

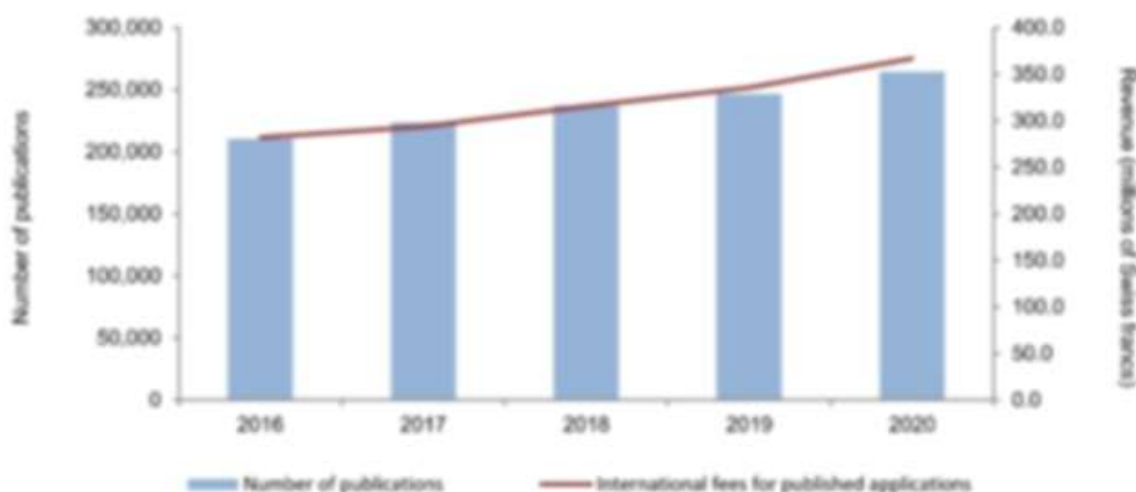
PCT revenue is principally comprised of international filing fees (the basic fee, plus supplementary page fees, less reductions for e-filings and least developed countries). The total PCT system fees revenue figure also comprises other fees (including handling and transfer fees) and foreign exchange 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             | 306.9        | 335.6        | 315.4        | 293.8        | 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         |
| <b>Total PCT system fees</b>          | <b>358.6</b> | <b>338.1</b> | <b>321.4</b> | <b>296.4</b> | <b>290.7</b> |

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         |
| <b>Total Madrid system fees</b>         | <b>76.2</b> | <b>76.8</b> | <b>74.3</b> | <b>69.9</b> | <b>59.6</b> |

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

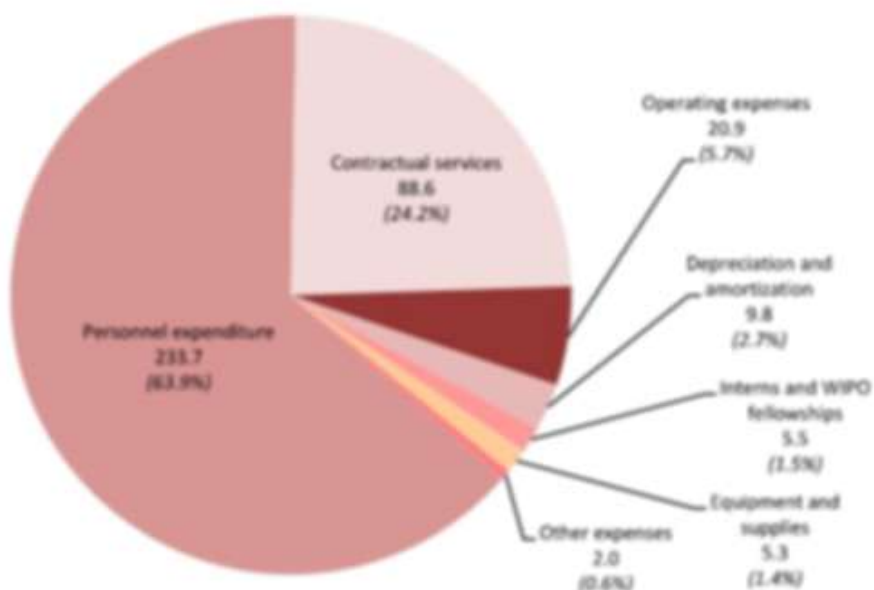


Revenue from Hague system fees totaled 6.7 million Swiss francs for 2020, representing an increase of 26.4 per cent compared to the 2019 figure of 5.3 million Swiss francs. Registrations under the Hague system rose from 5,042 in 2019 to 6,795 in 2020. Lisbon system fees totaled 7,000 Swiss francs in 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            |
|---|--------------|-----------------|-----------------|
| <b>Cash flows from operating activities</b>                         |              |                 |                 |
| 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           | -2,965          |
| Movement in employee benefits (1)                                   |              | 24,246          | 25,975          |
| Interest, dividends, investment and exchange gains/losses (2)       |              | -37,170         | -47,543         |
| <b>Net cash flows from operating activities</b>                     |              | <b>142,707</b>  | <b>100,851</b>  |
| <b>Cash flows from investing activities</b>                         |              |                 |                 |
| Additions to property, plant, and equipment                         | 7            | -3,722          | -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           |
| <b>Net cash flows from investing activities</b>                     |              | <b>-204,659</b> | <b>-117,070</b> |
| <b>Cash flows from financing activities</b>                         |              |                 |                 |
| Increase (decrease) in finance lease obligations                    | 15           | 519             | -               |
| <b>Net cash flows from financing activities</b>                     |              | <b>519</b>      | <b>-</b>        |
| <b>Effect of exchange rate changes on cash and cash equivalents</b> |              | <b>-1,058</b>   | <b>130</b>      |
| <b>Net increase (decrease) in cash and cash equivalents</b>         |              | <b>-62,491</b>  | <b>-16,889</b>  |
| Cash and cash equivalents at beginning of year                      | 3            | 206,031         | 222,920         |
| <b>Cash and cash equivalents at end of year</b>                     | <b>3</b>     | <b>143,540</b>  | <b>206,031</b>  |

(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.