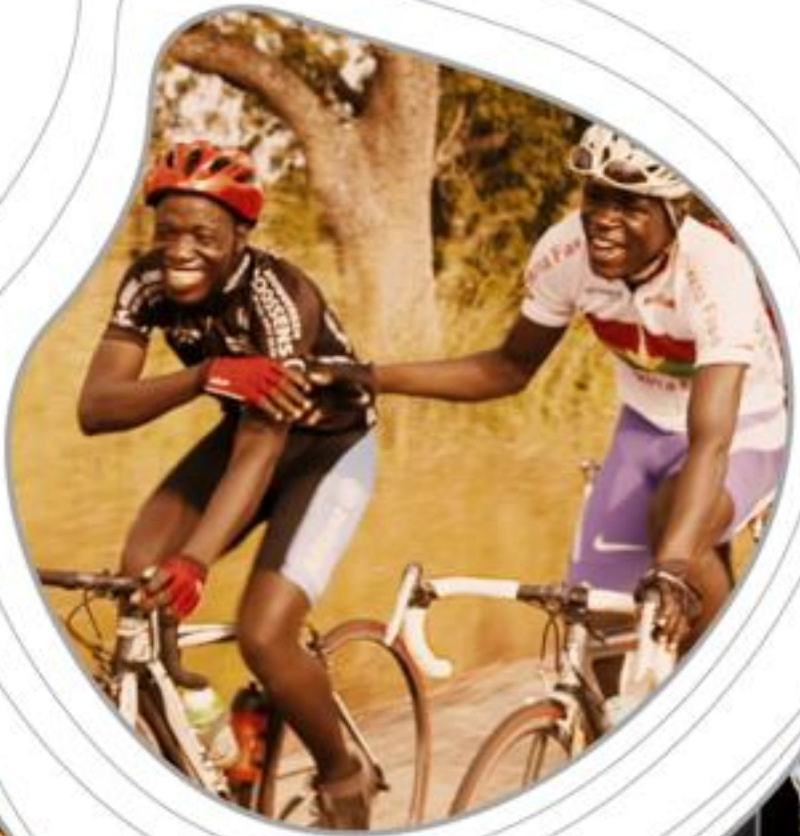
FILM DOO

BRINGING PEOPLE TOGETHER THROUGH FILMS

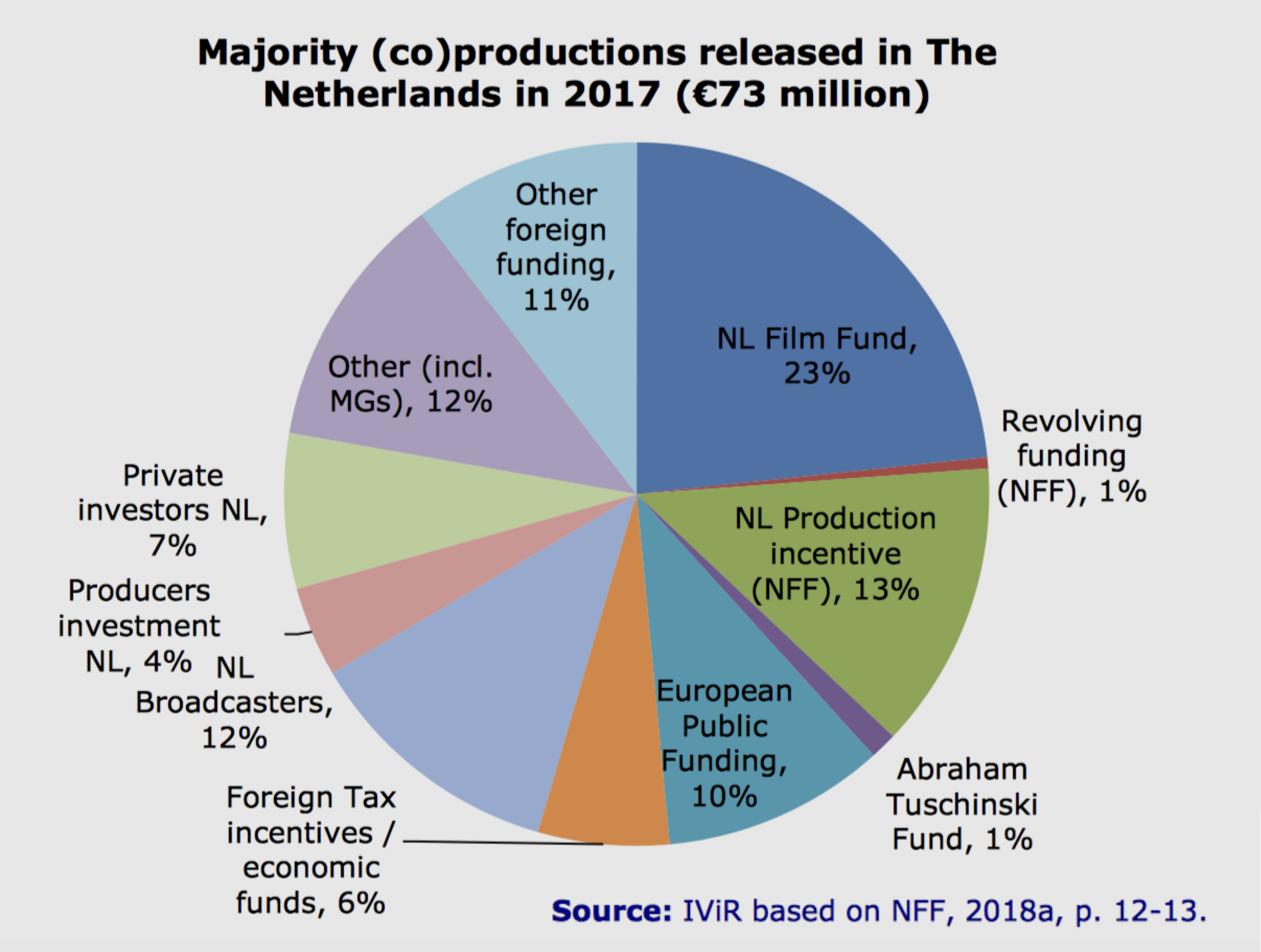


A Presentation For FOCAL

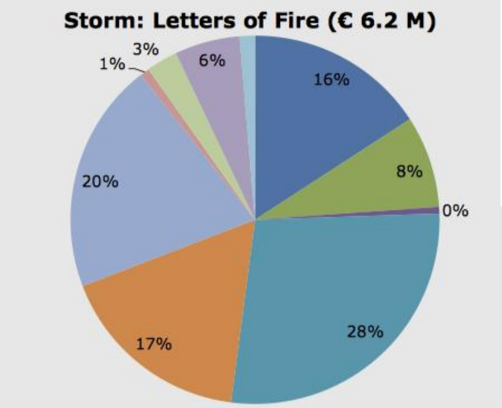
Who am I???

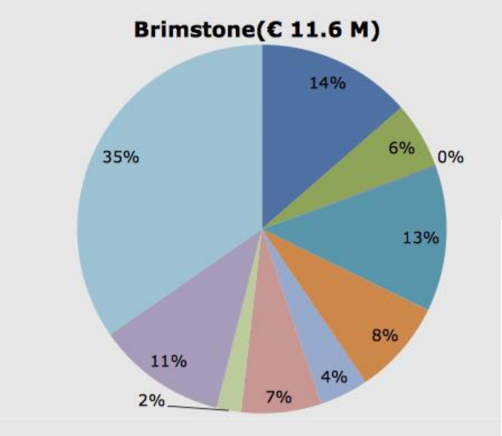
- Co-founder of FilmDoo Ltd, a London based VoD platform and Fassoo U.G. a Berlin based A.I and M.L metadata business
- Director & Secretary of EuroVoD
- Dual English & Australian qualified solicitor
- PhD focussing on innovation at University of Sydney

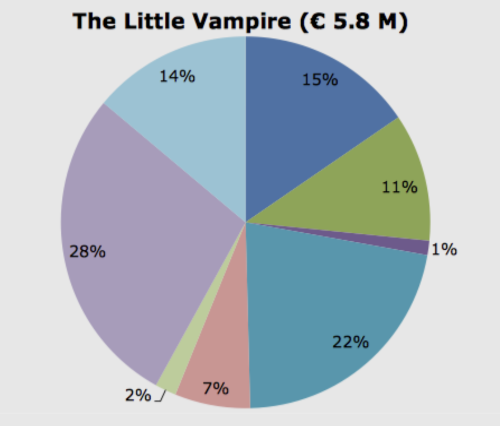
Example of Historical Film Financing



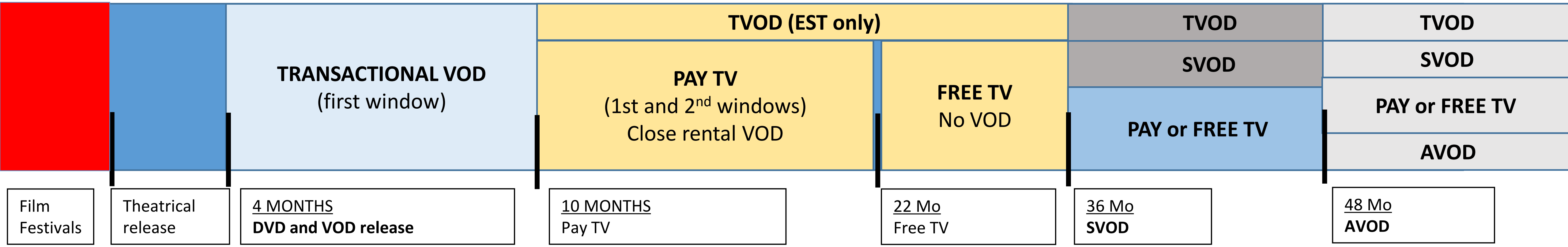
Source: IViR based on NFF, 2018a, p. 12-13.







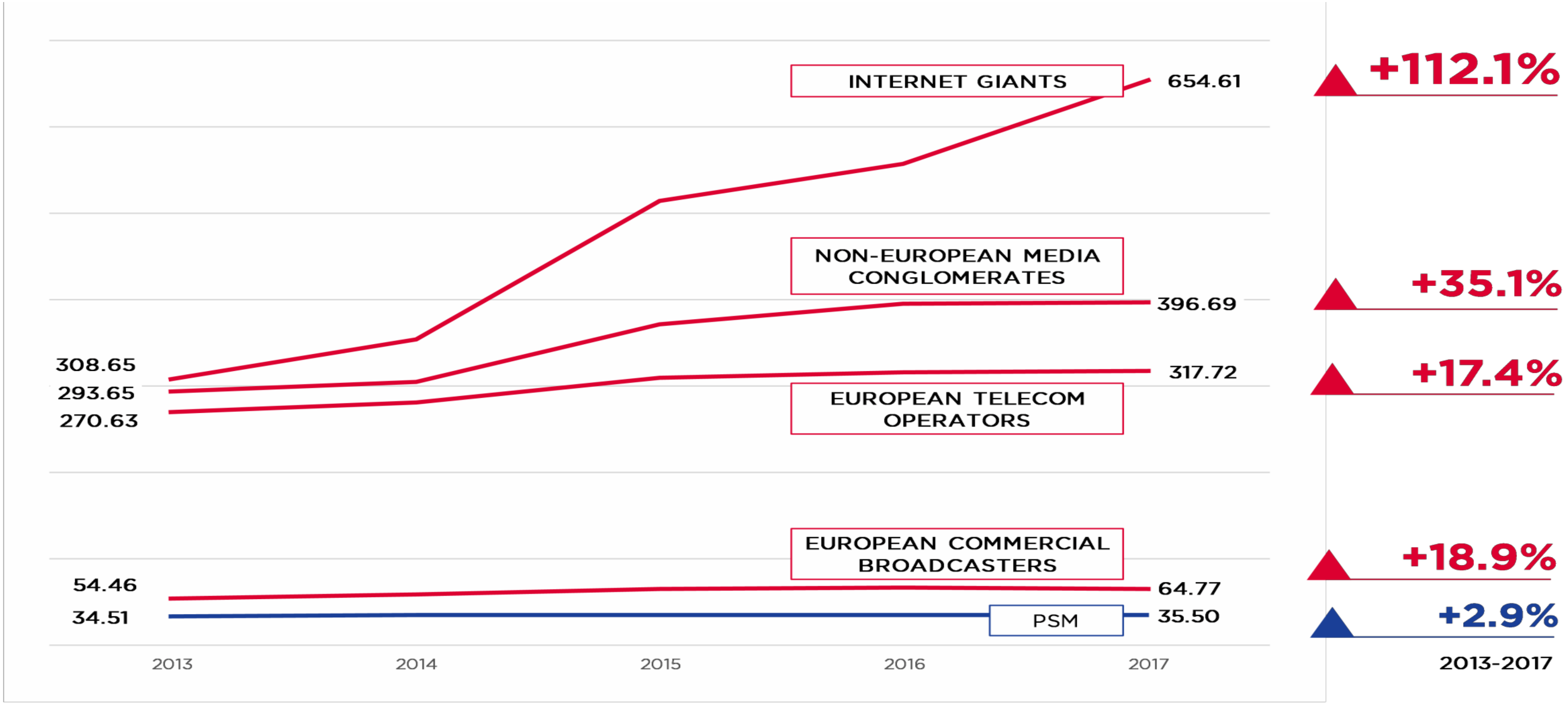
Traditional Windowing for the Release of Films



The MEDIA CHRONOLOGY has always played a strong role in the financing of film production. SVOD starting only at 36 months has protected PAY TV channels from new competition and has allowed for the development of a strong TVOD market.

Times are Changing in Distribution and Financing

Evolution of Revenues of Selected Audiovisual Players (Euro Billions, 2013 – 2017)



Source: EBU based on Members' data and companies' financial statements.

EBU Media Intelligence Service – Funding of Public Service Media 2018


NETFLIX
QUEER EYE
NETFLIX ORIGINALS
cooking
STAIRCASE
UNSOLVED
UNBREAKABLE KIMMY SCHMIDT
Critically-acclaimed European TV Programmes
the office

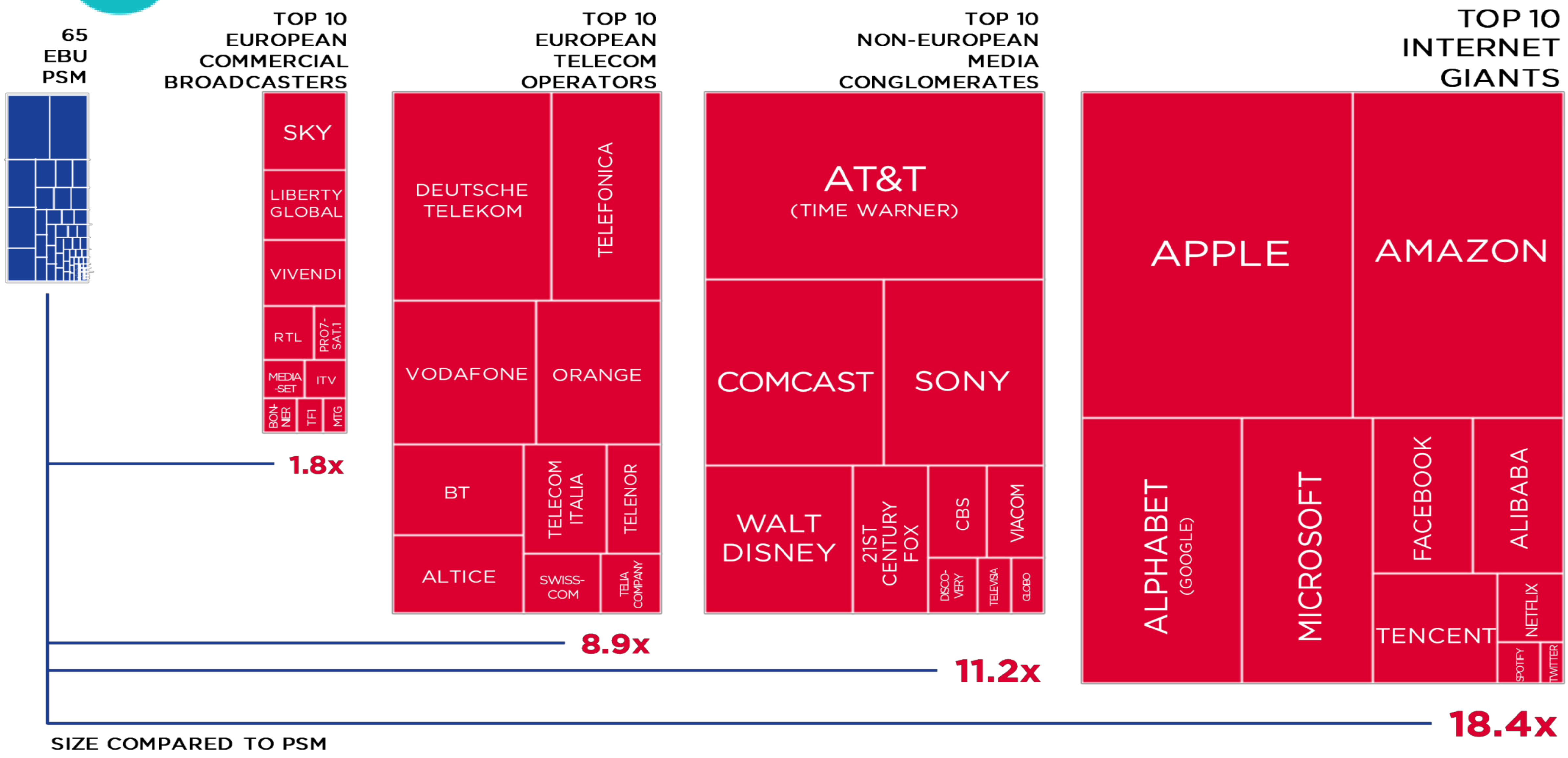
Key Trends are Accelerating Worldwide

Increases in non-linear consumption

Proliferation of Platforms Worldwide

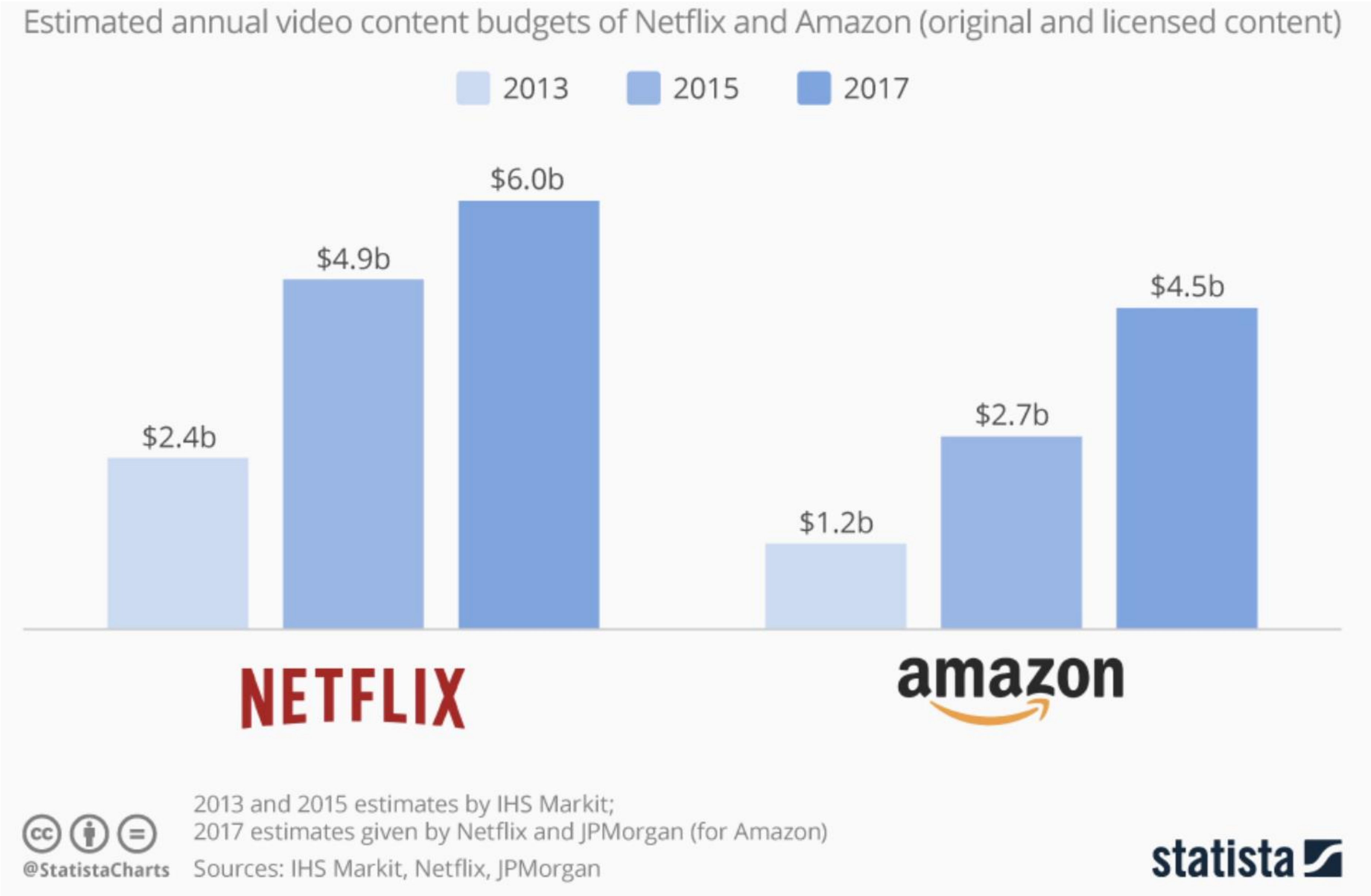
The End of Netflix's Monopoly

Revenues of Selected Audiovisual Players (2017)



Source: EBU based on Members' data and companies' financial statements.

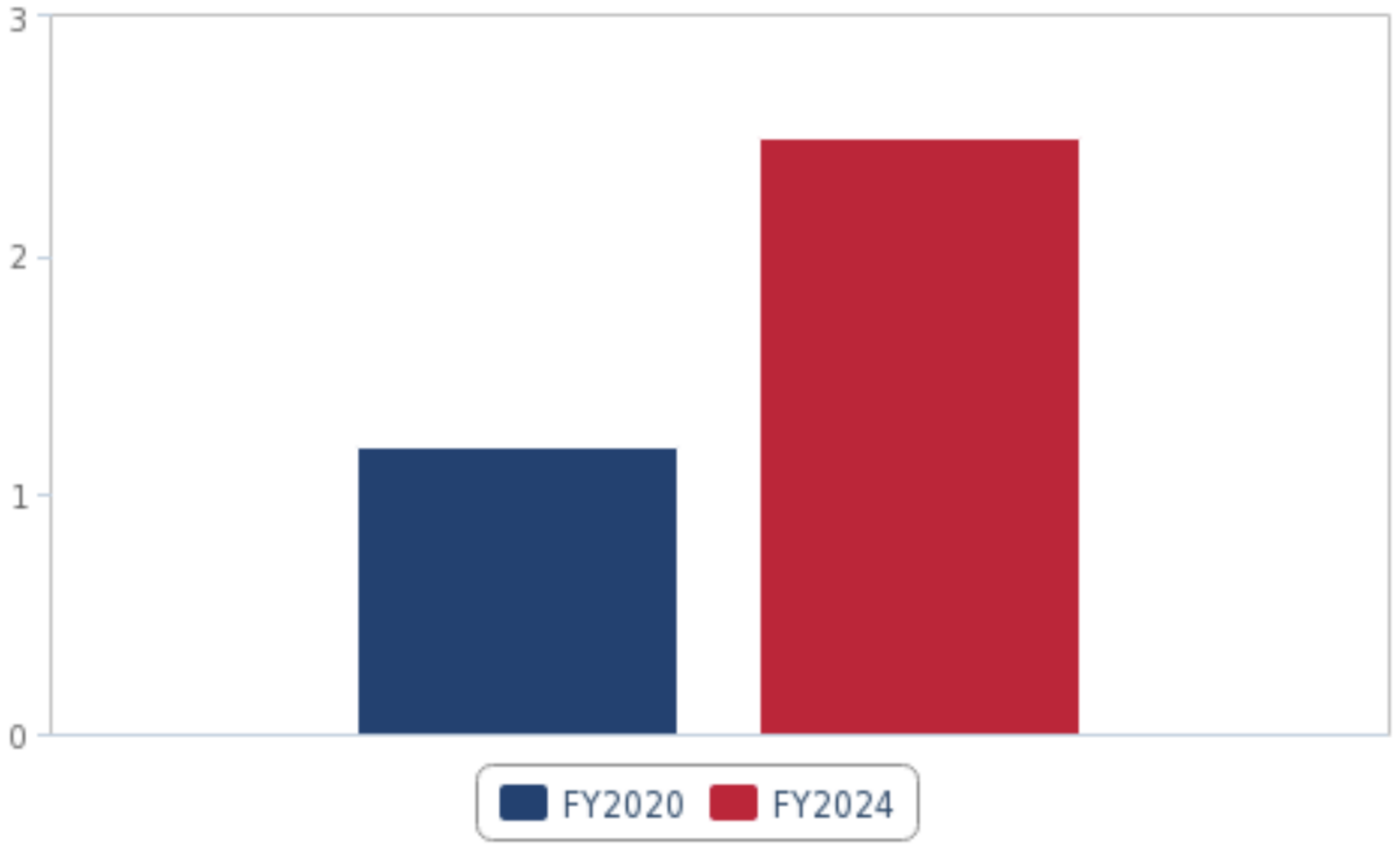
Billion Dollar Race for Streaming Supremacy



tv+

Introducing Apple TV+, a new streaming service where the most creative minds in TV and film tell the kinds of stories only they can. Featuring original shows and movies across every genre, Apple TV+ is coming this fall. Exclusively on the Apple TV app.

Disney Content Budget (USDbn)



Source: Disney, Fitch Solutions

VOD Platforms Acting More Like Traditional Platforms

Funding 'Originals'

Exclusives


SCREENDAILY

NEWS

Genre platform Shudder picks up 'Deadtectives' (exclusive)

BY JEREMY KAY | 7 MAY 2019

SOURCE: SHUDDER
DEADTECTIVES

AMC Network
platform Shu
rights across i
horror-comed

Writer-director
debut tells of a
TV ghost-hunte
paranormal ac
most haunted

Facing the can
and supernatu
must work out
deliver the epi
escape with th

All-rights deals

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VOD Commissioning

Disrupting Hollywood: Amazon goes to the Oscars

Digital disrupters are closing in on the Oscars — but can they reshape the entire film industry?

Matthew Garrahan 15

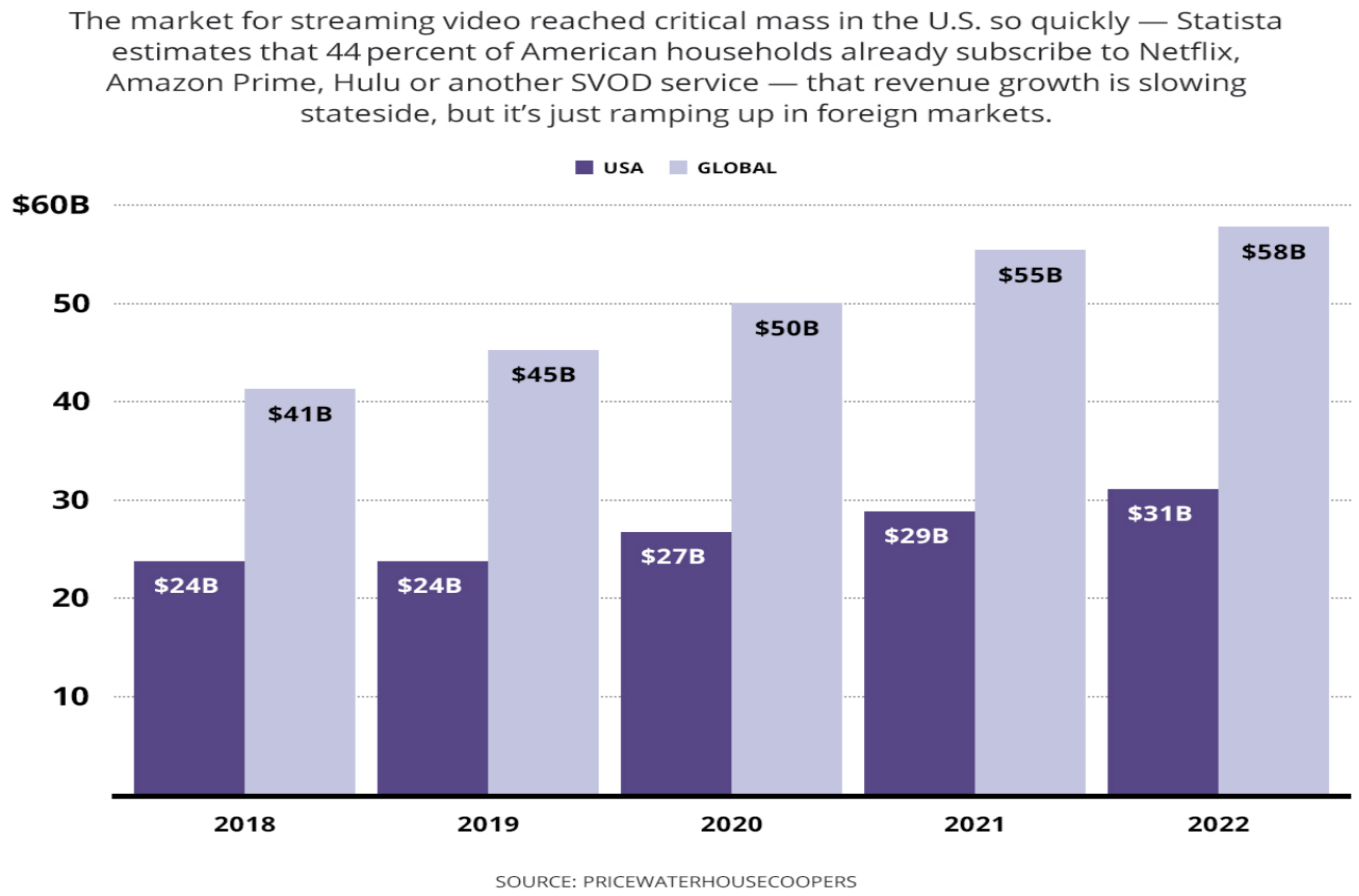
FEBRUARY 17, 2017

Cannes: 'Okja' Director Bong Joon-ho Dismisses French Controversy Over Netflix

By Sonia Kil

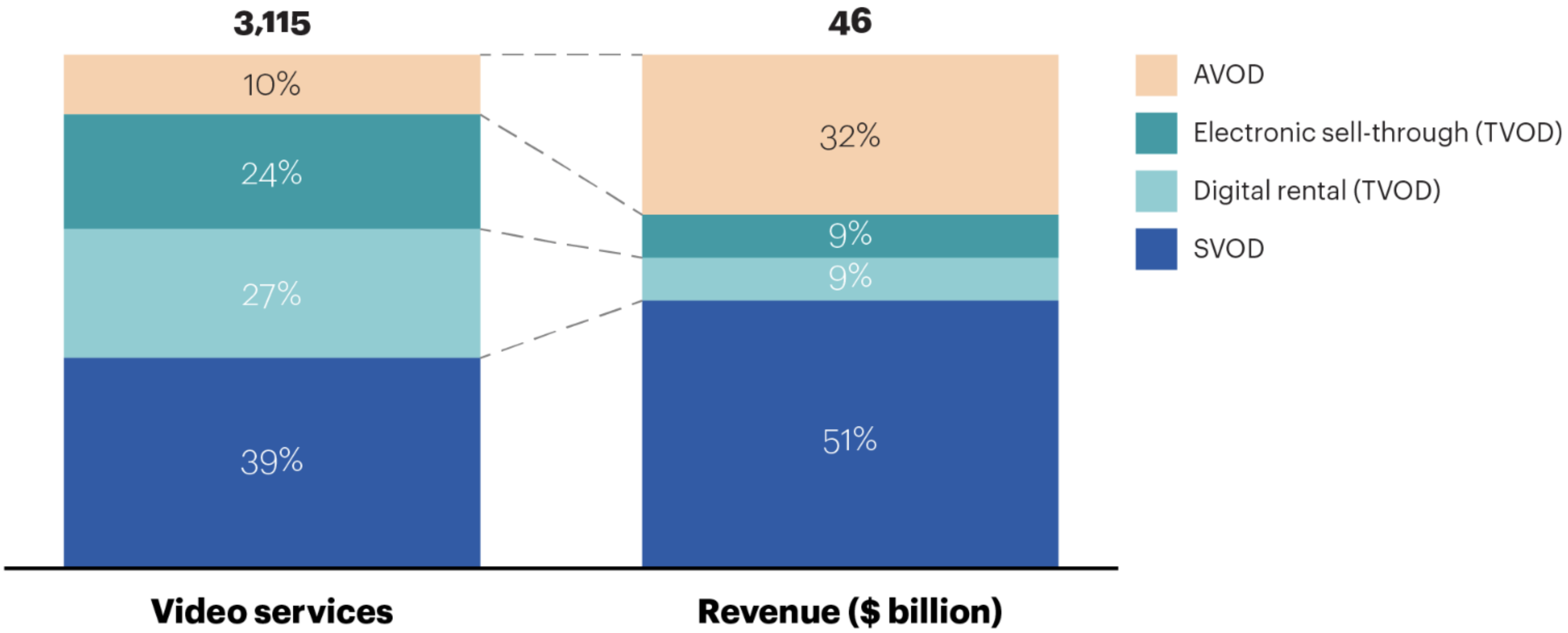
CREDIT: COURTESY OF NETFLIX

Streaming's Growing River of Revenue



Consumers are Spending More on Subscription Video Services than Ever Before

Global OTT video service and revenue split by service type, 2017



Notes: TVOD is transactional video on demand. OTT is over-the-top. SVOD is subscription video on demand. AVOD is advertising video on demand.

Sources: Ovum, Statista; A.T. Kearney analysis

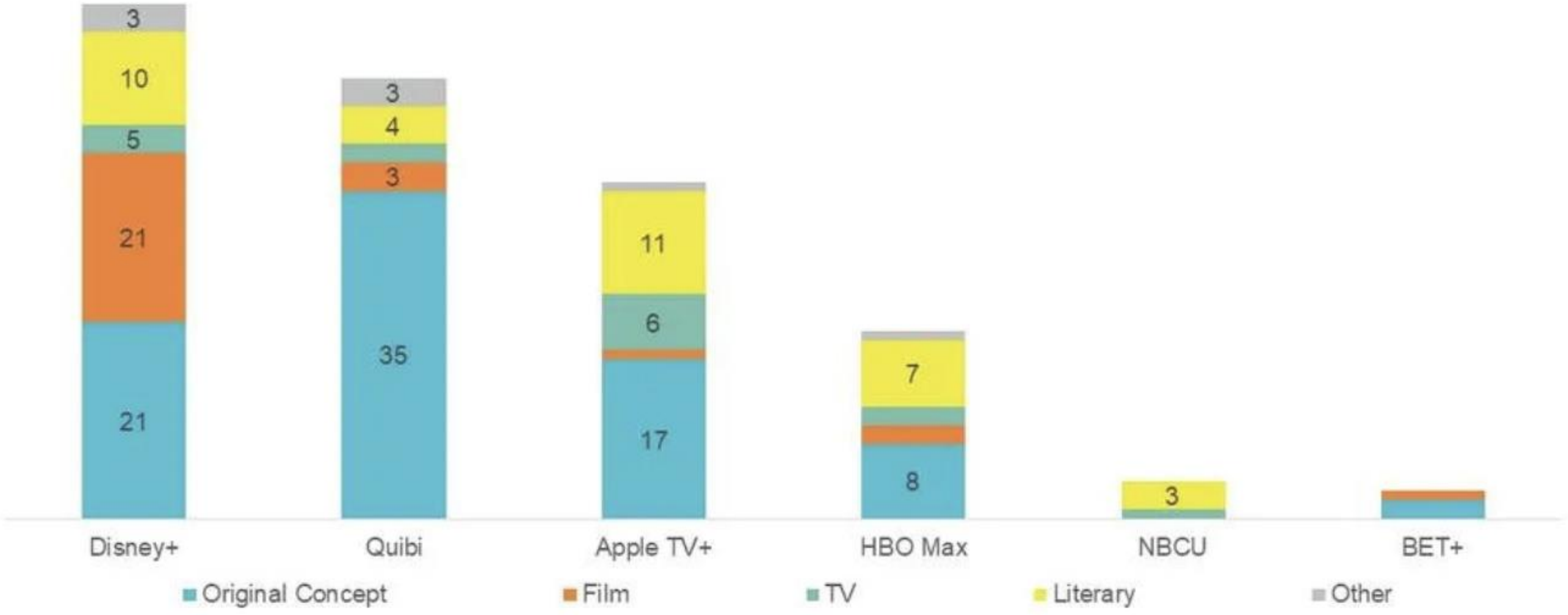
Market Challenges for Film Financing Practices

- The influence of SVOD services on film distribution is growing rapidly and the major players are worldwide giants that dominate the market.

- VOD services play an inducing role in changing release strategies and in challenging the traditional separation of windows for each type of exploitation.

- Connected audiences find it ever harder to understand that the film of their choice can be available in Europe or elsewhere in the world, but not in their country.

SVoD's platforms: Upcoming Originals by Source Material



Source: Ampere Analysis

Lines are Being Blurred

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Seeing Collaboration Between Leading SVOD Platforms and Telcos / Pay TV operators

amazon
vodafone

iflix
digi
maxis

sky +
NETFLIX

Telcos Adding their own OTT/SVODs

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Funding 'Originals’

sky
ORIGINAL
PRODUCTION

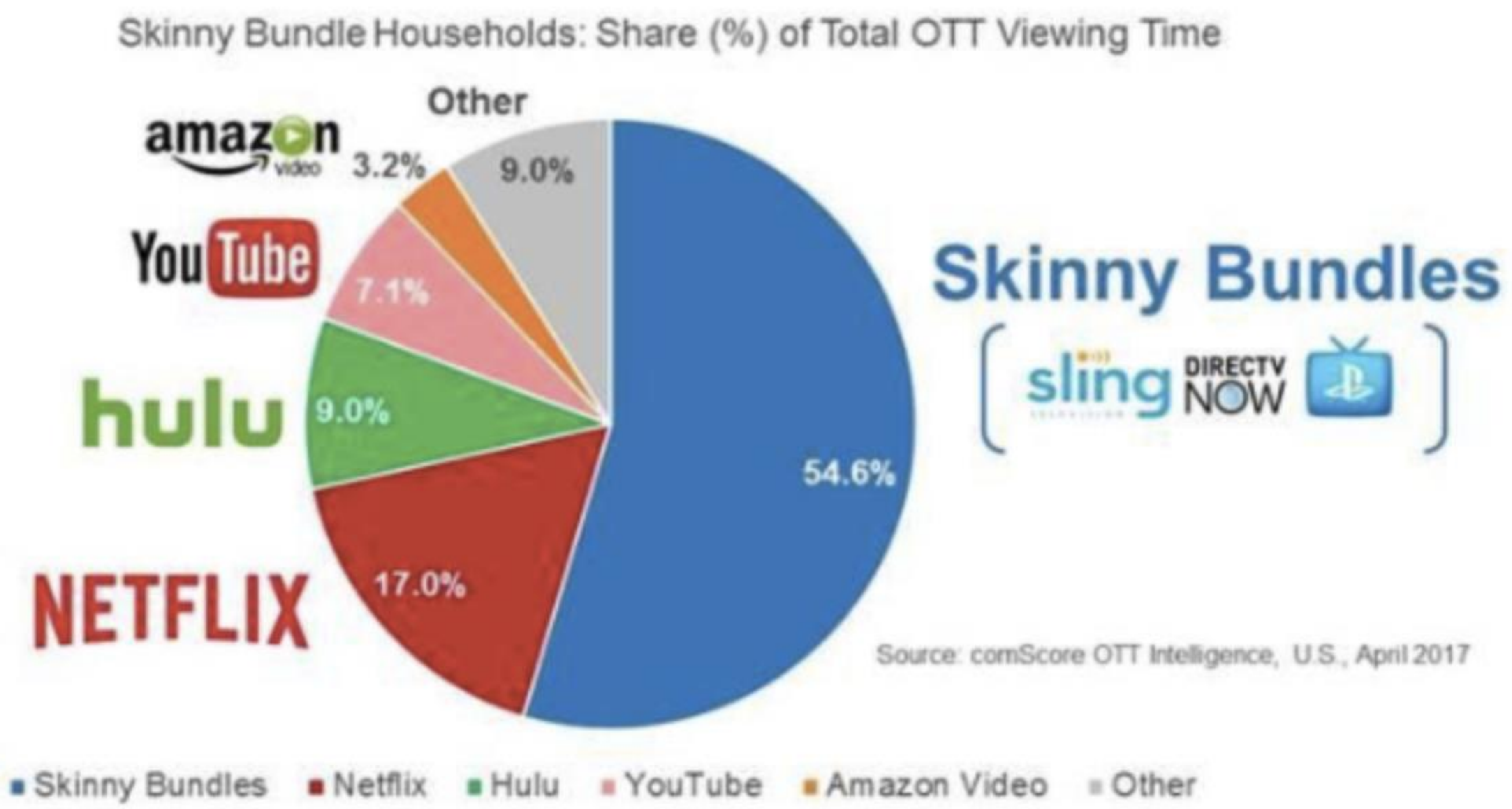
A viaplay
ORIGINAL

ATRIUM | TV

OUR PRODUCTIONS

COMMITTED TO CREATING STANDOUT DRAMA SERIES, THE ATRIUM TV SLATE OF ORIGINAL SCRIPTED CONTENT INCLUDES PROJECTS FROM “A” LIST WRITERS AND WORLD CLASS PRODUCERS.

'Skinny bundles' , hybrids



Continued Industry Uncertainty

- Death of platforms
- Decline in Blu-Ray and DVD sales is accelerating- **$18 billion in 2016,** down **17% from $21.6 billion in 2015**, and are expected to drop to **$9.1 billion by 2020**
- Whilst digital video spending worldwide grew **30%**, reaching **$22 billion**, compared to **$17.5 billion in 2015** with **60% spent on SVOD.**
- SVOD dominance, slowdown in TVOD
- Change in user behaviour – unwillingness to pay for content and growth of illegal apps and ways to view content

#AVMSD

How to Exploit VOD for Produced Content

When to exploit which VOD rights: media chronology

- VOD should not affect the classic principle : chronology starts with biggest price for an individual (theatres) and end with smallest price for the largest groups (free TV)
- Most European markets have placed the VOD rentals and EST at the moment of the video DVD release (not before). This is being increasingly challenged
- SVOD services are better placed after pay TV channels, until they pay more
- AVOD services should be avoided until the license fees are significant : such services potentially dry up the value of a title
- Catch-up TV services are not a chronology issue, but the number of viewing or transfers allowed can potentially also dry up the value of a title

How to maximise revenue and exposure for independent distributors

- Most VOD platforms only concerned with offering a wider selection of titles than their competitors, not maximising revenues of each title

- It is rarely possible to control the price policy of a platform, but it is always possible :

  - not to work with those that dump the market (generally to sell other services, such as Internet access)
  - Or to ask for a guaranteed royalty, independent of the sale price

How to maximise revenue and exposure for independent distributors (cont'd)

- The need of promotion / editorial support is stronger than on any other exploitation except theatrical

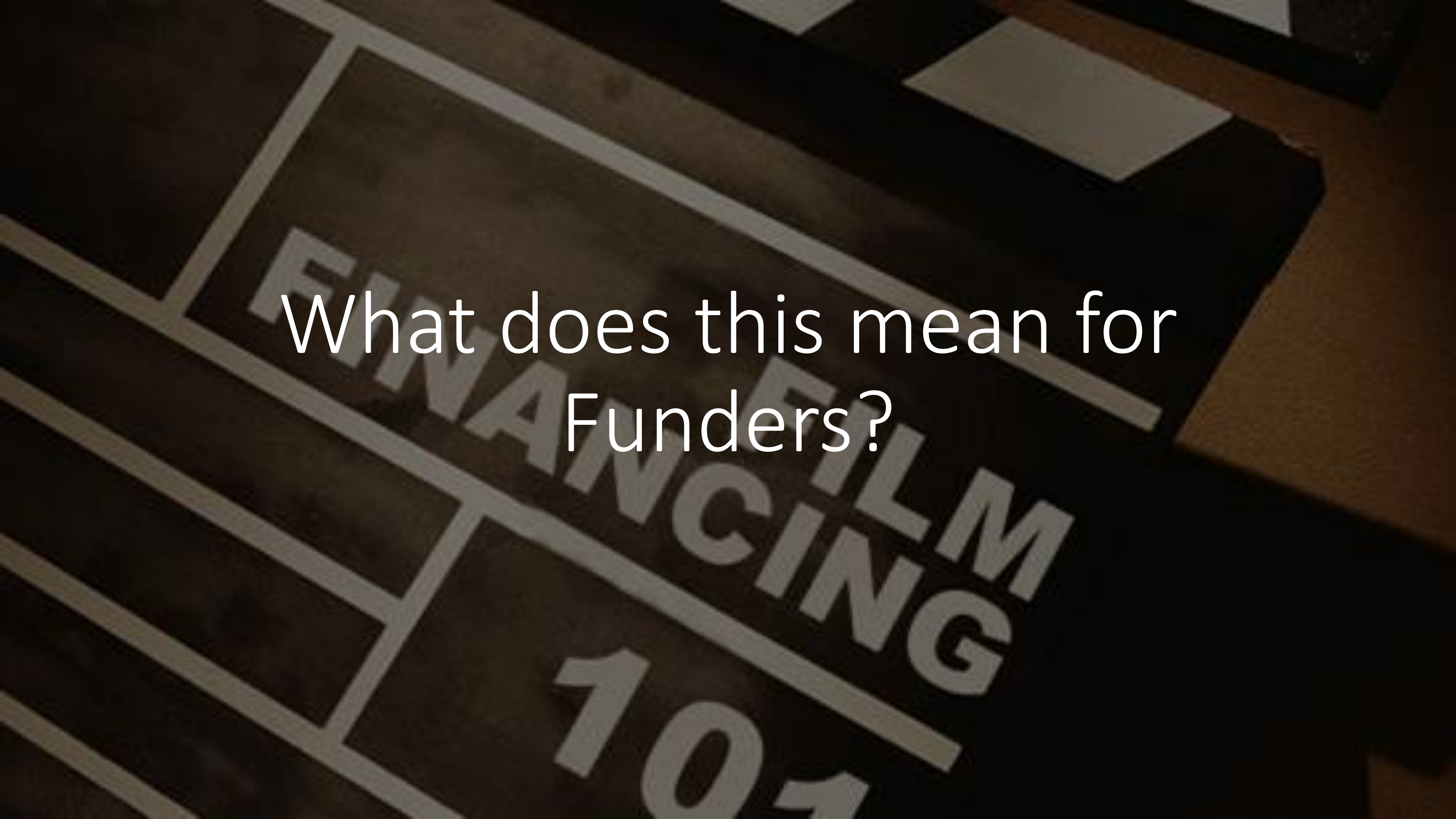
  e.g. in France, during year 2007, the first 50 films represented 60% of the admissions in theatres, 19% of the DVD sales and 33% of the VOD rentals

- The long tail theory can be a reality with strong editorial & recommendation tools

- Aggregation of independent distributors/producers to obtain better rates and exposure

  e.g. Universciné - Eurovod

What does this mean for Funders?



FILMDOO

What does this mean for funders?

- More than just Netflix!
- More options than ever before for financing – new forms of advance funding, exclusives etc
- Need to have a ‘global mind-set’ to distribution, more content distribution and players available
- Blended options for financing, new models likely to emerge
- Growth of co-production worldwide and in emerging markets
- Use ‘exclusive’, ’originals’ and ‘all-rights’ to maximise value
- Need to consider VOD platforms and long-tail in the financing models

How funds can help producers deal with platforms

- Opening doors to platforms, broadcasters and telcos
- Need for education for producers
- Creation of new financing models
- Increasing focus on distribution, marketing and need to raise awareness
- New forms of funding are increasingly crucial – crowdfunding etc
- AVSMD could offer some assistance!

THANK YOU!