivable

in CHF 1 000	2021	2020
as at January 1	-1 585	-1 412
Addition	-104	-297
Utilization		21
Reversal	181	101
Translation differences	8	2
as at December 31	-1 500	-1 585

## 8 Cash and cash equivalents

in CHF 1 000	December 31, 2021	December 31, 2020
Cash, postal and bank account balances	60 352	53 673
Time deposits	12 010	12 914
Total	72 362	66 587

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

## 9 Shareholders' equity

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

### Information on the purchase and sale of treasury shares

2020		Quantity	Average price in CHF
as at January 1, 2020		3 057	
1st quarter	Additions	450	208.03
	Disposals	-383	193.87
2nd quarter	Additions	1 551	178.40
	Disposals	-2 925	182.02
3rd quarter	Additions	1 677	178.16
	Disposals	-110	171.82
4th quarter	Additions	5 200	186.15
	Disposals	-382	175.28
as at December 31, 2020		8 135	
2021		Quantity	Average price in CHF
as at January 1, 2021		8 135	
1st quarter	Additions	5	207.32
	Disposals	-153	194.70
2nd quarter	Additions	3	230.00
	Disposals	-2 541	223.37
3rd quarter	Additions		
	Disposals	-100	227.00
4th quarter	Additions		
	Disposals	-414	189.54
as at December 31, 2021		4 935	

As at December 31, 2021, treasury shares accounted for 0.2% of the share capital (PY 0.3%).

The Swiss Pension Plan of APG SGA Group holds 15,256 APG SGA shares as at December 31, 2021 (PY 15,256). The shares held by related parties are disclosed in the notes to the financial statements of APG SGA SA.

The amount of not distributable reserves and retained earnings amounts to CHF 8,740,000 (PY CHF 8,743,000).

The General Meeting of April 28, 2021, decided not to pay a dividend.

In 2020 no dividend was paid out.

## 10 Provisions

in CHF 1 000	Pension plan	Dismantling obligations	Other	2021 Total	Pension plan	Dismantling obligations	Other	2020 Total
as at January 1	3 357	2 547	2 302	<b>8 206</b>	3 788	2 548	4 031	<b>10 367</b>
Addition	242		399	<b>641</b>			383	<b>383</b>
Utilization	-381	-45	-193	<b>-619</b>	-431		-2 108	<b>-2 539</b>
Reversal	-1 634			<b>-1 634</b>				
Translation differences		-10	-7	<b>-17</b>		-1	-4	<b>-5</b>
as at December 31	1 584	2 492	2 501	<b>6 577</b>	3 357	2 547	2 302	<b>8 206</b>
Thereof current	328		179	<b>507</b>	612		295	<b>907</b>
Thereof non-current	1 256	2 492	2 322	<b>6 070</b>	2 745	2 547	2 007	<b>7 299</b>

Provision for pension plan covers contributions for protection of vested rights of employees in relation to the change from a defined benefit plan to a defined contribution plan according to Swiss pension law as of January 1, 2013. The reversal of provision for pension plan is due to early resignations and early retirements of employees. Provision for dismantling obligations covers the cost to dismantle the installed advertising media after the contract expires. Other includes provisions for contractual commitments to purchase street furniture and incentive plans.

## 11 Employee benefits

### Employer contribution reserve

in CHF 1 000	2021	2020
Nominal and book value as at January 1	<b>2 785</b>	3 598
Usage		-813
Nominal and book value as at December 31	<b>2 785</b>	2 785

Employer contribution reserve is presented under *Other financial investments* in the consolidated balance sheet. Changes are recognized under personnel expenses.

Economic benefit/obligation and pension costs in CHF 1 000	Funding surplus/deficit according to Swiss GAAP ARR 26 31.12.2021	Economic impact Group 31.12.2021	Economic impact Group 31.12.2020	Change to prior year or charge to income current year	Contributions for the period	Pension costs in personnel expenses 2021	Pension costs in personnel expenses 2020
Pension plans without funding surplus/deficit						3 884	5 920
Pension plans with funding surplus							
Pension plans with funding deficit							
Total						3 884	5 920

### Summary of pension costs

in CHF 1 000	2021	2020
Contributions to pension plan expensed at Group companies	<b>3 884</b>	5 920
<b>Contributions and changes in employer contribution reserve</b>	<b>3 884</b>	5 920
Increase/reduction economic benefit Group from excess coverage		
Reduction/increase economic obligation Group from insufficient coverage		
<b>Total change in economic impact from excess/insufficient coverage</b>		

<b>Pension costs included in personnel expenses for the period</b>	<b>3 884</b>	5 920
--	--------------	-------

## 12 Other accounts payable

in CHF 1 000	December 31, 2021	December 31, 2020
Prepayments by customers	21 036	19 084
VAT owed	3 512	3 482
Personnel and social benefits	812	772
Deferred purchase price for business acquisition	635	
Other	4 488	3 721
Total	30 483	27 059

## 13 Accrued liabilities and deferred income

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

## 14 Off-balance-sheet commitments

The following off-balance-sheet commitments exist:

There were no unrecognized guarantee obligations to third parties and no pledged or assigned assets with reservation of ownership.

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

In the ordinary course of business, our company has entered into the following agreements, primarily:

- contracts with cities, airports and transport companies, which entitle us to operate their advertising business and collect the related revenues, in return for payment of fees comprising a fixed portion or guaranteed minimum amounts
- rental agreements for billboard locations on private property
- rental agreements for office premises

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

in CHF million	December 31, 2021	December 31, 2020
Up to one year	123.8	118.0
More than 1 year until 5 years	344.3	365.9
More than 5 years	60.6	97.3
Total	528.7	581.2

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

## 15 Business acquisitions and disposals

As at July 8, 2021, APG SGA SA signed a contract to acquire a 100% share in WWP PLAKATWERBUNG AG, Zurich. The transaction has been closed on October 1, 2021.

The financial details of this transaction is shown below:

### Acquisition in 2021

in CHF 1 000

<b>Purchase price</b>	<b>6 350</b>
Retention of purchase price	-635
Acquired cash and cash equivalents	-225
<b>Capital expenditure in subsidiary (net of cash)</b>	<b>5 490</b>
Acquired property, plant and equipment	-360
Acquired other assets	-230
Acquired liabilities	616
Retention of purchase price	635
<b>Acquired Goodwill</b>	<b>6 151</b>

Amortization period of goodwill	20 years
---------------------------------	----------

The acquired Goodwill is amortized over a period of 20 years in line with Swiss GAAP ARR and the accounting principles. Other intangibles were not capitalized.

No business acquisition took place in previous year.

## 16 Real estate revenue

The space rented to third parties is 11,178 m<sup>2</sup> or 39.2% of the entire useful area (PY 10,495 m<sup>2</sup> or 37.4%).

## 17 Other operating income

in CHF 1 000	2021	2020
Net gains from sale of buildings and land		4 370
Net gains from sale of other property, plant, and equipment	1 541	1 564
Total other operating income	1 541	5 934

## 18 Personnel expenses

in CHF 1 000	2021	2020
Wages and salaries	-39 366	-40 004
Ordinary pension costs	-3 884	-5 920
Social security and retirement benefits	-4 442	-4 690
Other personnel expenses	-708	-829
Total personnel expenses	-48 400	-51 443

The APG SGA Group employs a total number of 483 persons (PY 491), thereof 436 (PY 443) in Switzerland and 47 (PY 48) in Serbia, calculated on the basis of full-time equivalents 100%.

The reduction of personnel expenses is primarily driven by a reduction in variable salary payments, short-time work compensation in the low single-digit million range, job cuts and a reversal of provision for pension plan of CHF 1.4 million due to early resignations and early retirements.

## 19 Financial result

in CHF 1 000	2021	2020
Interest earnings	107	116
Other financial income	2	1
Result from marketable securities	137	5
Total financial income	246	122
Foreign exchange translation differences	-240	-30
Bank expenses	-137	-62
Interest expenses	-22	-7
Other financial expenses	-2	
Total financial expenses	-401	-99
Total financial result	-155	23

## 20 Income tax

Taxes paid and expensed are composed of the following items:

in CHF 1 000	2021	2020
Current income tax expense	-2 779	-3 919
Deferred tax income / (expense)	253	816
Total	-2 526	-3 103

2021	Tax rate	Amount in CHF 1 000
Weighted average applied tax rate	17.0%	2 578
Use of not capitalized tax loss carryforward		-52
Actual tax rate	16.6%	2 526

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

The total amount of not capitalized deferred tax asset relating to tax loss carryforwards amounts to CHF 0 (PY CHF 0). For calculation of deferred taxes, an average tax rate of 18.4% (previous year 17.0%) was applied.

## 21 Earnings per share

Earnings per share are calculated as follows:

	2021	2020
Net income, in CHF 1 000	<b>12 663</b>	13 243
Weighted average number of shares	<b>2 993 670</b>	2 996 553
Basic and diluted earnings per share, in CHF	<b>4.23</b>	4.42

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

## 22 Transactions with related parties

Our Group had transactions with the following related parties:

- JCDecaux Group, a principal shareholder
- Interplakat AG, Bern, owned by the Scheidegger family
- Members of the Board of Directors
- Members of the Executive Board

The tables below show the amounts with each party:

JCDecaux Group, in CHF 1 000	2021	2020
Sales to related party	<b>2 468</b>	809
Purchases from related party	<b>416</b>	793
Receivables as at 31 December toward related party	<b>857</b>	401
Payables as at 31 December toward related party	<b>127</b>	174

Interplakat AG, in CHF 1 000	2021	2020
Sales to related party	<b>147</b>	275
Purchases from related party	<b>1 655</b>	1 629
Receivables as at 31 December toward related party	<b>124</b>	128
Payables as at 31 December toward related party	<b>83</b>	65

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

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



## 23 Share based payments

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

	2021	2020
Amount in CHF 1 000 included in personnel expenses	325	334
Number of allocated shares	1 453	1 830

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

	2021	2020
Amount in CHF 1 000 included in operating and administrative costs	219	179
Number of allocated shares	983	984

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

	2021	2020
Amount in CHF 1 000 included in personnel expenses	94	105
Number of shares purchased by employees	772	986

## 24 Segment information by regions

in CHF 1 000	2021	2020
Advertising revenue Switzerland	251 551	250 903
Advertising revenue Serbia	14 594	11 001
Total advertising revenue	266 145	261 904

## 25 Investments of APG SGA Group

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

F = Full consolidation  
E = Equity consolidation

As at July 8, 2021, APG SGA SA signed a contract to acquire a 100% share in WWP PLAKATWERBUNG AG, Zurich. The transaction has been closed on October 1, 2021. In November 2021 Alpenplakat AG was renamed to Swissplakat AG. In the same month the new acquired subsidiary WWP PLAKATWERBUNG AG was merged into Swissplakat AG, Hünenberg.

## 26 Events after the closing date

The measures related to the Covid 19 pandemic have still a significant impact on business development. The home office obligation is affecting mobility, which in turn has led to a decline in sales in the first months of 2022.

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

These financial statements consider events after the closing date until March 11, 2022.

**APG SGA SA**  
Geneva

Report of the statutory auditor  
to the General Meeting  
on the consolidated financial statements 2021



# Report of the statutory auditor

## to the General Meeting of APG SGA SA

Geneva

### Report on the audit of the consolidated financial statements

#### Opinion

We have audited the consolidated financial statements of APG SGA SA and its subsidiaries (the Group), which comprise the consolidated balance sheet as of 31 December 2021 and the consolidated income statement, consolidated statement of changes in equity and consolidated statement of cash flows for the year then ended, and notes to the consolidated financial statements, including a summary of significant accounting policies.

In our opinion, the consolidated financial statements (pages 5 to 26) give a true and fair view of the consolidated financial position of the Group as of 31 December 2021 and its consolidated financial performance and its consolidated cash flows for the year then ended in accordance with Swiss GAAP FER and comply with Swiss law.

#### Basis for opinion

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

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

#### Our audit approach

##### Overview



Overall Group materiality: CHF 1.2 million

We concluded full scope audit work at two reporting units in Switzerland.

Our audit scope addressed over 93% of the Group's revenue.

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

Accruals and deferrals for revenues, fees, and commissions

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### Materiality

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

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

<b>Overall Group materiality</b>	CHF 1.2 million
<b>Benchmark applied</b>	Average profit before tax considering the last 3 years
<b>Rationale for the materiality benchmark applied</b>	We chose average profit before tax as the benchmark because, in our view, it is the benchmark against which the performance of the Group is most measured, and it is a generally accepted benchmark. As a response to the financial impact of COVID-19 pandemic on the financial statements, we calculated the profit before tax as an average of the most recent financial years.

### Audit scope

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

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

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

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

### Accruals and deferrals for revenues, fees and commissions

#### Key audit matter

As described in the accounting policies (Page 10 ff. and Note 13, page 21), the group recognises advertising revenues over the period in which the advertising campaign runs. The corresponding fees and commissions are recorded based on recognised revenues and taking into consideration fixed and/or variable terms of the agreements.

We focussed on this area due to the complexity of the calculation and since the accrued revenue, fees and commissions amounts to CHF 4.8 million (assets) and CHF 65.9 million (liabilities).

The group's IT system calculates, controls, and recognizes such entries based on the manual inputs of the underlying contracts and agreements.

The group is addressing the risk for erroneous manual data input with an embedded process including both manual and automated controls.

#### How our audit addressed the key audit matter

We assessed the design and the implementation of the Internal Control System (ICS) and the corresponding key controls regarding the calculation of accruals and deferrals.

Our testing included the following procedures:

- We tested the IT General Controls of the IT systems used for the calculation, controlling and recognition of accruals and deferrals for revenues, fees and commissions.
- On a sample basis we tested key manual and automated controls around the fees and commissions settings and calculation of fees and commissions notes. This included system rules to calculate fees and commissions and controls around the contract information input in the system.
- On a sample basis we tested key manual and automated controls around the revenue recognition settings and calculation of revenue.
- On a sample basis we tested the input factors of the calculation determining the accrual for partners by agreeing them to the underlying agreements.
- We tested a sample of revenue transactions, particularly around the period end by agreeing transactions to the progress of the advertising campaign to ensure revenues, fees and commissions are calculated correctly.

The combination of the tests of controls and the substantive testing we carried out and described above gave us sufficient audit comfort to address the risks over accruals and deferrals.

### Responsibilities of the Board of Directors for the consolidated financial statements

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

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

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

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

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

### Report on other legal and regulatory requirements

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

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

PricewaterhouseCoopers AG

Stefan Räbsamen  
Audit expert  
Auditor in charge

Philipp Gnädinger  
Audit expert

Zürich, 11 March 2022

## Financial statements of APG SGA SA



## Balance sheet

### Assets

in CHF 1 000	Notes	31.12.2021	31.12.2020
Cash and cash equivalents		616	479
Accounts receivable from third parties		81	90
Accounts receivable from Group companies		2 194	1 476
Deferred expenses and accrued income			31
<b>Current assets</b>		<b>2 891</b>	<b>2 076</b>
Loans to Group companies		33 000	16 000
Loans to third parties		3 301	3 445
Investments	2.1	123 970	117 620
<b>Non-current assets</b>		<b>160 271</b>	<b>137 065</b>
<b>Total</b>		<b>163 162</b>	<b>139 141</b>

### Shareholders' equity and liabilities

in CHF 1 000		31.12.2021	31.12.2020
Trade accounts payable to third parties		299	277
Other accounts payable		716	97
Accrued liabilities and deferred income		1 788	1 532
<b>Current liabilities</b>		<b>2 803</b>	<b>1 906</b>
Long-term provisions		2 465	1 956
<b>Long-term liabilities</b>		<b>2 465</b>	<b>1 956</b>
<b>Liabilities</b>		<b>5 268</b>	<b>3 862</b>
Share capital		7 800	7 800
Legal capital reserves		5 632	5 632
Legal retained earnings		13 118	13 118
Free reserve from retained earnings		1 903	1 903
Retained earnings		108 317	108 247
Net annual profit		22 042	70
Treasury shares	2.2	-918	-1 491
<b>Shareholders' equity</b>		<b>157 894</b>	<b>135 279</b>
<b>Total</b>		<b>163 162</b>	<b>139 141</b>

## Income statement

in CHF 1 000	Notes	2021	2020
Net income from investments	2.3	23 968	1 200
Other revenue		3 427	3 424
Personnel expenses		-3 229	-2 756
Administrative costs		-2 268	-1 699
<b>Earnings before extraordinary items, interests and taxes</b>		<b>21 898</b>	<b>169</b>
Financial expenses	2.4	-161	-335
Financial income	2.5	427	246
<b>Earnings before extraordinary items and taxes</b>		<b>22 164</b>	<b>80</b>
Prior-period income	2.6	87	101
<b>Earnings before taxes</b>		<b>22 251</b>	<b>181</b>
Taxes		-209	-111
<b>Net annual profit</b>		<b>22 042</b>	<b>70</b>

## Notes to the financial statements

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

### 1 Valuation principles applied in the financial statements

#### Cash and cash equivalents

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

#### Accounts receivables and loans

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

#### Investments

Investments are valued at historical costs less any necessary impairment.

#### Accounts payable

Accounts payable are stated at nominal value.

#### Provisions

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

#### Net income from investments

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

#### Financial expenses

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

#### Financial income

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

#### Foreign currency translation

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

As at December 31, 2021: CHF/EUR 1.0339

As at December 31, 2020: CHF/EUR 1.0822

## 2 Explanation and break down of positions

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

### 2.1 Investments

The following investments are held directly by APG SGA SA:

Company, headquarters	as at December 31, 2021		as at December 31, 2020	
	Shares in %	Votes in %	Shares in %	Votes in %
Allgemeine Plakatgesellschaft AG, Zurich	100%	100%	100%	100%
Swissplakat AG, Hünenberg (former Alpenplakat AG)	100%	100%	100%	100%
Visiorama AG, Zurich (former Sportart AG)	100%	100%	100%	100%
Alma Quattro d.o.o., Belgrade (Serbia)	100%	100%	100%	100%

As of October 1, 2021 the company acquired 100% of the shares of WWP PLAKATWERBUNG AG, Zurich. The acquired company was merged into Swissplakat AG as of November 3, 2021. Alpenplakat AG has been renamed to Swissplakat AG.

### 2.2 Treasury shares

The following treasury shares are held by the company:

As at December 31, 2021:	4 935 shares
As at December 31, 2020:	8 135 shares

The following treasury shares were purchased by the company:

	No of shares	Transaction value (in CHF 1 000)
During financial year 2021	8	2
During financial year 2020	8 878	1 637

The following treasury shares were sold by the company:

	No of shares	Transaction value (in CHF 1 000)
During financial year 2021	3 208	699
During financial year 2020	3 800	693

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

The following treasury shares were allocated to related parties:

	Financial year 2021		Financial year 2020	
	No of shares	Value (CHF 1 000)	No of shares	Value (CHF 1 000)
Board of Directors/Executive Board	2 395	525	3 327	607
Other employees	813	173	448	79

## 2.3 Net income from Investments

in CHF 1 000	2021	2020
Income from dividends	23 968	1 200
Total net income from investments	23 968	1 200

## 2.4 Financial expenses

in CHF 1 000	2021	2020
Bank expenses	-1	-2
Loss from sale of treasury shares		-308
Foreign exchange translation losses	-160	-25
Total financial expenses	-161	-335

## 2.5 Financial income

in CHF 1 000	2021	2020
Interest income	305	246
Gain from sale of treasury shares	122	
Total financial income	427	246

## 2.6 Prior-period income

in CHF 1 000	2021	2020
Gain from recovery of previous losses on accounts receivable	87	101
Total prior-period expenses and income	87	101

## 3 Accounts payable to pension plan

As at December 31, 2021, the company had payables to its pension plan in the amount of CHF 44,000 (PY CHF 47,000).

#### 4 Guarantee obligations

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

#### 5 Excess reserves

In financial year 2021, excess reserves have not been released (PY no excess reserves released).

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

Name	Function	Shares as at December 31, 2021	Shares as at December 31, 2020
Daniel Hofer	Chairman	3 502	3 053
Robert Schmidli <sup>5</sup>			312
Xavier Le Clef	Vice Chairman	759 309 <sup>1</sup>	759 220 <sup>1</sup>
Stéphane Prigent	Member	900 421 <sup>2</sup>	900 332 <sup>2</sup>
Markus Scheidegger	Member	98 334 <sup>3</sup>	98 045 <sup>3</sup>
Maya Bundt	Member	314 <sup>4</sup>	0
Jolanda Grob	Member	89 <sup>4</sup>	0
Markus Ehrle	Chief Executive Officer	2 894	2 421
Beat Hermann	Chief Financial Officer	3 387	2 800
Beat Hostenstein	Head of Marketing & Innovation	611	809
Christian Gotter	Head of Partners & Operations	558	458
Andy Bürki	Head of Advertising Market	105	49
Total		1 769 524	1 767 499

<sup>1</sup> Of which 758,888 Pargesa Asset Management S.A., Luxembourg / Stichting Administratiekantoor Frère-Bourgeois, Rotterdam (NL).

<sup>2</sup> Of which 900,000 JCDecaux SA

<sup>3</sup> Including Polymedia Holding AG and Andreas Scheidegger

<sup>4</sup> Member of the Board of Directors from 14.05.2020

<sup>5</sup> Vice Chairman of the Board of Directors until 28.04.2021

The APG SGA Group has no stock options program.

## 7 Significant shareholders<sup>1</sup>

	Shares as reported as at December 31, 2021		Shares as reported as at December 31, 2020	
		in %		in %
JCDecaux SA, Neuilly-sur-Seine (F) <sup>2</sup>	900 000	30.00 <sup>5</sup>	900 000	30.00 <sup>5</sup>
Pargesa Asset Management S.A., Luxembourg / Stichting Administratiekantoor Frère-Bourgeois, Rotterdam (NL) <sup>3</sup>	758 888	25.30 <sup>5</sup>	758 888	25.30 <sup>5</sup>
Pictet Asset Management SA, Geneva (CH)	143 664	4.79 <sup>5</sup>	136 039	4.53 <sup>5</sup>
Polymedia Holding AG, Markus and Andreas Scheidegger, Bern (CH)	98 334	3.28 <sup>5</sup>	98 045	3.27 <sup>5</sup>
APG SGA SA, Geneva (CH) (shares)	4 935	0.16 <sup>5,6</sup>	8 135	0.27 <sup>5,6</sup>
APG SGA SA, Geneva (CH) (conditional purchase option) <sup>4</sup>			147 000	4.9 <sup>6</sup>

<sup>1</sup> 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 of December 31, 2021 subject to the availability of other information.

All published notifications can be found at <https://www.six-exchange-regulation.com/de/home/publications/significant-shareholders.html>

<sup>2</sup> 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

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

<sup>4</sup> 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. The stock purchasing option was terminated.

<sup>5</sup> Number of shares according to stock register as of December 31, 2021 and December 31, 2020

<sup>6</sup> Registered without voting rights

## 8 Events after the closing date

None.

## Proposal of the Board of Directors

The Board of Directors proposes to the Annual General Meeting on April 28, 2022:

1. to carry forward the profit brought forward of CHF 130,358,859, composed of CHF 22,041,575 in net annual profit plus a profit brought forward of CHF 108,317,284 and
2. to distribute a dividend of CHF 33,000,000 (CHF 11.00 gross per share for 3,000,000 shares) out of the retained earnings.

If this proposal is approved, the per-share dividend of CHF 11.00 gross or CHF 7.15 net will be paid to the shareholders as of May 5, 2022, at the addresses on record. No dividends are paid on treasury stock.



**APG SGA SA**  
Geneva

Report of the statutory auditor  
to the General Meeting  
on the financial statements 2021



# Report of the statutory auditor

## to the General Meeting of APG SGA SA

Geneva

### Report on the audit of the financial statements

#### Opinion

We have audited the financial statements of APG SGA SA, which comprise the balance sheet as at 31 December 2021, income statement and notes for the year then ended, including a summary of significant accounting policies.

In our opinion, the financial statements (pages 32 to 40) as at 31 December 2021 comply with Swiss law and the company's articles of incorporation.

#### Basis for opinion

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

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

#### Our audit approach

##### Overview



Overall materiality: CHF 1.6 million

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

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

Valuation of investments

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### Materiality

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

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

<b>Overall materiality</b>	CHF 1.6 million
<b>Benchmark applied</b>	Total assets
<b>Rationale for the materiality benchmark applied</b>	We chose total assets as the benchmark because the entity holds mainly investments in subsidiaries and provides financing to them. In addition, total assets is a generally accepted benchmark with regard to materiality considerations in holding companies.

### Audit scope

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

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

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

### Valuation of investments

Key audit matter	How our audit addressed the key audit matter
<p>In accordance with the accounting policies (as detailed on page 35) investments are valued at historical cost less any impairments. The investments directly held by the company are described in note 2.1 of the notes to the financial statements.</p> <p>The carrying amount of investments as per 31 December 2021 amounts to CHF 124.0 million. We focused on this area due to the significance of the investments value on total assets.</p>	<p>We tested the recoverability of the investments by performing the following procedures:</p> <ul style="list-style-type: none"> <li>• We reviewed management's assessment for each individual investment.</li> <li>• We assessed the impairment test at an individual investment level and discussed the assumptions made with management. The impairment test was assessed in respect of sensitivity of the underlying assumptions, the underlying substance of the investment and the profitability in the past.</li> </ul> <p>Based on the procedures described above, we consider management's assessment of the recoverability of investments reasonable.</p>

### Responsibilities of the Board of Directors for the financial statements

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

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

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

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

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

## Report on other legal and regulatory requirements

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

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

PricewaterhouseCoopers AG

Stefan Räbsamen  
Audit expert  
Auditor in charge

Philipp Gnädinger  
Audit expert

Zürich, 11 March 2022

## Agenda

### **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.)

### **Announcement of semi-annual results 2022**

July 29, 2022

### **Contacts**

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