

2022

Annual Report

APG|SGA



The financial year at a glance

- Significant increase in operational performance.
- Portfolio successfully developed in areas of digitalization, data and programmatics.
- Sustainability a key element of company strategy.
- Financial situation very sound.
- Dividend of CHF 11 per share.

Key figures

Advertising revenue in CHF

310.6 million

EBIT in CHF

29.4 million

APG|SGA share performance 2022

in CHF



APG|SGA Group key figures

in 1 000 CHF

	2022	2021	Change
Advertising revenue	310 600	266 145	16.7%
– Switzerland	297 175	251 551	18.1%
– International	13 425	14 594	–8.0%
Operating income	314 133	269 485	16.6%
EBITDA	40 210	25 828	55.7%
– in % of operating income	12.8%	9.6 %	
EBIT	29 372	15 344	91.4%
– in % of operating income	9.4%	5.7%	
Consolidated net income	23 392	12 663	84.7%
– in % of operating income	7.4%	4.7%	
Cash flow from operating activities	18 255	10 589	72.4%
Free cash flow¹	13 978	5 480	155.1%
Investments in property, plant, and equipment	5 380	6 610	–18.6%
– advertising panel	3 762	4 422	–14.9%
– other investments	1 618	2 188	–26.1%
Earnings per share, in CHF	7.81	4.23	84.6%

¹ Cash flow from operating activities (operating cash flow) CHFt 18 255
(previous year: CHFt 10 589) less net cash used in investing activities CHFt 4 277
(previous year: CHFt 5 109), (see page 46 Consolidated statement of cash flows)

Contents

4–5	Report of the Chairman and the CEO
6–7	Financial Report
8	Key figures
9	Share development
10–19	Business development
20–29	Corporate Governance
30–33	Remuneration Report
34–35	Report of the statutory auditor on the Remuneration Report
36–43	Corporate Social Responsibility
44–46	Extract of the Financial Report
47	Financial Report – Source

Dear Shareholder

Return of mobility leads to positive business development

The lifting of COVID-19 restrictions early on in the year led, as expected, to an ongoing revitalization of mobility behavior and consequently – in conjunction with our intensified marketing and sales activities – an increase in our advertising revenues as well. This positive development was dampened by the economic fallout from the attack on Ukraine, as well as rising inflation, recession fears and – in the fourth quarter in particular – uncertainty around potential electricity shortages and their potential impact on our business activities. Advertisers tended to take an even more short-term view in planning and booking their campaigns than in previous years.

Despite these challenging conditions, over the entire financial year we achieved a significant increase in analog and digital revenues over the previous year's values.



"Our employees are achieving great things and representing the varied interests of our stakeholders with exemplary commitment and high professionalism every day."

Dr. Daniel Hofer
Chairman of the Board, APG|SGA



"We are working hard on attractive analog and digital options for advertising customers, and remain a reliable partner for the public sector and private property owners."

Markus Ehrle
Chief Executive Officer, APG|SGA

In view of the ongoing challenging geopolitical and macroeconomic environment and the associated reduced visibility, APG|SGA continued to consistently and resolutely implement measures to optimize non-revenue-related operating costs. But this also went hand-in-hand with an successful expansion of the product and service portfolio in the areas of digitalization, data and program-matics.

Change in the Board of Directors and Executive Board

At the APG|SGA AG General Meeting on April 28, 2022, all members standing for re-election were confirmed for a further year. The Board of Directors comprises Dr. Daniel Hofer (Chair), Xavier Le Clef (Vice-Chair), Dr. Maya Bundt, Jolanda Grob, Stéphane Prigent and Markus Scheidegger. Jolanda Grob (Chair) and Markus Scheidegger were re-elected to the Board of Directors' Remuneration Committee.

Stéphane Prigent, Member of the Board of Directors of APG|SGA since 2015, has announced that he is retiring and will therefore not be standing for reelection at the next ordinary General Meeting. We would like to take this opportunity to thank him for his expert and committed work on the Board of Directors and as Chairman of the Audit Committee. The Board of Directors will recommend David Bourg, Group Chief Financial and Administration Officer of JCDecaux SE, to the General Meeting for election to the Board.

In September, APG|SGA announced that it would be expanding its Executive Board effective January 1, 2023 and appointing Claudia Fischbacher as the new Head of Human Resources. This move reflects the growing significance and challenges of strategic and operational personnel issues as elements in successful, sustainable business development at APG|SGA. In December, APG|SGA announced that its CFO Beat Hermann had decided to leave the company on the best of terms after ten years of service, with his departure set for the end of 2023. In this context, it was decided that the CFO role should focus on the core functions in the area of finance, and that the new role of Chief Information & Technology Officer (CITO) should be created at Management Board level to respond to the increasing importance of IT, data and adtech for APG|SGA. The relevant recruitment processes have been launched.

Consistent implementation of the Corporate Social Responsibility Strategy

APG|SGA published its Sustainability Report in May, and it paints a positive overall picture. APG|SGA has demonstrated continuity in sustainability and has committed to an ambitious CO₂ reduction path. Global environmental organization CDP awarded APG|SGA a climate ranking of A- for its strategy and implementation. This places APG|SGA among the top global companies

forging the path to sustainability. This development is in line with APG|SGA's consistent implementation of its corporate social responsibility (CSR) strategy and constant ramping up of efforts. APG|SGA is focusing even more closely on sustainability and corporate responsibility, and has appointed Andres Trautmann to a new, dedicated position for these areas. The new Head of Sustainability is responsible for implementation of the APG|SGA corporate responsibility strategy and he will ensure even greater alignment around the key issues of sustainability management and social responsibility.

In connection with the EU Whistleblowing Directive, all APG|SGA employees have been given the opportunity to anonymously report violations of values and rules as well as violations of the Anti-Bribery and Corruption Guidelines to an external whistleblowing reporting office within the framework of a professional whistleblowing system.

Continuation of the shareholder-friendly dividend policy

Despite the challenging economic conditions that persisted in the financial year 2022, APG|SGA recorded a significant increase in its results and is in a very solid financial situation. The Board of Directors therefore believes that for the financial year 2022, it should once again implement the shareholder-friendly dividend policy that it has been pursuing for the financial years 2021 to 2023 by paying out 100% of the group profit, in any case at least CHF 11 per share, as planned.

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 2022.

Good prospects for Out of Home Media and APG|SGA

There is convincing growth potential in Out of Home Media, particularly as digitalization, data and programmatic options present new planning and deployment opportunities. The reach, impact and optimal cost-benefit ratio make outdoor advertising an essential instrument in the media mix for advertisers and their agencies. At the same time, Out of Home Media is characterized by widespread acceptance among the public and the most compelling CO₂ footprint of any advertising medium. The return of mobility and the forecast rise in the population are further positive factors that make us optimistic about the future.

As such, the prospects for Out of Home Media and APG|SGA as Switzerland's leading outdoor advertising company remain positive, although they will once again be significantly influenced by ongoing developments in macroeconomic and geopolitical factors in 2023. The company is in a good position to successfully master these challenges, as it has to date, and to further expand its strong market position with its innovative, future-oriented

portfolio. However, advertising behavior remains focused on the short term amid these times of heightened uncertainty, which once again renders a reliable forecast of business performance impossible.

For our part, we at APG|SGA will continue with the intensive expansion of our comprehensive, premium digital and analog range for our local, regional and national advertising customers and their agencies. At the same time, we remain a reliable partner to cities, municipalities, transport authorities and private property owners, committed to quality and sustainability, and continuing to offer them compelling concepts, high-quality services and steady income.

The Board of Directors and Executive Board would like to take this opportunity to thank our employees who achieve great things and work every day to advance APG|SGA with outstanding commitment and a high level of professionalism. We would also like to extend a sincere thank you to our esteemed shareholders, advertising customers, concession issuers, suppliers and other market partners for their trusting, positive cooperation.



Dr. Daniel Hofer
Chairman of the Board



Markus Ehrle
Chief Executive Officer

Financial Report

APG|SGA Group

In the financial year 2022, group revenue increased by 16.7%. Real estate revenue increased by 5% to reach CHF 1.9 million. Other operating income represented the sale of property, plant and equipment, which increased by 6.7% in the reporting year. This resulted in operating income for the financial year 2022 of CHF 314.1 million, which represented an increase of 16.6% over the previous year.

Fees and commissions increased by 12.2% in the reporting year. This increase was disproportionate to sales revenue, and was due to non-sales-volume-related fees associated with the higher sales volumes. Personnel expenses grew by 9.7% in the financial year 2022. This is primarily attributable to the slight increase in variable compensation as well as lower compensation for short-time work than in the previous year. Operating and administrative costs increased by 19.2% in the reporting year. While direct operating and administrative costs remained at the previous year's levels, expenses associated with sponsorship of poster campaigns in the cultural and sport space rose sharply.



"Our financial situation is very sound. Thanks to increased revenue, economies of scale, process optimization and cost control, we were able to significantly increase the net result."

Beat Hermann

Chief Financial Officer, APG|SGA

There was a significant increase in margins through economies of scale, process optimization and cost discipline. The financial year 2022 saw an EBITDA margin of 12.8% (previous year: 9.6%) and an EBIT margin of 9.4% (previous year: 5.7%). Net income for 2022 amounted to CHF 23.4 million (previous year: CHF 12.7 million), representing an increase of 84.7%.

Cash flow

Operating cash flow for the financial year 2022 amounted to CHF 18.3 million (previous year: CHF 10.6 million). This represents an increase of 72.4%. In the reporting year 2022, a delayed fee payment for the previous year in connection with COVID-19 renegotiations had a significantly negative impact on operating cash flow. After deducting the cash flow from investing activities of CHF 4.3 million (previous year: CHF 5.1 million), this resulted in a free cash flow of CHF 14.0 million (previous year: CHF 5.5 million).

Balance sheet

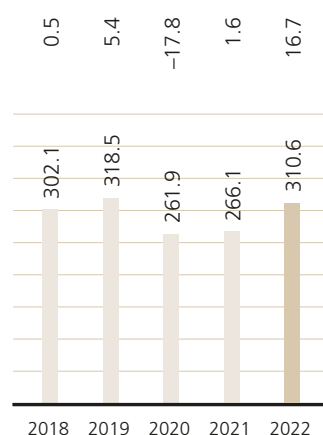
The balance sheet total reduced by CHF 26.1 million in the financial year 2022 to CHF 189.4 million. This decrease was primarily driven by lower cash and cash equivalents along with a significant reduction in accrued liabilities and deferred income.

The net cash position at the end of 2022 was CHF 53.3 million, CHF 19.1 million lower than at the close of 2021. This decrease was primarily caused by the dividend payment and the delayed fee payment as described above. Equity totaled CHF 91.2 million, representing an equity ratio of 48.2%.

Advertising revenue

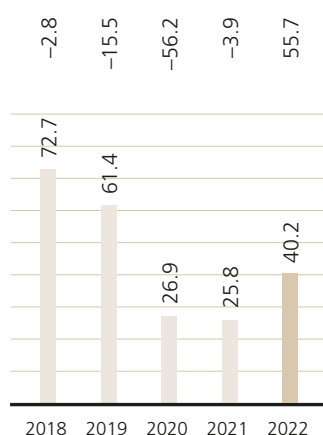
CHF m

Change vs. PY in %



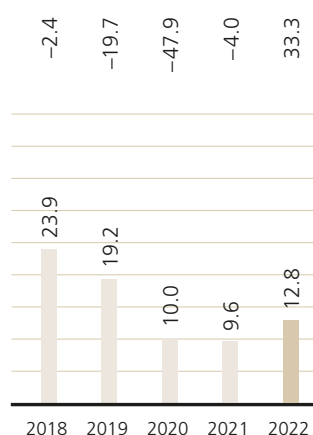
EBITDA

CHF m



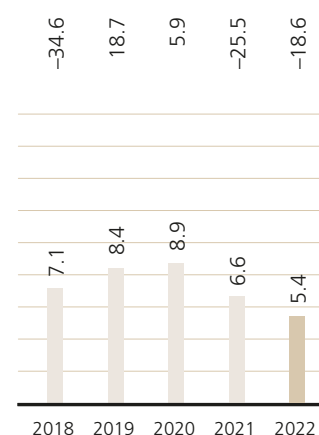
EBITDA margin

in % of operating income



Investments in property, plant, and equipment

CHF m



Key figures

5-year financial highlights of the APG|SGA Group

		2022	2021	2020	2019	2018
Balance sheet						
Buildings and land	CHF m	25.9	27.4	29.1	32.6	33.9
Advertising panel	CHF m	20.0	22.4	23.5	22.4	21.5
Current assets	CHF m	108.9	128.6	121.2	103.9	109.6
Net liquidity	CHF m	53.3	72.4	66.3	41.8	60.1
Equity	CHF m	91.2	101.7	89.4	77.1	96.2
Total assets	CHF m	189.4	215.5	205.3	192.9	201.7
– Change versus PY		–12.1%	5.0%	6.4%	–4.4%	–14.9%
Income statement						
Advertising revenue	CHF m	310.6	266.1	261.9	318.5	302.1
– Switzerland	CHF m	297.2	251.6	250.9	304.0	287.2
– International	CHF m	13.4	14.6	11.0	14.5	14.9
Operating income (OI)	CHF m	314.1	269.5	269.5	320.2	304.6
Fees and commissions	CHF m	190.4	169.7	164.6	165.0	139.4
	in % OI	60.6%	63.0%	61.1%	51.5%	45.8%
Personnel expenses	CHF m	53.1	48.4	51.4	61.6	61.4
	in % OI	16.9%	18.0%	19.1%	19.3%	20.1%
Depreciation of tangible assets	CHF m	9.1	9.0	9.3	8.8	10.8
	in % OI	2.9%	3.3%	3.4%	2.7%	3.5%
Amortization of intangible assets	CHF m	1.7	1.5	1.3	1.3	2.4
	in % OI	0.5%	0.6%	0.5%	0.4%	0.8%
EBITDA	CHF m	40.2	25.8	26.9	61.4	72.7
Operating result (EBIT)	CHF m	29.4	15.3	16.3	51.3	59.5
Consolidated net income	CHF m	23.4	12.7	13.2	41.8	47.2
Statement of cash flows						
Cash flow from operating activities	CHF m	18.3	10.6	32.7	49.8	49.4
Free cash flow	CHF m	14.0	5.5	25.8	41.6	41.6
Financial indicators						
EBITDA margin	in % OI	12.8%	9.6%	10.0%	19.2%	23.9%
Operating result (EBIT margin)	in % OI	9.4%	5.7%	6.1%	16.0%	19.5%
Consolidated net income	in % OI	7.4%	4.7%	4.9%	13.1%	15.5%
Cash flow from operating activities	in % OI	5.8%	3.9%	12.1%	15.6%	16.2%
ROE		24.2%	13.3%	15.9%	48.3%	43.6%
Investments						
Advertising panel	CHF m	3.8	4.4	7.8	6.4	5.2
Other investments in property, plant, and equipment	CHF m	1.6	2.2	1.1	1.9	1.8
Intangible and financial assets	CHF m	0.1	7.2	0.0	0.0	2.8
Employees (Full-time 100% equivalent as basis)		481	483	491	507	500

Explanation of financial terms: see page 46

Share development

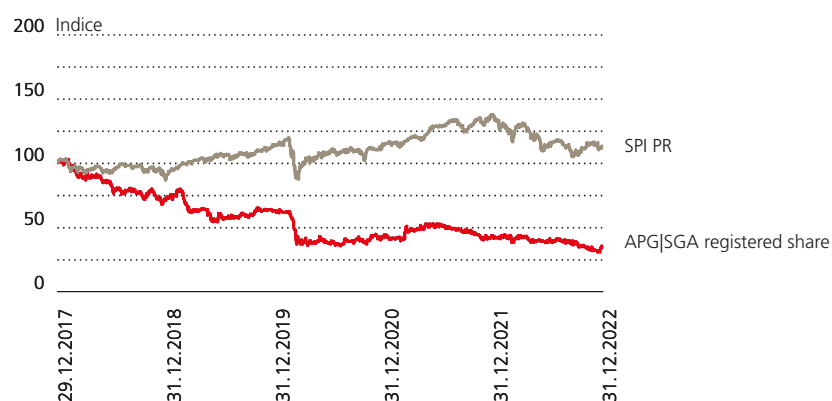
		2022	2021	2020	2019	2018
Data per share						
Operating result (EBIT)	CHF	9.80	5.13	5.45	17.11	19.86
Cash flow from operating activities	CHF	6.09	3.54	10.90	16.62	16.47
Consolidated net income	CHF	7.81	4.23	4.42	13.95	15.74
Equity held by APG SGA SA shareholders	CHF	30.46	33.98	29.84	25.73	32.11
Payout	CHF	11.00²	11.00	0.00	0.00	20.00
Payout ratio ¹		140.8%	260.0%	0.0%	0.0%	127.1%
Share price data						
Market price high/low	CHF	203.0/141.5	247.5/178.0	288.5/155.2	361.0/243.0	465.0/303.3
Year-end market price	CHF	160.5	199.0	197.4	284.0	330.0
Payout yield ³		6.9%	5.5%	0.0%	0.0%	6.1%
Market capitalization ³	CHF m	481.5	597.0	592.2	852.0	990.0
– versus shareholders' equity		5.3	5.9	6.6	11.0	10.3
– versus operating income		1.5	2.2	2.2	2.7	3.3
P/E ratio ³		20.6	47.0	44.7	20.4	21.0

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, 2017



Source: SIX Swiss Exchange AG

Business development

SWITZERLAND

Advertising revenues for 2022 amounted to CHF 297.2 million, up 18.1% on the previous year. Following a very strong start to the year – which saw the complete removal of COVID-19 restrictions – growth flattened in the second half of the year. Revenues in November and December came in below the previous year's values in the wake of the war in Ukraine and its impact on inflation, consumer sentiment and the energy supply situation.

According to MediaFocus, gross advertising pressure in all Out of Home Media recorded in Switzerland in 2022 increased by 13.1% (without taking into account discounts or special conditions). An 18% rise in net advertising revenues confirms that APG|SGA once again managed to gain shares of the fiercely contested Out of Home Media market.

While APG|SGA saw positive developments in advertising investment throughout 2022 in sectors such as wholesale, banks, health insurance and art and cultural events, persistent supply shortages meant advertising spend remained below average in areas such as the automotive sector.

Recovery of revenues for promotional space, public transport and airport advertising was more subdued, with a slower rise in footfall and a larger proportion of annual space bookings.

By contrast, there was a rapid increase in demand for high-impact, large-scale products in prime locations in airport, mountain and city settings over the course of the year. It was in this space, for example, that APG|SGA managed to secure temporary marketing rights for a "MegaPoster" measuring 172 m² in an exclusive site on Zurich's Paradeplatz.

Continuing strong demand for both digital and analog products

The development in revenues for analog products in 2022 was positive overall. Our internal APG|SGA logistics organization processed and installed a total of more than 716,500 high-quality posters in the standard formats "F4", "F200", "F12" and "F24".

There was also positive overall development in the revenues generated by our digital advertising media. This is due, on the one hand, to the fact that APG|SGA is providing advertisers with a growing digital portfolio and, on the other hand, to the fact that clients and their agencies appreciate the ability to flexibly book and broadcast "Digital Out of Home" at short notice.



"We demonstrate continuity in sustainability and are committed to an ambitious CO₂ reduction path. This pleasing CDP ranking of A- shows that we are well on our way."

Andres Trautmann
Head of Sustainability, APG|SGA



Above – Large-format advertising messages in top locations – like this one in Zermatt’s ski region – are in greater demand.

Below – Major impact: the illuminated “MegaPoster” on Zurich’s prestigious Paradeplatz, with a surface area of over 172 m².



Unfortunately, growing concern about power shortages and associated calls to save energy dampened these positive developments toward the end of the year, with some advertisers opting not to run screen advertising. For its part, APG|SGA extended nightly downtime for screens by an hour starting in early October – a voluntary restriction that complements numerous other energy-saving measures across all our sites. At the same time, the launch of an awareness campaign on the market shared facts to prove that both analog and digital Out of Home Media – “one-to-many” media – have by far the lowest CO₂ emissions, and that electricity consumption is lower here than in other “one-to-one” advertising formats.

Targeted expansion and increased flexibility in Digital Out of Home (DOOH)

In 2022, APG|SGA invested in digital expansion and the increased flexibility of its products. Throughout the year, new “ePanels” were installed in Aarau, Bern, Thun, Zurich and Geneva Cornavin railway station.

ChannelOOH!, the exclusive APG|SGA moving image communication service, was reconfigured for new daily booking options in 2022 to allow even greater flexibility. With over 680 selected “ePanels” and “eBoards” in every part of the country, advertisers can reach the vital, attractive 15-to-49 target group with greater efficiency than ever before. That includes all “Rail ePanel” and “City ePanel” products.

Ten new “XXL eBoards” were also put into operation in cooperation with Zurich Airport. And, in early 2023, they were joined by 44 new “Airport ePanels”, largely in airside positions, marketed in a new digital network that boasts a total of 12 networks and 234 screens.

Under our successful collaboration with Zurich’s Hallenstadion – the subject of a long-term extension in 2022 – the existing range of spaces will be continually expanded. Plans are underway to completely digitalize Switzerland’s largest and most successful event arena, which welcomes over a million visitors per year.

In a tender process, APG|SGA received the exclusive contract to be the Swiss partner for the Schindler Media Network. The first phase will see 150 screens installed in hotel elevators in tourist and Alpine regions throughout Switzerland by spring 2023, which will serve as an advertising and communication platform for hotel guests. The marketing of screens in Schindler elevators marks a new, digital chapter for APG|SGA, the Out of Home Media market leader. With our investments in digital platforms such as APG|SGA easy and in programmatic advertising, APG|SGA is in a position to offer simple, flexible, automated conditions to both national and local advertisers, with new digital advertising spaces joining over 1,000 large-format “ePanels” and “eBoards”.



“Outdoor advertising is fascinating, dynamic and innovative. Together with our customers, we develop high-impact creative ideas and put them into action.”

Peer Kleinfeldt
Key Account Manager, APG|SGA



Above – In the arrivals area of Zurich Airport, a total of 32 “XXL eBoards” ensures high visibility among incoming passengers from Europe and overseas.

Below – With over one million visitors per year, the Hallenstadion is Switzerland's largest and most successful arena, and it offers an attractive range of digital spaces.



Above – With a unique digital range in every region – including Lugano, seen here – APG|SGA is Switzerland's leading company for DOOH.

Below – With over 100,000 spaces, APG|SGA offers a broad portfolio of attractive advertising opportunities on and in public transport vehicles throughout Switzerland.



Positive developments in programmatic solutions and e-commerce platform

The programmatic Digital Out of Home, which offers the option of targeting particular groups by airing advertising at precise locations and times, is increasingly in demand. And this form of targeting is set to become even more important to customers in the future, which is why APG|SGA is investing in the relevant data and tools. The reporting year saw as many as 142 campaigns run over the SSP (supply-side platform) VIOOH. That's twice the number for 2021, with revenues also increasing by over a third. There are now over 1,500 screens (including over 640 "TrafficMediaScreens") available for programmatic booking.

In the mobile advertising space, APG|SGA added two new products to its aymo portfolio, which drove a 22% increase in revenues in the reporting year. The APG|SGA mobile targeting solutions "aymo GeoTarget" and "aymo AudienceTarget" meet the specific needs of small and medium-sized enterprises (SMEs). This means even advertisers with smaller budgets can efficiently reach target groups in defined coverage areas.

The tools developed for the e-commerce platform were enthusiastically received, with 1,013 advertisers planning and booking their analog and digital poster campaigns online in the reporting year. Ongoing optimization is making our self-service options even more attractive – which will also benefit advertisers and agencies with higher budgets.

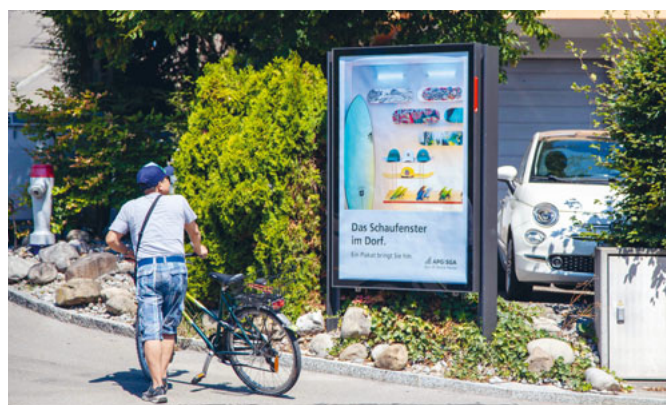
Consolidation of the broad contract portfolio, new partnerships

In 2022, numerous new, high-quality spaces on private property, both analog and digital, were added to the portfolio once again, with many contracts extended. Overall, we have a stable portfolio of over 7,000 contracts secured for the long term with both public authorities and private property owners throughout Switzerland. We are also pleased to report that a tender process by the city of Locarno – the third-largest city in Ticino and a significant cultural and tourist hub – saw APG|SGA securing the exclusive marketing and management rights for all spaces in bus stops and other poster spaces. These were joined by the analog poster panel range and seven illuminated columns, "Startowers", gained in various tenders issued by the city of Zurich. We also received a contract to extend our marketing of analog formats, both internal and external, for TPF (Transport Public Fribourgoise).



"Our self-advertising used a range of motifs to target SMEs and invite them to use APG|SGA poster spaces as a public showcase."

Céline Bachmann
Marketing Communication Manager,
APG|SGA



As last year's Annual Report mentioned, we have been seeking a court judgment with BernMobil regarding a possible contractual imbalance related to a decline in footfall due to COVID-19. We reached a solution in the form of a legal settlement in Bern Commercial Court during the reporting year. The option of extending the contract was also exercised.

We reached an agreement with the Real Estate Services division of railway operator SBB regarding the early exercise of an extension to all contracts. In addition, a long-pending complaint lodged by a competitor regarding SBB tenders was rejected by the Federal Administrative Court in the reporting year. The case will not be referred to a higher authority, which now gives SBB and APG|SGA planning and investment security over the long term.

Introduction of a modern, market-oriented pricing system

In the interests of cutting complexity while further increasing the appeal and flexibility of our analog and digital range, APG|SGA spent the last year working hard on a modern, market-focused model of pricing and terms, which we were proud to introduce on January 1, 2023. The pricing model for analog advertising space was significantly streamlined. For Digital Out of Home,

APG|SGA has consistently based its model on fixed – and highly attractive – thousand-contact prices (TCPs) to allow comparison within the moving image market. Advertiser discounts were also expanded to include new and attractive options for analog and digital advertising spaces.

Clear focus puts Swissplakat on track to achieve strong growth

Our subsidiary Swissplakat AG, which has an exclusively analog portfolio of over 1,200 frontal spaces in the "F12" and "F200" formats, recorded significant revenue growth in 2022 and acquired numerous new poster sites in prime locations on private property. It also introduced a new booking system, which greatly simplifies the planning and booking process.



"With the international 'Nurture' support program, we are offering innovative startup mentoring and comprehensive Out of Home solutions for high visibility and prominence."

Lina Belinska

Key Account Manager International,
APG|SGA



Above – Programmatic advertising on APG|SGA “ePanels” and “eBoards”. Startup TREE GUM successfully coordinated its promotional efforts around the flow of commuters and target groups.

Below – With a total of over 1,200 analog frontal spaces at prime locations across selected regions of German-speaking Switzerland, Swissplakat makes the ideal match for APG|SGA’s national portfolio.



SERBIA

In the 2022 financial year, our subsidiary Alma Quattro d.o.o. contributed 4.3% to group revenues. It was also a year in which Serbia felt the impact of the war in Ukraine. Along with very high inflation rates and a huge increase in energy prices, the conflict also further increased tension on the border with Kosovo. Despite these difficult conditions, advertising revenues remained steady in local currency terms. With the weakening of the Serbian dinar, this translated into a reduction of 8.0% in Swiss francs.

Alma Quattro boasts an advertising inventory of over 4,600 sites in highly attractive locations, primarily in cities such as Belgrade, Novi Sad, Niš, Valjevo, Čačak, Užice and Kragujevac.

The financial year in Serbia was also impacted by the ongoing international arbitration proceedings that APG|SGA and Alma Quattro have brought against the Serbian state. As reported last year, in 2020 a local competitor received a concession from the city of Belgrade to operate advertising panels, despite the ongoing, long-term exclusive contract that Alma Quattro has with the city. In the view of APG|SGA and Alma Quattro, this violates international law. The proceedings are still ongoing and have proved a great drain on administrative resources. In light of this legal uncertainty, Alma Quattro has frozen investments in further expansion.



"Despite political and economic turbulence, we managed to achieve a good result. From this we know that, as a team, we can master any challenge that comes along."

Sanja Pešić
Chief Executive Officer, Alma Quattro



Above – Numerous classic billboards will increasingly be fitted with eye-catching special formats to inform and entertain consumers throughout Serbia.

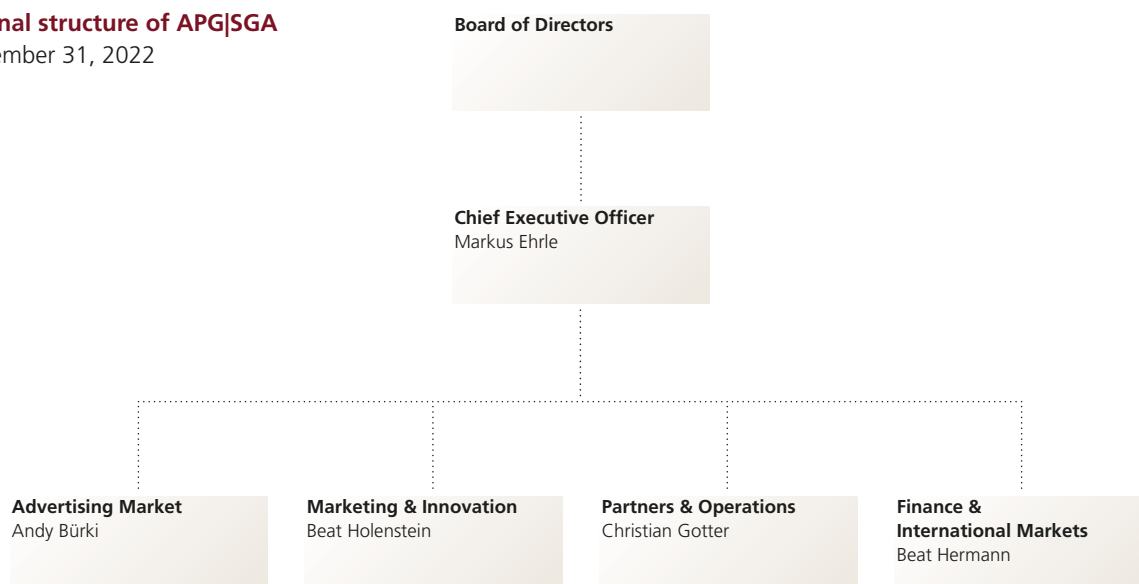
Below – For almost three decades, Alma Quattro has been bringing modern bus stop shelters to the capital city of Belgrade and marketing them with creativity – and success.



Corporate Governance

Operational structure of APG|SGA

as at December 31, 2022



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, 2022: CHF 481.5 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, 2022	in %	Shares as reported as of December 31, 2021	in %
JCDecaux SE, Neuilly-sur-Seine (F) ²	900 000	30.00 ⁴	900 000	30.00 ⁴
Pargesa Asset Management S.A., Luxembourg / Stichting Administratiekantoor Bierlaire, Rotterdam (NL) ³	758 888	25.30 ⁴	758 888	25.30 ⁴
Pictet Asset Management SA, Geneva (CH)	149 650	4.99 ⁴	143 664	4.79 ⁴
Polymedia Holding AG, Markus and Andreas Scheidegger, Berne (CH)	98 644	3.29 ⁴	98 334	3.28 ⁴

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, 2022 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 SE, rue Soyer 17, 92200 Neuilly-sur-Seine (F), is controlled by JCDecaux Holding, rue Soyer 17, 92200 Neuilly-sur-Seine (F), whose shareholders are:

- Members of the Decaux family: Jean-François Decaux (London/GB), Jean-Charles Decaux (Neuilly-sur-Seine/F), Jean-Sébastien Decaux (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 Bierlaire, Rotterdam (NL). For detailed information on the relationship between Stichting Administratiekantoor Bierlaire and Pargesa Asset Management, see: <https://apgsa.ch/controlling.structure>

⁴ Number of shares according to stock register as at December 31, 2022 and December 31, 2021.

Capital structure

Ordinary, authorized, and conditional capital

As at December 31, 2022, 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, 2022, APG|SGA SA had neither authorized nor conditional capital.

As at December 31, 2022, consolidated shareholders' equity amounted to CHF 91.2 million (2021: CHF 101.7 million; 2020: CHF 89.4 million). Details on the changes in shareholders' equity are provided in the respective annual reports: for the years 2022/2021 on page 45 of the present report, for the years 2021/2020 on page 45 of the 2021 report. The Annual Report 2021 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	2023
Xavier Le Clef , Vice-Chairman	2015	2023
Dr. Maya Bundt	2020	2023
Jolanda Grob	2020	2023
Stéphane Prigent	2015	2023
Markus Scheidegger	2000	2023
General Secretariat		
Julia Gerdes		



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 SE, 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 SE. 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) 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; since 2022: member of the Board of Directors of the Baloise Group as well as member of the Executive Board of the Cyber Peace Institute. Chapter Chair Cyber Resilience at the Swiss Risk Association, 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 SE, 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 APGJSGA 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 2022, the Board of Directors held five ordinary meetings (February, March, April, 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 APGJSGA 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
- annual multi-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 and declining advertising budgets, 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 9, 2022.

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
Claudia Fischbacher (1986), Swiss citizen	Human Resources	2023
Christian Gotter (1970), Swiss citizen	Partners & Operations	2012
Beat Holenstein (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.

Claudia Fischbacher has been at APG|SGA since March 1, 2020. She has served as a member of the Management Board since January 1, 2023, where she holds responsibility for human resources. From 2013 to 2020, she worked at Globus as an HR Business Partner. Prior to this, she held various roles at Tamedia AG from 2008 to 2013, including the position of HR manager for the Tages-Anzeiger and 20 Minuten publishing houses. She has a Federal Diploma of Higher Education in HR (2009), a CAS in Strategic Human Resources Management (2021), a CAS in Digitalization in HR (2021) and a CAS in Innovation in HR (2022). In early 2023 she completed a Master of Advanced Studies in HR Leadership at the University of Applied Sciences in Business Administration Zurich.



Claudia Fischbacher



Christian Gotter



Beat Hostenstein

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).

Beat Hostenstein 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.

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.

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 Räbsamen, 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 2022, the auditing fee of PricewaterhouseCoopers AG for services in conjunction with the auditing of the financial statements totaled CHF 146,000.

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 2022 and publication of the Annual Report: March 15, 2023
- General Meeting: April 27, 2023
- closing date for the semi-annual results: June 30
- announcement of the semi-annual results: July 28, 2023

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 2022, 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 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%. The quantitative targets comprise, in equal parts, the degree of attainment of the EBIT margin (earnings before interest and taxes in relation to operating income) and the net income. 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.

5. Remuneration in 2022

Sections 5, 6 and 7 are subject to review by the auditor.
The payments listed below are accruals and undisbursed amounts for financial year 2022.

5.1. 2022 remuneration for members of the Board of Directors¹

Name	Function	Fixed Compensation			Total 2022	Total 2021
		Cash portion	Value in shares	Social benefits		
Dr. Daniel Hofer	Chairman	200 000	100 000	22 000	322 000	323 000
Robert Schmidli ²	Vice-Chairman					38 000
Xavier Le Clef	Vice-Chairman	58 000	20 000	7 000	85 000	84 000
Dr. Maya Bundt	Member	68 000	20 000	7 000	95 000	92 000
Jolanda Grob	Member	78 000	20 000	8 000	106 000	103 000
Stéphane Prigent	Member	78 000	20 000	9 000	107 000	106 000
Markus Scheidegger	Member	68 000	20 000	7 000	95 000	95 000
Total		550 000	200 000	60 000	810 000	841 000

5.2. 2022 remuneration for members of the Executive Board¹

of the Executive Board ¹	Fixed Compensation					Variable Compensation		Total Compensation	
	Cash portion	Social benefits	Total	Short-term cash	Long-term allocation	Social benefits	Total	2022	2021
Total	1 591 000	499 000	2 090 000	570 000	533 000	86 000	1 189 000	3 279 000	3 024 000
Highest individual remuneration:									
Markus Ehrle, CEO	437 000	151 000	588 000	221 000	198 000	30 000	449 000	1 037 000	955 000
Bonus/malus account ³					Balance previous year	New allocation current year	Pay-out	Change	Balance to be carried forward
Total					806 000	533 000	448 000	90 000	896 000
Highest individual remuneration:									
Markus Ehrle, CEO					322 000	198 000	174 000	25 000	347 000

For members of the Executive Board, variable compensation amounted to between 40% and 80% 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 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

Report on the audit of the remuneration report

Opinion

We have audited the remuneration report of APG SGA SA (the Company) for the year ended 31 December 2022. The audit was limited to the information on remuneration, loans and advances pursuant to Art. 14 to 16 of the Ordinance against Excessive Remuneration in Listed Companies Limited by Shares (Ordinance) on pages 30 to 33 (paragraph 5 to 7) of the remuneration report.

In our opinion, the information on remuneration, loans and advances in the remuneration report (pages 30 to 33) complies with Swiss law and article 14 to 16 of the Ordinance.

Basis for opinion

We conducted our audit in accordance with Swiss law and Swiss Standards on Auditing (SA-CH). Our responsibilities under those provisions and standards are further described in the 'Auditor's responsibilities for the audit of the remuneration report' section of our report. We are independent of the Company 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.

Other information

The Board of Directors is responsible for the other information. The other information comprises the information included in the annual report, but does not include the tables marked 'audited' in the remuneration report, the consolidated financial statements, the financial statements and our auditor's reports thereon.

Our opinion on the remuneration report does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the remuneration report, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the audited financial information in the remuneration report or our knowledge obtained in the audit, or otherwise appears to be materially misstated.

If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Board of Directors' responsibilities for the remuneration report

The Board of Directors is responsible for the preparation of a remuneration report 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 a remuneration report that is free from material misstatement, whether due to fraud or error. The Board of Directors is also responsible for designing the remuneration system and defining individual remuneration packages.

PricewaterhouseCoopers AG, Birchstrasse 160, Postfach, 8050 Zürich, Switzerland
Telefon: +41 58 792 44 00, www.pwc.ch

PricewaterhouseCoopers AG is a member of the global PricewaterhouseCoopers network of firms, each of which is a separate and independent legal entity.

Auditor's responsibilities for the audit of the remuneration report

Our objectives are to obtain reasonable assurance about whether the information on remuneration, loans and advances pursuant to article 14 to 16 of the Ordinance is 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 SA-CH 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 this remuneration report.

As part of an audit in accordance with Swiss law and SA-CH, we exercise professional judgment and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement in the remuneration report, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made.

We communicate with the Board of Directors or its relevant committee regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide the Board of Directors or its relevant committee with a statement that we have complied with relevant ethical requirements regarding independence, and communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, actions taken to eliminate threats or safeguards applied.

PricewaterhouseCoopers AG



Stefan Räbsamen
Licensed audit expert
Auditor in charge



Kerstin Baumgartner
Licensed audit expert

Zürich, 13 March 2023

Corporate Social 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 social 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.

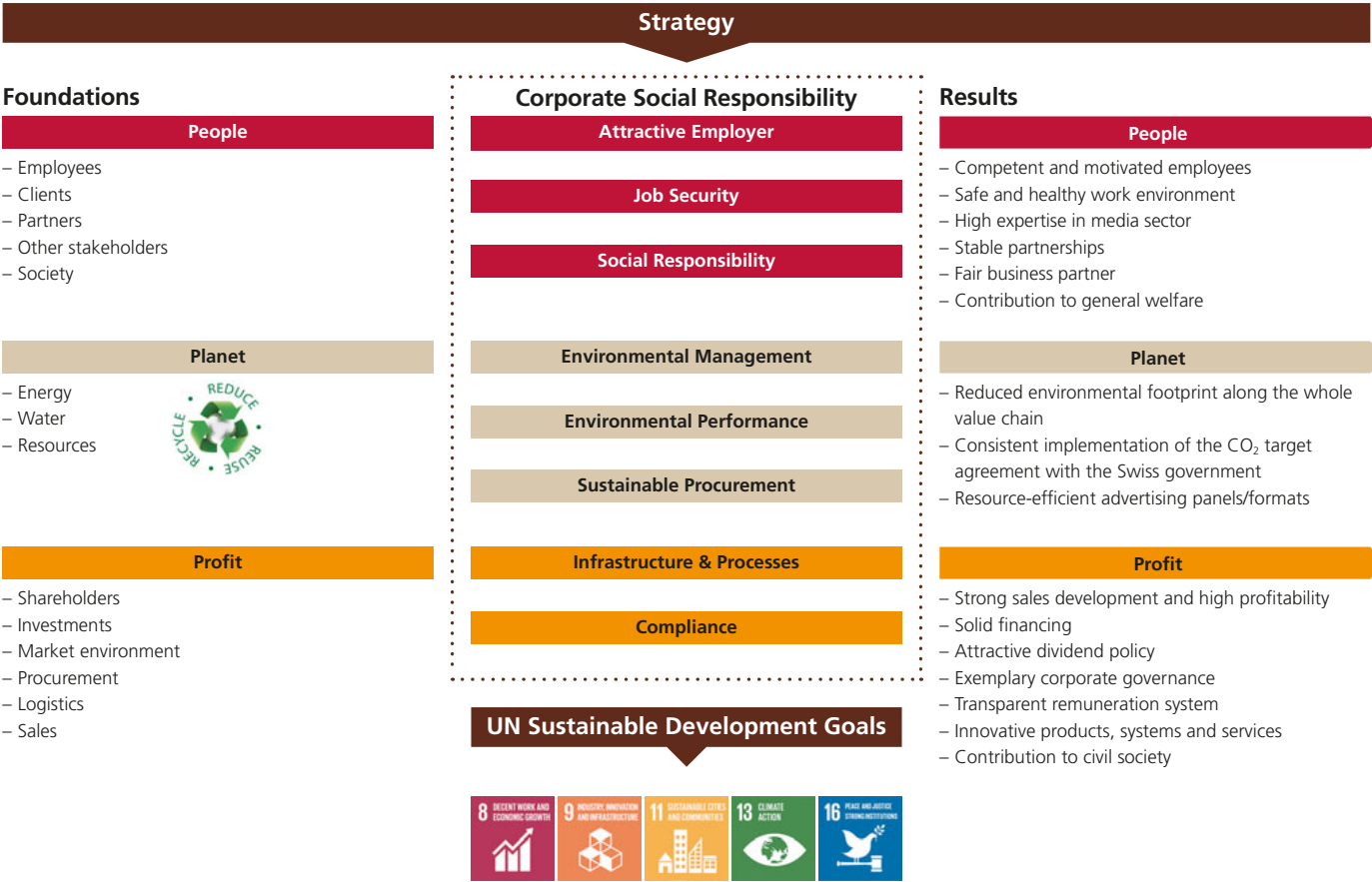
APG|SGA has been reporting on its active commitment to environmental protection for more than 15 years. In 2018, it expanded this reporting to reflect an overall view of corporate social responsibility.

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. This contributes to the company's attainment of the UN's Sustainable Development Goals. Reporting draws from the guidelines of the Global Reporting Initiative (GRI) and the CDP.

Corporate Mission Statement

Vision "We want to use the very best communication solutions in public spaces to inspire people."

Purpose	Promises	Principles
– Focus on Out of Home Media – Sustainability and quality orientation – Development of best locations – Use of technological opportunities	– 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	– 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	Key facts and achievements 2022	Forecast 2023–2027
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.	– 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 benefit from specific vocational and further training, as well as promotion. – As at the end of 2022, APG SGA had a total of seven apprentices. – Leadership culture: The Potential Development Program (PDP) was carried out with ten employees. Some of the participants subsequently took up new (management) positions within APG SGA. – 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: An employee survey on the topic of psychological safety was carried out and measures introduced. – The “Sounding Board”, which has a diverse range of members, meets regularly to ensure the concerns and ideas of the workforce are communicated promptly and systematically to the Management Board. – Remuneration policy: APG SGA offers a fair market- and performance-based remuneration. SGS (Société Générale de Surveillance SA) reviewed the equality of pay between the genders at APG SGA and issued the company with the Fair-ON-Pay+ certificate. – Fringe benefits: Employees profit from staff discounts and offers, and up-to-date fringe benefits. Employees can now purchase an additional two weeks’ holiday per year at favorable conditions.	– A number of feedback instruments (employee satisfaction survey, line manager appraisal, objective setting and review) reflect our focus on values. – A new guideline for gender-inclusive language is introduced. – Training, in the form of vocational training and internships, helps the company meet the demand for qualified employees. – The annual, linear employee appraisal is replaced by mutual feedback dialog. – The suggestions for improvement arising from employee surveys and the Sounding Board are implemented. – Regular review and expansion of existing fringe benefits.

APG|SGA employees

as at December 31, 2022

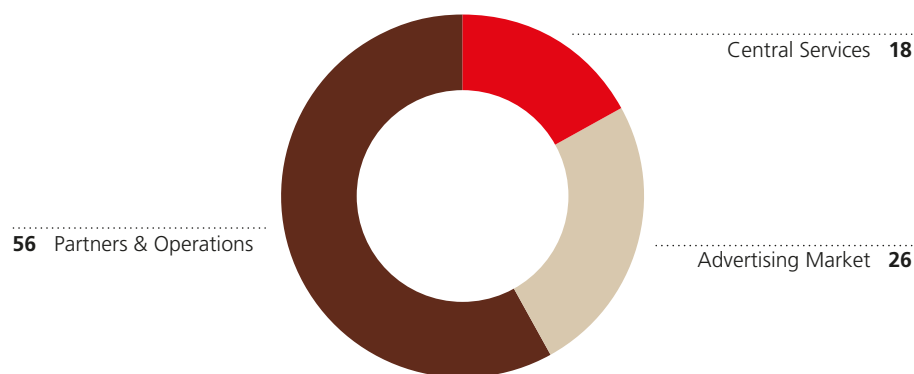
	2022	2021
Total¹	481	483
By country		
Switzerland	438	436
Serbia	43	47
By demographics		
Share of men, in %	71	70
Share of women, in %	29	30
Share of full-time positions (90–100%), in %	79	78
Share of part-time positions (<90%), in %	21	22
Apprentices and interns ²	7	9

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

² Switzerland, APG|SGA: commercial 6, logistics 1, IT 0

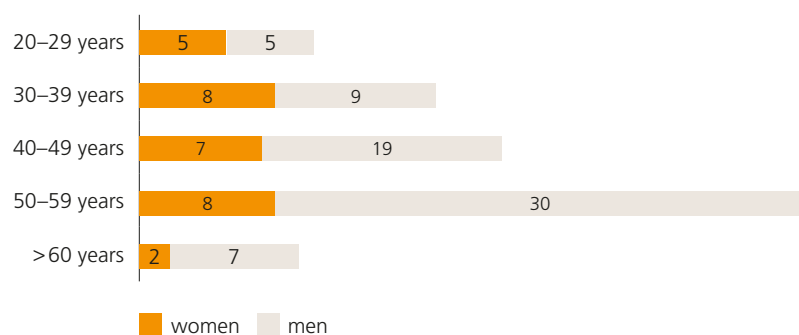
APG|SGA employees in Switzerland, by business unit

in %



Age structure

in %, excluding apprentices and interns



People

Modules and direction	Key facts and achievements 2022	Forecast 2023–2027
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.	– In 2022, 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 2022. The level of absenteeism across the whole company was slightly higher than in 2021 due to non-occupational accidents and illness. – Indoor air quality and fittings: In 2022, evaluations of indoor air quality were carried out to facilitate appropriate improvement measures. – Construction measures were carried out at the Zurich site to improve noise protection in open-plan offices. – Further sites were fitted with height-adjustable desks. – Building/work safety and fire safety: The Neuchâtel, Lugano and Lucerne sites were audited using ASA (occupational health) checklists.	– Training of company vehicle drivers to promote anticipatory driving and accident avoidance. – Starting in 2023, training workshops for early detection of potential health complaints will be carried out. – In the coming years, we will regularly review measures for improving noise protection and air quality in the workplace. – In 2023, building/work safety and fire safety audits are planned for the Bern, St. Gallen and Zurich offices. The safety concept developed for the Zurich site will be adopted by other sites.
Social responsibility APG SGA takes its social responsibilities seriously.	– Through poster sponsorship, the company supported non-profit organizations as well as cultural and sporting events to a media value in the high seven-figure range. – 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. – The company supports a charitable organization with an annual donation.	– Poster sponsorship to be continued for the benefit of Swiss society. – Continuation of partnership with social institutions for procurement.

Planet

Modules and direction	Key facts and achievements 2022	Forecast 2023–2027
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.	– The area of “environment” is regularly included as an agenda item for the Board of Directors/Executive Board. The objectives are approved by these bodies and implementation thoroughly discussed. – Management objectives incorporate corporate social responsibility issues. – Creation of the new position of Head of Sustainability with overall responsibility for the CSR strategy and its implementation. – Concrete emission reduction targets and associated reduction path influence decision-making in the operational business.	– Constant assessment of the defined modules and objectives. – Regular communication of environmental achievements to employees and stakeholders. – Sustainability regularly included as an agenda item for the Board of Directors/Executive Board. – Ongoing development of the CSR strategy and creation of a CSR committee.
Environmental performance APG SGA makes an active contribution to environmental protection, consistently reducing its CO ₂ emissions to levels below legal regulations.	– Overall environmental impact: In comparison with 2021, the overall environmental impact increased by 4% and greenhouse gas emissions by 2% (recalculation from 2021 with v3.91 and IPCC2021). There were 11% more affixed posters than in the previous year. – Energy consumption: Cost-saving and construction measures reduced energy consumption by 1% compared to 2021 levels. – Participation in the federal government’s energy saving alliance. – Vehicles: Fuel consumption increased by 11% compared to 2021, with the COVID-19 pandemic no longer impacting business activities and travel to the same extent. – Electricity: Electricity consumption decreased by 1% compared to 2021. – Heating energy: Heating energy consumption declined further compared to 2021 due to technical changes to heating as well as energy-saving measures.	– Fulfilment of climate and environmental targets in line with the reduction path. – Optimization of energy in APG SGA premises and reduction of energy consumption by advertising vehicles. – New vehicle procurements meet internal environmental standards. – The Zurich office will install a photovoltaic installation in 2023 which will ensure near-self-sufficiency in electricity supply for the site. Photovoltaic installations are planned for the Lausanne and Wallisellen sites. – APG SGA advertising panels are continuously upgraded with new technology. – Between 2023 and 2027, further measures for reduction of heating energy are planned. Insulation measures in buildings in Aarau and Lausanne will improve energy efficiency.

Planet

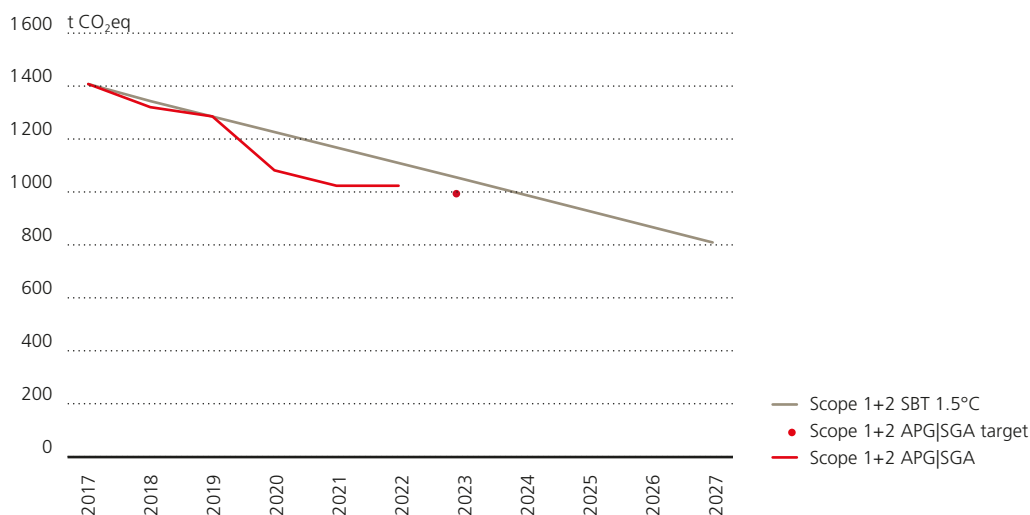
Modules and direction

Key facts and achievements 2022

Forecast 2023–2027

- **Disposal:** Compared with the previous year, total waste remained constant in 2022.
- **Materials:** Material consumption rose by 9% for the same period. This is due to an increased number of affixed posters.
- **CDP climate protection ranking:** In the ranking carried out by the international climate protection organization CDP (formerly the Carbon Disclosure Project) in 2022, APG|SGA scored an “A–”, comparable with numerous prestigious, listed companies.
- APG|SGA is guided by its internal, science-based climate goals, in line with the vision of a 1.5°C future.
- Recycling quotient for poster disposal more than 90%.
- Improvement in materials efficiency and use of long-lasting products.
- Continuation of CDP reports and review of other memberships, certifications and labels. Where possible, APG|SGA will invest in its own environmental projects and reduction measures rather than purchasing environmental certificates or compensation credits.
- Climate targets in line with the vision of a 1.5°C future are validated by the SBTi:
 - Scope 3 targets in addition to scope 1+2 targets
 - By 2035, reduction to “net zero”

Measured greenhouse gas emissions compared with science-based reduction path



Planet

Modules and direction	Key facts and achievements 2022	Forecast 2023–2027
Sustainable procurement APG SGA sets standards for environmentally and socially responsible production.	– CO₂ reduction path: Commitment to the CO₂ reduction path to 118 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, 2022 saw the procurement of further hybrid and e-vehicles and the installation of additional charging stations. – Eco-electricity: Purchase of 100% eco-electricity (naturemade star) for illuminated advertising and commercial premises. – More energy-efficient technology: Around CHF 80,000 was invested in conversion to LED technology in 2022. – Work clothing: In the procurement of work clothing, all products are certified with the Fair Wear and OEKO-TEX® Standard 100 labels. – Suppliers: We are in regular dialog with suppliers concerning improvements in sustainable supply chains.	– Promotion of alternative vehicle propulsion systems. – Comprehensive e-mobility concept for APG SGA's fleet management. – The e-vehicle testing phase continued in 2023, with the aim of ensuring the systematic conversion of the entire fleet. – APG SGA continues to purchase 100% eco-electricity. – Conversion to LED technology to the value of CHF 150,000. – Introduction of declaration questionnaires and audits in the supply chain. – Introduction of a code of conduct for suppliers.

Profit

Modules and direction	Key facts and achievements 2022	Forecast 2023–2027
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 2022, the APG SGA Group generated an EBIT of CHF 29.4 million and a consolidated net income of CHF 23.4 million. – The cash flow from operating activities amounted to CHF 18.3 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 2022.	– 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". – A whistleblowing hotline was established for reporting any compliance infringements or other misconduct. There were no reports to the hotline in 2022. – A Compliance Committee reviews adherence with guidelines, updates these guidelines and is available for queries and consultation.	– Continual improvement and implementation of legislative changes through e-learning. – Consistent training for new employees. Existing employees receive periodic information on changes, and are required to repeat training at regular intervals.

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

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

Consolidated balance sheet

Assets	in 1000 CHF	31.12.2022	31.12.2021
Buildings and land		25 878	27 412
Advertising panel		19 998	22 353
Other property, plant, and equipment		3 647	3 870
Property, plant, and equipment		49 523	53 635
Deferred tax assets		1 803	1 708
Other financial investments		6 322	6 622
Financial investments		8 125	8 330
Goodwill		10 366	11 024
Contractual advertising rights		12 451	13 956
Intangible fixed assets		22 817	24 980
Non-current assets		80 465	86 945
Inventories		4 695	4 478
Trade accounts receivable		36 505	37 712
Other accounts receivable		8 537	9 166
Deferred expenses and accrued income		5 893	4 870
Cash and cash equivalents		53 311	72 362
Current assets		108 941	128 588
Total		189 406	215 533

Shareholders' equity and liabilities	in 1000 CHF	31.12.2022	31.12.2021
Share capital		7 800	7 800
Capital reserves, premiums		13 034	13 060
Treasury shares		-894	-918
Translation differences		-4 109	-3 169
Retained earnings		75 393	84 954
Shareholders' equity		91 224	101 727
Other non-current financial liabilities		266	370
Provisions		5 198	6 070
Deferred tax liabilities		2 873	2 733
Non-current liabilities		8 337	9 173
Trade accounts payable		10 659	4 532
Taxes payable		3 347	3 202
Other accounts payable		28 519	30 483
Accrued liabilities and deferred income		46 593	65 909
Provisions		727	507
Current liabilities		89 845	104 633
Liabilities		98 182	113 806
Total		189 406	215 533

Consolidated income statement

in 1000 CHF	2022	2021	Change
Advertising revenue	310 600	266 145	16.7%
Real estate revenue	1 889	1 799	5.0%
Other operating income	1 644	1 541	6.7%
Operating income	314 133	269 485	16.6%
Fees and commissions	–190 380	–169 720	12.2%
Personnel expenses	–53 104	–48 400	9.7%
Operating and administrative costs	–30 439	–25 537	19.2%
Operating result before depreciation and amortization (EBITDA)	40 210	25 828	55.7%
Depreciation of tangible assets	–9 136	–9 001	1.5%
Amortization of intangible assets	–1 044	–1 057	–1.1%
Amortization of goodwill	–658	–426	54.1%
Operating result (EBIT)	29 372	15 344	91.4%
Financial result	–278	–155	
Ordinary result before income tax	29 094	15 189	91.5%
Income tax	–5 702	–2 526	125.7%
Consolidated net income	23 392	12 663	84.7%
Basic and diluted earnings per share, in CHF	7.81	4.23	84.6%

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, 2021	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 net income					23 392	23 392
Translation differences				–940		–940
Distributions					–32 953	–32 953
Purchase of treasury shares			–693			–693
Sale of treasury shares		–20	717			697
Equity transaction costs		–6				–6
as at December 31, 2022	7 800	13 034	–894	–4 109	75 393	91 224

Consolidated statement of cash flows

in 1000 CHF	2022	2021
Consolidated net income	23 392	12 663
Depreciation and amortization	10 838	10 484
Changes in provisions	-588	-1 558
Changes in deferred taxes	69	-139
Financial result with no cash impact	114	-53
Gain from sale of non-current assets	-1 643	-1 541
Change in inventories	-239	384
Change in accounts receivable	1 546	-8 369
Change in deferred expenses and accrued income	-1 023	287
Change in accounts payable and taxes payable	5 037	-2 074
Change in accrued liabilities and deferred income	-19 248	505
Cash flow from operating activities	18 255	10 589
Capital expenditures in property, plant, and equipment	-5 380	-6 610
Capital expenditures in intangible assets	-169	-671
Purchase of subsidiaries	-635	-5 490
Sale of property, plant, and equipment	1 786	1 662
Sale of other financial investments	121	
Sale of short-term financial investments		6 000
Net cash used in investing activities	-4 277	-5 109
Purchase of treasury shares	-693	-2
Sale of treasury shares	691	697
Repayment of financial liabilities		-298
Dividends to APG SGA SA shareholders	-32 953	
Net cash used in financing activities	-32 955	397
Currency translation effect on cash and cash equivalents	-74	-102
Change in cash and cash equivalents	-19 051	5 775
Cash and cash equivalents as at January 1	72 362	66 587
Cash and cash equivalents as at December 31	53 311	72 362

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

A total of 18 giant “MegaPosters” are exclusively available for APG|SGA customers at Zurich Airport. A further 350 analog spaces and over 230 screens ensure an unmissable presence for brands and companies, with exposure to well over 22 million passengers and visitors.

Imprint

Publisher: APG|SGA SA
Layout, lithography and printing:
UD Medien, Lucerne

This report is available in French, German, and English. The detailed Financial Report is available in English. Both documents are available free of charge or can be downloaded from www.apgsga.ch/report

2023 © APG|SGA SA
All rights reserved

APG|SGA SA
Carrefour de Rive 1
CH-1207 Genève
T +41 58 220 70 00
F +41 58 220 70 97
investors@apgsga.ch
www.apgsga.ch

