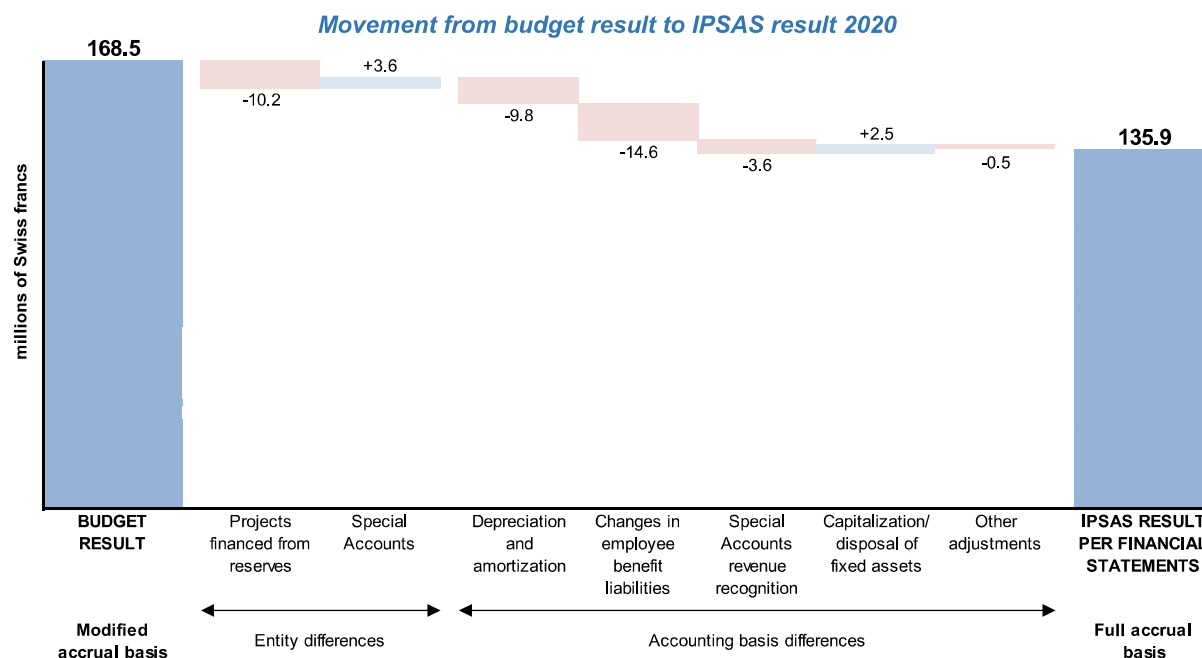


Financial Performance 2020

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:

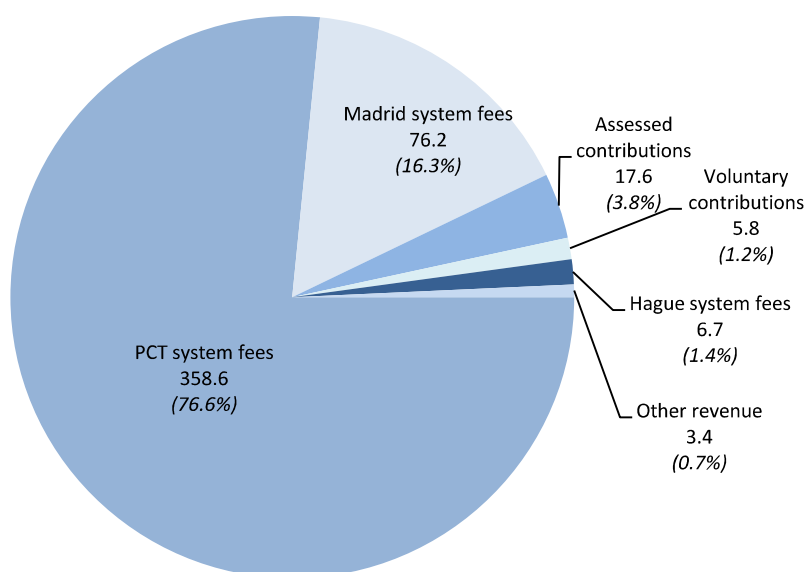


The WIPO financial statements as prepared in accordance with IPSAS include all areas and activities of the whole Organization. The inclusion of the results before IPSAS adjustments of Projects financed from reserves (deficit of 10.2 million Swiss francs) and Special Accounts (surplus of 3.6 million Swiss 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
		(in millions of Swiss francs)			%
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