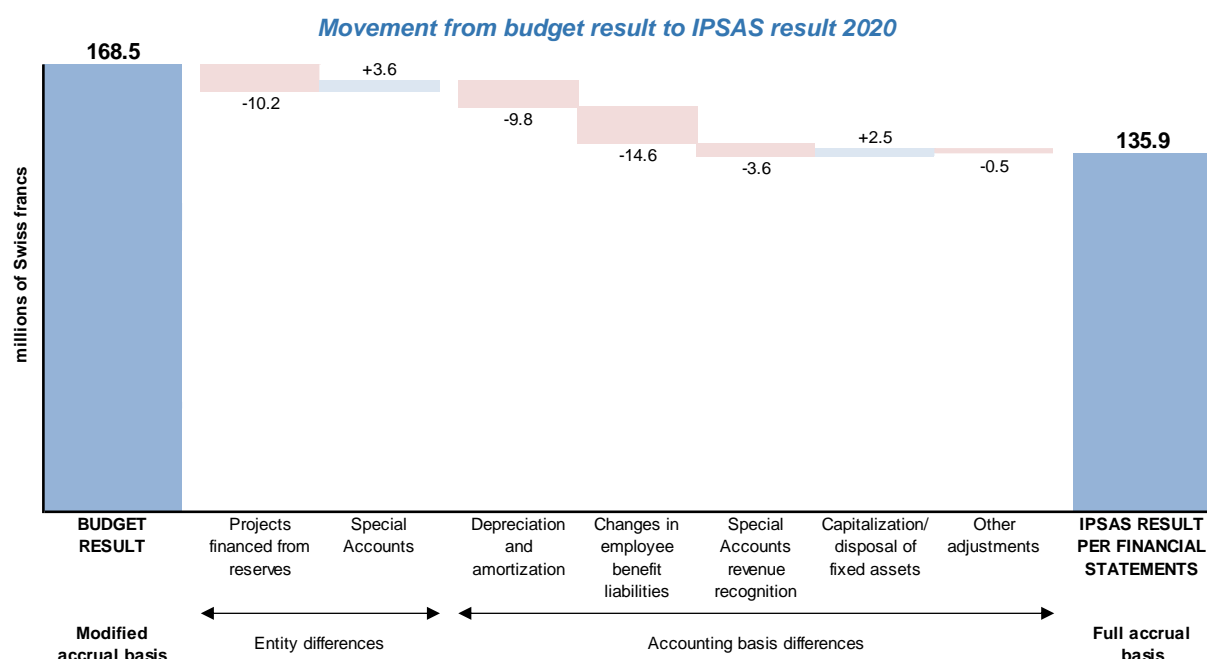


Financial Performance 2020

The Organization's results for 2020 showed a surplus for the year of 135.9 million Swiss francs, with total revenue of 468.3 million Swiss francs, total expenses of 365.8 million Swiss francs, and investment gains of 33.4 million Swiss francs. This can be compared to a surplus of 97.7 million Swiss francs in 2019, with total revenue of 457.0 million Swiss francs, total expenses of 401.4 million Swiss francs, and investment gains of 42.1 million Swiss francs. The Program and Budget result for 2020 prepared on a modified accrual basis (i.e. not including all IPSAS adjustments) was a surplus of 168.5 million Swiss francs. The 2020 result for the Organization under IPSAS includes Special Accounts, Projects financed from reserves, and the impact of adjustments related to full accrual accounting in accordance with IPSAS:

	Program and Budget	Special Accounts	Projects Financed from Reserves	IPSAS Adjustments	Total	Total
	2020	2020	2020	2020	2020	2019
<i>(in millions of Swiss francs)</i>						
Total revenue	463.0	9.5	-	-4.2	468.3	457.0
Total expenses	-327.9	-5.9	-10.2	-21.8	-365.8	-401.4
Investment gains/(losses)	33.4	-	-	-	33.4	42.1
Net surplus/(deficit)	168.5	3.6	-10.2	-26.0	135.9	97.7

The chart below summarizes the principal differences between the Program and Budget surplus of 168.5 million Swiss francs, and the surplus for the whole Organization prepared on an IPSAS basis of 135.9 million Swiss francs:

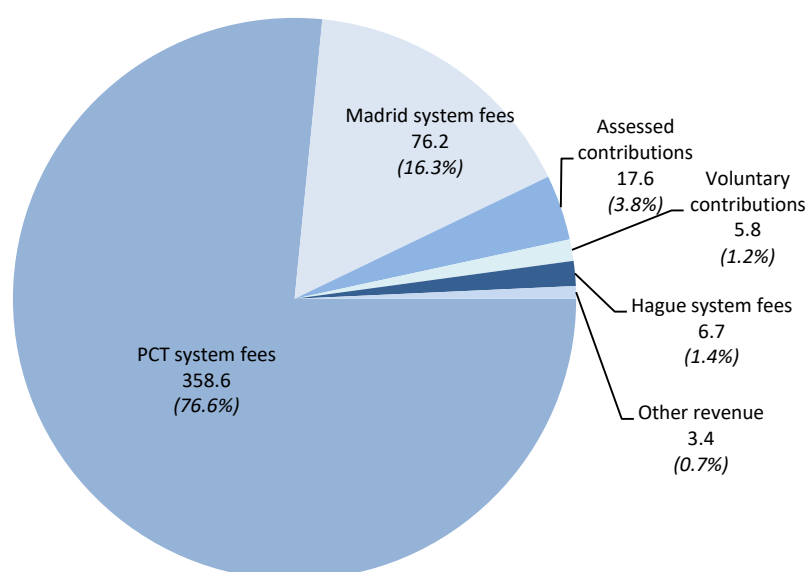


The WIPO financial statements as prepared in accordance with IPSAS include all areas and activities of the whole Organization. The inclusion of the results before IPSAS adjustments of Projects financed from reserves (deficit of 10.2 million Swiss francs) and Special Accounts (surplus of 3.6 million Swiss francs) represent 'entity differences' between the budget result and the surplus per the IPSAS financial statements. The application of full accrual basis accounting in accordance with IPSAS leads to a number of 'accounting basis differences' which impact the result for the year. The net impact of these adjustments is a 26.0 million Swiss francs reduction in the surplus. The principal accounting differences include:

- the depreciation expense of buildings and equipment and the amortization expense of intangible assets as the cost of these assets is spread over their useful lives;
- adjustments to reflect movements in employee benefit liabilities based on IPSAS compliant calculations, including those prepared by external actuaries;
- the capitalization of costs relating to the improvement of buildings and the acquisition of equipment, along with losses from the disposal or demolition of fixed assets.

Revenue

Composition of 2020 revenue on an IPSAS basis
(in millions of Swiss francs)



Total revenue of the Organization for 2020 was 468.3 million Swiss francs, representing an increase of 2.5 per cent compared to the 2019 total revenue of 457.0 million Swiss francs. The largest source of revenue during 2020 was PCT system fees, accounting for 76.6 per cent of total revenue. Revenue from PCT system fees rose by 6.1 per cent compared to 2019.

Madrid system fees were the second largest source of revenue during the year 2020, representing 16.3 per cent of total revenue. Revenue from Madrid system fees fell by 0.8 per cent compared to 2019. Hague system fees, Lisbon system fees, assessed contributions, voluntary contributions (contributions by donors to Special Accounts) and other revenue (publications, arbitration and mediation and other/miscellaneous revenue) comprise the remaining 7.1 per cent of the Organization's total revenue. The following table provides a summary of the changes by revenue type compared to the prior year:

Revenue variance 2019-2020

		2020	2019	Net Change	Net Change
					%
<i>(in millions of Swiss francs)</i>					
Revenue					
Assessed contributions	↑	17.6	17.3	0.3	1.7
Voluntary contributions	↓	5.8	10.9	-5.1	-46.8
Publications revenue	↑	0.5	0.3	0.2	66.7
Fees					
PCT system	↑	358.6	338.1	20.5	6.1
Madrid system	↓	76.2	76.8	-0.6	-0.8
Hague system	↑	6.7	5.3	1.4	26.4
Sub-total fees	↑	441.5	420.2	21.3	5.1
Arbitration and Mediation	↑	2.1	2.0	0.1	5.0
Other/miscellaneous revenue	↓	0.8	6.3	-5.5	-87.3
Total revenue	↑	468.3	457.0	11.3	2.5

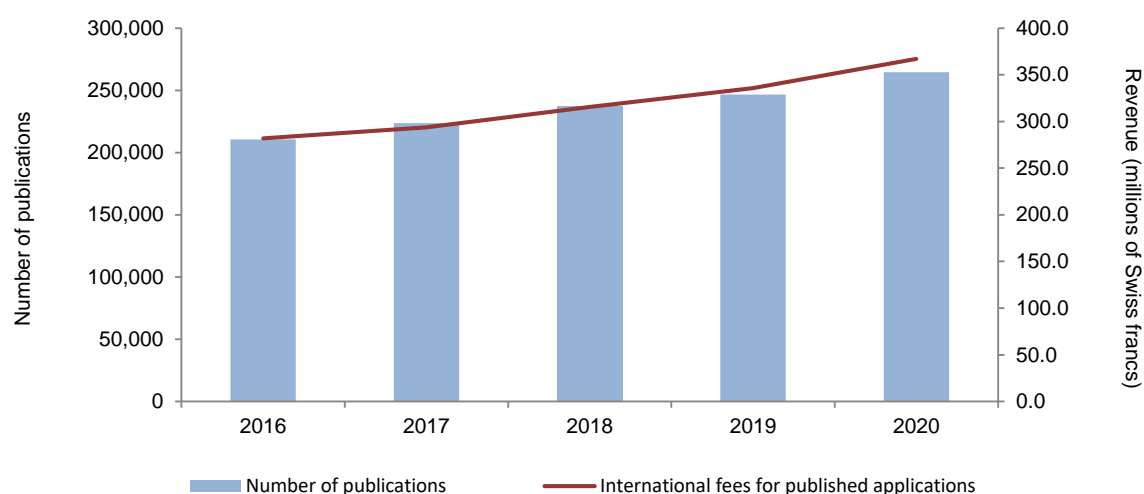
PCT revenue is principally comprised of international filing fees (the basic fee, plus supplementary page fees, less reductions for e-filings and least developed countries). The total PCT system fees revenue figure also comprises other fees (including handling and transfer fees) and foreign exchange gains and losses:

Detail of PCT system fees – 2016-2020

	2020	2019	2018	2017	2016
<i>(in millions of Swiss francs)</i>					
International filing fees	366.9	335.6	315.4	293.6	281.8
Other fees	3.2	3.4	3.6	3.6	3.8
Exchange gain/(loss) on fees received	-8.6	-2.6	1.7	0.4	5.2
Other exchange gain/(loss)	-2.9	1.7	0.7	-1.2	-0.1
Total PCT system fees	358.6	338.1	321.4	296.4	290.7

Revenue from PCT system fees on an IPSAS basis increased by 6.1 per cent compared to 2019. In the financial statements prepared under IPSAS, revenue for international filing fees from PCT applications is recognized only on publication of the application. In 2020 there were 264,584 publications compared to 246,636 in 2019. When looking at revenue from PCT international filing fees as recognized in accordance with IPSAS, the following graph shows how annual revenue has moved in line with the number of published applications in the year:

PCT - International filing fees and publications 2016-2020

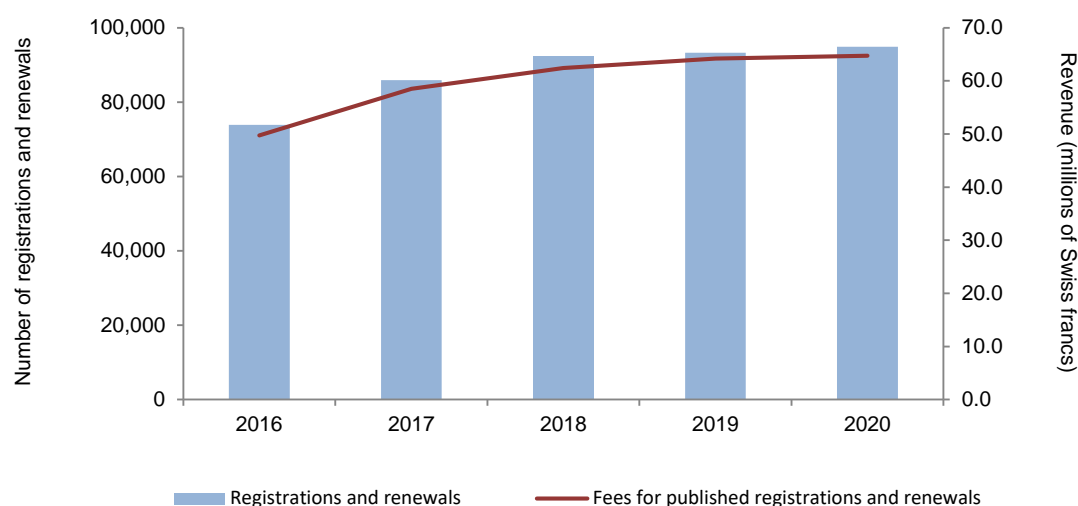


Madrid system fees principally comprise basic fees received from applications for registrations or renewals and fees for subsequent designations:

Detail of Madrid system fees – 2016-2020

	2020	2019	2018	2017	2016
<i>(in millions of Swiss francs)</i>					
Basic fees (registrations and renewals)	64.7	64.2	62.4	58.5	49.7
Subsequent designations	6.0	6.4	5.8	5.5	4.8
Other fees	5.5	6.2	6.1	5.9	5.1
Total Madrid system fees	76.2	76.8	74.3	69.9	59.6

In accordance with IPSAS, revenue from Madrid fees for registrations, renewals and subsequent designations is recognized in the financial statements upon publication. Revenue from registrations and renewals as recognized in accordance with IPSAS has moved in line with the number of registrations and renewals in the year. Between 2019 and 2020, the number of registrations fell from 64,118 to 62,062. However, in the same period the number of renewals rose from 29,136 to 32,731:

Madrid - Basic fees and registrations/renewals 2016-2020

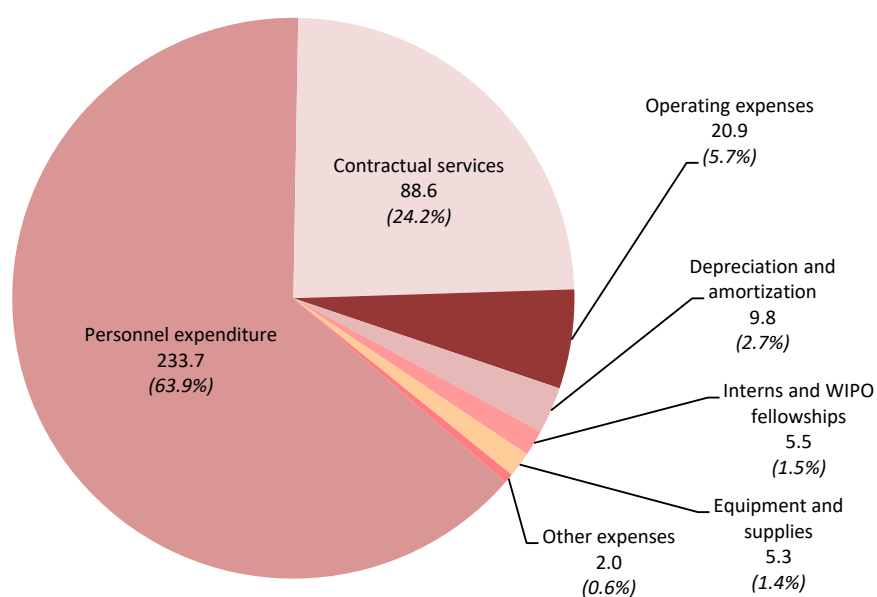
Revenue from Hague system fees totaled 6.7 million Swiss francs for 2020, representing an increase of 26.4 per cent compared to the 2019 figure of 5.3 million Swiss francs. Registrations under the Hague system rose from 5,042 in 2019 to 6,795 in 2020. Lisbon system fees totaled 7,000 Swiss francs in 2020, compared to 14,000 Swiss francs in 2019.

Revenue from assessed contributions of 17.6 million Swiss francs in 2020 represents 3.8 per cent of total revenue, while revenue from voluntary contributions of 5.8 million Swiss francs in 2020 represents 1.2 per cent of total revenue. Revenue from voluntary contributions fell by 46.8 per cent compared to the prior year. Voluntary contributions in 2020 were received under Special Accounts, for which revenue is recognized as work is performed and expense incurred in line with the relevant agreement. Due to the impacts of the COVID-19 pandemic, lower than anticipated expenses have been incurred which in turn has reduced the recognition of revenue in 2020. The actual receipt of voluntary contributions in 2020 was more in line with the prior year, totaling 9.4 million Swiss francs compared to 10.1 million Swiss francs in 2019.

Arbitration and mediation revenue of 2.1 million Swiss francs was up by 0.1 million Swiss francs on the prior year, while publications revenue of 0.5 million Swiss francs was 0.2 million Swiss francs higher than in 2019. Other/miscellaneous revenue totaled 0.8 million Swiss francs in 2020, compared to 6.3 million Swiss francs in 2019. The higher amount in 2019 was mainly the result of the reversal of unused provisions for legal costs.

Expenses

Composition of 2020 expenses on an IPSAS basis (in millions of Swiss francs)



STATEMENT IV: Statement of Cash Flow

for the year ended December 31, 2020
(in thousands of Swiss francs)

	Note	2020	2019
Cash flows from operating activities			
Surplus (deficit) for the period	Statement II	135,871	97,674
Depreciation and amortization	6 & 7	9,773	10,205
(Increase) decrease in inventories		-	1,298
(Increase) decrease in receivables	5	7,288	-3,771
(Increase) decrease in other assets	8	190	182
Increase (decrease) in advance receipts	12	4,019	17,417
Increase (decrease) in payables and accruals	9	-8,505	7,500
Increase (decrease) in transfers payable	11	3,736	-2,154
Increase (decrease) in provisions	13	-825	-3,777
Increase (decrease) in current accounts		4,084	-2,955
Movement in employee benefits (1)		24,246	25,975
Interest, dividends, investment and exchange gains/losses (2)		-37,170	-47,543
Net cash flows from operating activities		142,707	100,051
Cash flows from investing activities			
Additions to property, plant, and equipment	7	-2,722	-9,297
Disposals of property, plant, and equipment	7	536	-
(Increase) decrease in intangible assets	6	-270	-261
(Increase) decrease in investments	4	-240,431	-154,925
Increase (decrease) in fair value of investments	4	33,280	42,191
Dividends and interest on investments	19	4,948	5,222
Net cash flows from investing activities		-204,659	-117,070
Cash flows from financing activities			
Increase (decrease) in finance lease obligations	15	519	-
Net cash flows from financing activities		519	-
Effect of exchange rate changes on cash and cash equivalents		-1,058	130
Net increase (decrease) in cash and cash equivalents		-62,491	-16,889
Cash and cash equivalents at beginning of year	3	206,031	222,920
Cash and cash equivalents at end of year	3	143,540	206,031

(1) Includes the effect of recognition of actuarial gains/losses through net assets;

(2) Interest earned, dividends received, the effect of exchange rate changes on cash and cash equivalents, and gains/losses on investments.

Note 3: Cash and Cash Equivalents

	December 31, 2020	December 31, 2019
<i>(in thousands of Swiss francs)</i>		
Cash on hand	31	25
Deposits with banks	68,932	170,407
Term deposits less than 3 months	37,920	3,000
Notice accounts	26,022	17,602
Total operating and core cash	132,905	191,034
Deposits with banks	10,635	14,997
Total strategic cash	10,635	14,997
Total cash and cash equivalents	143,540	206,031

Note 4: Investments

	December 31, 2020	December 31, 2019
<i>(in thousands of Swiss francs)</i>		
Term deposits more than 3 months (operating cash)	116,000	17,000
Derivative financial instruments	116	1,304
Current investments	116,116	18,304
Medium term Investment portfolio (core cash)	471,738	354,493
Long term Investment portfolio (strategic cash)	200,606	175,232
Non-current investments	672,344	529,725
Total investments	788,460	548,029

Derivative financial instruments are forward foreign exchange contracts. The movement in the value of operating cash, core cash, and strategic cash investments during the year ended December 31, 2020 is as follows:

	Operating cash investments	Core cash investments	Strategic cash investments
<i>(in thousands of Swiss francs)</i>			
Investments fair value at January 1, 2020	17,000	354,493	175,232
Additional investments made	99,000	263,171	87,003
Dividends on non-current investments invested	-	2,054	1,159
Rebates on non-current investments invested	-	10	6
Disposal of non-current investments	-	-163,302	-70,708
Forex gains/(losses) on investments	-	-6,231	-3,823
Fair value increase/(decrease)	-	21,543	11,737
Investments fair value at December 31, 2020	116,000	471,738	200,606

		UNIONS						
Program	Program Title	Contribution Financed	PCT	Madrid	Hague	Lisbon	Special Accounts	Total
(in thousands of Swiss francs)								
REVENUE								
	Contributions	17,492	-	-	-	-	9,384	26,876
	Fees	-	358,557	76,209	6,667	7	-	441,440
	Publications	6	432	60	-	-	-	498
	Other/miscellaneous	199	295	525	210	187	71	1,487
	Arbitration and Mediation	376	356	962	397	-	-	2,091
	Sub- total revenue on budgetary basis	18,073	359,640	77,756	7,274	194	9,455	472,392
	Miscellaneous revenue projects financed from reserves	9	9	8	8	8	-	42
	IPSAS adjustments to revenue	59	0	0	0	-	-4,221	-4,162
	TOTAL REVENUE	18,141	359,649	77,764	7,282	202	5,234	468,272
EXPENSES								
1	Patent Law	124	1,726	77	-	-	-	1,927
2	Trademarks, Industrial Designs & Geographical Indications	376	-	1,221	282	88	-	1,967
3	Copyright and Related Rights	6,863	987	109	-	-	-	7,959
4	Traditional Knowledge, Traditional Cultural Expressions & Genetic Resources	2,558	-	-	-	-	-	2,558
5	The PCT System	-	98,693	-	62	-	-	98,755
6	Madrid System	-	-	26,572	170	39	-	26,781
7	WIPO Arbitration and Mediation Center	985	931	2,519	1,041	-	-	5,476
8	Development Agenda Coordination	16	1,138	125	-	-	-	1,279
9	Africa, Arab, Asia and the Pacific, Latin America and the Caribbean Countries, Least Developed Countries	127	9,671	1,445	267	89	-	11,599
10	Transition and Developed Countries	29	2,729	585	274	34	-	3,651
11	The WIPO Academy	70	5,176	569	166	-	-	5,981
12	International Classifications and Standards	278	2,161	618	31	-	-	3,088
13	Global Databases	14	3,466	1,287	343	-	-	5,110
14	Services for Access to Information and Knowledge	29	2,820	565	96	-	-	3,510
15	Business Solutions for IP Offices	63	4,693	516	-	-	-	5,272
16	Economics and Statistics	44	3,278	360	-	-	-	3,682
17	Building Respect for IP	22	1,653	182	-	-	-	1,857
18	IP and Global Challenges	29	2,159	237	-	-	-	2,425
19	Communications	86	6,343	697	58	-	-	7,184
20	External Relations, Partnerships and External Offices	59	4,653	748	278	100	-	5,838
21	Executive Management	643	7,740	2,623	648	41	-	11,695
22	Program and Resource Management	801	10,008	4,456	990	51	-	16,306
23	Human Resources Management and Development	679	8,170	2,768	650	44	-	12,311
24	General Support Services	912	10,969	3,717	872	59	-	16,529
25	Information and Communication Technology	1,346	18,141	5,913	1,339	87	-	26,826
26	Internal Oversight	130	1,564	530	124	8	-	2,356
27	Conference and Language Services	809	9,735	3,298	774	52	-	14,668
28	Information Assurance, Safety and Security	608	7,315	2,478	582	39	-	11,022
30	SMEs and Entrepreneurship Support	29	2,136	235	-	-	-	2,400
31	The Hague System	-	-	-	7,219	-	-	7,219
32	Lisbon System	-	-	-	-	650	-	650
	Sub- total expenses on budgetary basis	17,729	228,055	64,450	16,266	1,381	-	327,881
	Expenses on projects financed from reserves	106	8,343	957	855	-	-	10,261
	Sub- total expenses on budgetary basis including reserve expenses	17,835	236,398	65,407	17,121	1,381	-	338,142
	Special Accounts	-	-	-	-	-	5,835	5,835
	IPSAS adjustments to budgetary expenses and special accounts	1,297	16,820	4,719	1,186	101	-601	23,522
	IPSAS adjustments to projects financed from reserves	-38	-1,471	-160	-	-	-	-1,669
	TOTAL EXPENSES	19,094	251,747	69,966	18,307	1,482	5,234	365,830
	Investment gains/(losses)	1,745	27,499	4,185	-	-	-	33,429
	SURPLUS/(DEFICIT) FOR THE YEAR	792	135,401	11,983	-11,025	-1,280	-	135,871
Net Assets as at December 31, 2019 - actuarial gains/(losses) excluded								
	Actuarial gains/(losses) as at December 31, 2019	-4,726	-86,189	-23,634	-3,646	-355	-	-118,550
	Net Assets as at December 31, 2019	21,644	341,044	51,897	-47,305	-3,053	-	364,227
	2020 surplus/(deficit)	792	135,401	11,983	-11,025	-1,280	-	135,871
	Adjustment to Revaluation Reserve Surplus	99	1,277	361	91	8	-	1,836
	Net Assets as at December 31, 2020 - actuarial gains/(losses) excluded	27,261	563,911	87,875	-54,593	-3,970	-	620,484
	Actuarial gains/(losses) as at December 31, 2020	-11,471	-166,281	-44,634	-10,066	-969	-	-233,421
	Net Assets as at December 31, 2020	15,790	397,630	43,241	-64,659	-4,939	-	387,063