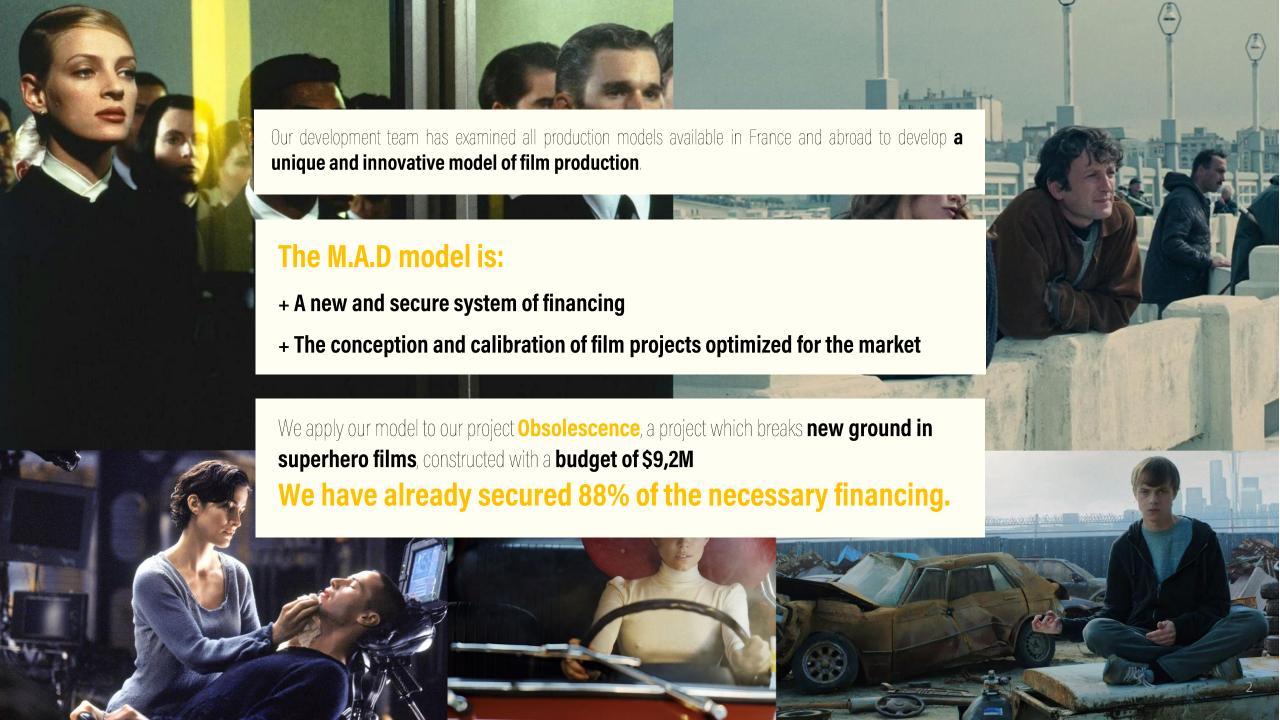


# Invest in an innovative film production model for international markets





## MEDIA ARTISTIC DEVELOPMENT

has invented a new model of film production which enables international commercial exploitation and high level of profitability

Our **innovation** lies in our successful **blending of 2 systems** that today function separately.

The institutional system of European financing

(automatic funding, subventions, aids)

The industrial and commercial international system of mid-movies

(North American model)

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## 1 - The International Film Market

A colossal market, dominated by science-fiction and superhero films

# North America represents 1/3 of the world market France represents only 4% of the world market

The film and entertainment market in the USA in 2023 represented \$94.45 billion

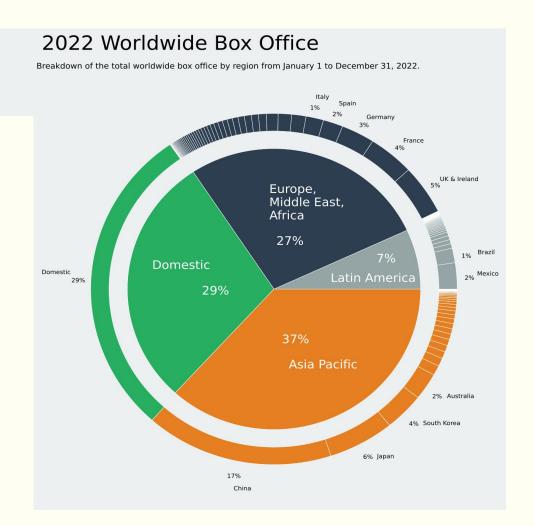
Surprisingly, the film industry continued to grow through the pandemic and should see

a compound annual growth rate of 4% between 2018 and 2025

(source : Movies And Entertainment Market Size, Share & Trends Analysis Report By Product (Movies, Music & Videos), By Region, And Segment Forecasts, 2022 – 2030 www.grandviewresearch.com)

Annual revenues of the global film production and distribution industry \$76.7 billion in 2023

(source : statista .com)



## 1 - The International Film Market

A colossal market, dominated by science-fiction and superhero films

- Superhero films have become the most popular and most profitable genre in the world
- Adventure Action Drama: 63% of the global box office between 1995 and 2023.
  - Fantasy and science-fiction films predominate in the Adventure/Action categories.

(Source, the numbers & Statista

- Original scripts represent 44.57% of the box office and are far and away the bestselling content
- 81.4% of films produced today use
   English as their principal language

(Stephen Follows, Film data and education)

## 2 - Film production in France

A predominant institutional system

## A strong institutional system Centre National du Cinéma

A public structure administering:

schemes - funding regulation of film financing

+ SOFICA Financing Television stations

### **Cultural and thematic anchoring**

Not mainstream themes

### **Focused on comedy**

Little opportunity for genre films (action, adventure, science-fiction, fantasy...)

### **Secure but limited financing**

Average budget of a French film: €4m

### Francophone policy

No support for English-language films

## Low levels of international distribution

Only 17m tickets sold worldwide



Financially secure but limits on opportunities for international exploitation

French films not conform to international standards

**Limits on the industrial nature of French film production** 

## 3 - The Model of American Mid-Movies

A balance between production quality and invested sums

## 100% private funding

system of varied investments

**Investments of production companies** 

**Investment of sellers/distributors** 

**Private equity investors** 

### Balanced budget between \$8m and \$25m

Production quality + managed costs = profitability

### 70% of films produced on this model are profitable

(source: thenumbers/USA)

#### The most commercial genres

Adventure, action, science-fiction, thriller...

#### **Worldwide exploitation**

North America, Europe, Asia

#### **Mainstream themes**

Films made in English



Very industry focused 100% investment financing riskier

Considerable profitability pressure to pay investors for all financing Needs a part of institutional money to be more profitable

## 4 - M.A.D: a unique financing model

A secure model which combines several systems in optimal ratios

A financing drive for only \$1,95M

produces a fil with a budget of \$9,2M

## Private equity and financing drive

Investors, family office, investment fund, French and international wealth managers



20% of total budget

## The system of international coproduction

which allows a **single film to have several nationalities**, and thus to benefit from **institutional funding** in those countries (tax shelters, subvention, tax rebates, regional aids...).

**Not accessible for American films** 

60% of total budget



### A secure and profitable financial strategy

Investment generates automatic and secured institutional funding in the coproducer-countries and

attracts financing from international distributors

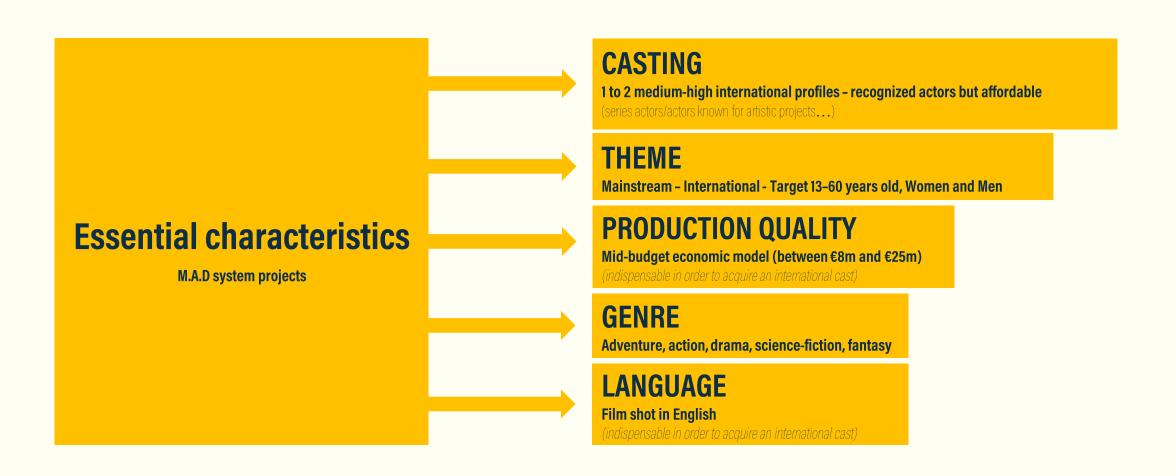
## Financing from international sales



20% of total budget

## 4 - The M.A.D production system

An industrial approach to projects designed for the international market



## 4 - M.A.D: Overview of benefits of this production model

Increases exploitation potential

With the M.A.D model, projects benefit from **exploitation opportunities in 80% of the world market** (North America, Europe, Asia)

Reduces profitability pressure drastically

**60% of the budget comes from international public investment**, less demanding of return on investment

Diversification

Unlisted investments, unconnected with financial markets

Go behind the scenes on a film set

Meet the team, follow each step and plunge into the experience of making a film.

A very short cycle of exploitation and return on investment

**83.7% of revenue is generated in the first 24 months of exploitation**. Dividends paid from year 2 onwards, in a cycle of 5 years (*CNC figures*)

## 4 - M.A.D: How we make your investments secure

From start to end of the project

2024

### **FILM DEVELOPMENT**

**Before production Immobilization of investments** 

**Invested funds remain immobilized** before production starts (Except legal and administrative costs within M.A.D)

The development costs, up to \$160,000, are being met by a coproducer, Amelia Hoffmann A.A.

2025

### **FILM PRODUCTION**

<u>During the production</u>

Solid system of incura

**Solid system of insurance begins with production** 

All audiovisual and film productions have **obligatory and extremely solid assurance policies** (with numerous guarantees) **from the moment production starts** in order to protect investors and financers.

A completion bond, guaranteeing completion within a given timeframe and budget, is a **legal obligation** for all international coproductions

2026

### **FILM RELEASE**

Upon release

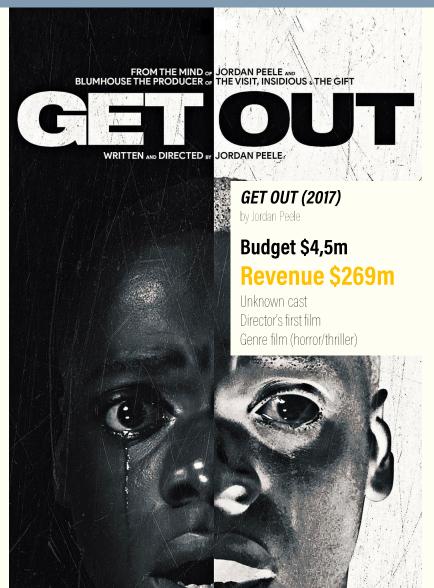
Safety net: purchase by streaming platforms possible

Platforms buy for between **100% and 150% of a film's production costs**, films which for different reasons do not have a cinema release

Platforms are extremely eager to buy content and actively looking for films which have not had cinema releases

## 4 - M.A.D: Successes in our category of project









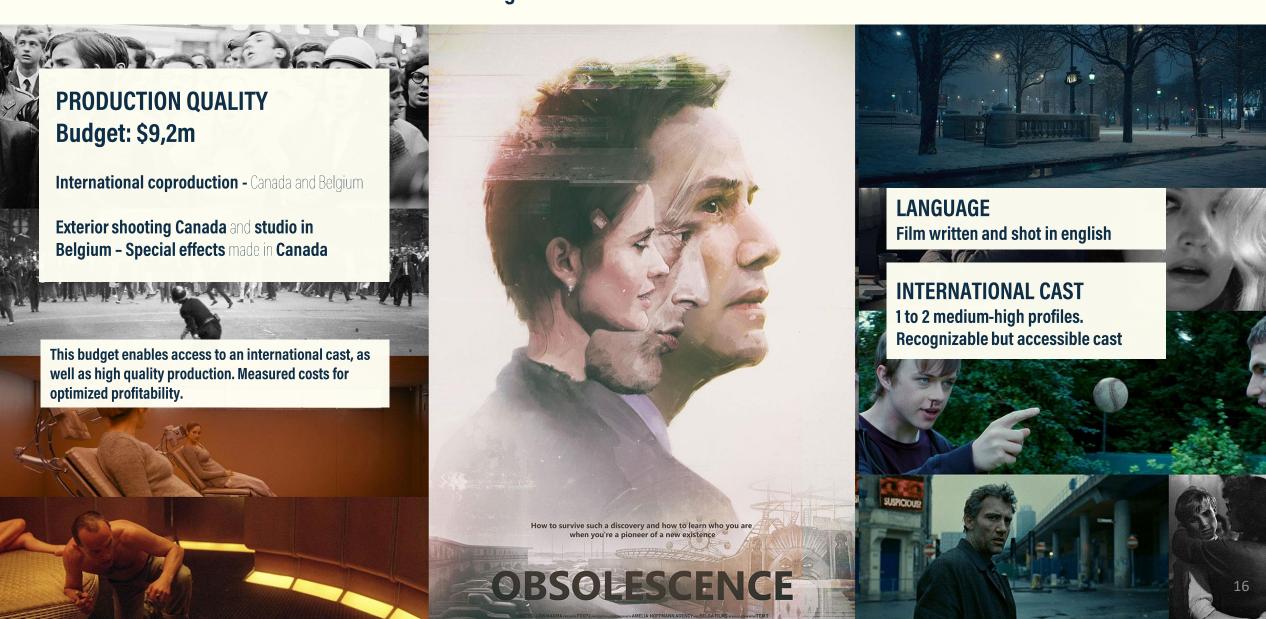






## 5 - Obsolescence, a film conceived on industrial lines

According to the mid-blockbuster movie formula



### **OBSOLESCENCE**

### Written and directed by Manuel Liminiana

#### **GENRE & THEME**

Genre: Soft Science-fiction / Adventure / Action

**Theme**: Fear of difference, acceptance of oneself and others,

evolution of the human race

**Positioning**: mid blockbuster movie with high artistic

potential

Characters from 8 to 60 years old Audience: mainstream and cinephile, Men/Women From 13 - 60 years old

### **Reinventing the Superhero Film**

In *Obsolescence*, it is less a question of superheroes saving the world, than the possibility of a new evolution of the human race, rendering the previous one obsolete. *Obsolescence* is a soft science-fiction film wherein the fantasy highlights humanist and universal values. Human rapports, self-sacrifice and the hope of collective efforts are some of the subjects dealt with. The movie calls into question the capacity of this society to accept what is new.

The ambiance is inspired by a retro-futurist cross between the 50's and the 70's in a post-war atmosphere of a constructivist, geometric city being rebuilt. *Obsolescence* is driven by narrative, but cracks into action with the best of contemporary cinema: spectacular, gripping, technological, universal.

Obsolescence is the missing link between European and American know-how, combining a strong narrative line and human, social interrogations in an immersive visual and sensory experience.



### The artistic team in place

**Beth Lipari is our casting director based in Hollywood**, she helps us with our approaches and negotiations.

**Maxime Alexandre**, **our cinematographer**, is used to working on big Hollywood productions with special effects (*Shazam, Crawl, The Nun...*)

**Russel Barnes is our production designer**, and is very in demand for films with an ambience similar to ours (*Only God Forgives, The Darkest Minds...*)

**John Murphy is our composer**, has won numerous awards for his film scores. Very excited by the project, has accepted to divide his normal fee by 4 to work with us (*Ocean 8, Sunshine, 28 weeks later...*)







## 5 - The M.A.D model of financing for OBSOLESCENCE

**Global budget \$9,2M- Experienced partners** 

#### **SCOPE PICTURES**

**Belgium / Brussels** 

#### **Coproducer - Financer - Line producer**

The biggest Belgian production company more than 200 films

brings \$3,2M to the co-production

## SCOPE

The biggest Belgian production company: **more than 200 films**, 145 César nominations, 23 films selected at the Festival of Cannes.

4 Oscar nominations

## M.A.D

brings \$1,95M to the co-production

+

#### LAST YELLOW MAGMA

CEO Manuel Liminiana - Executive production Responsability for production of *Obsolescence* 

brings \$700.000 to the co-production

AMELIA HOFFMANN A.A.

France / Lyon

Coproducer

brings \$160.000 to the co-production

#### ITEM 7

Canada / Montreal

#### **Coproducer - Financer - Line producteur**

An extremely well known Canadian company
Pioneer in Euro Canadian coproductions
brings \$1,6M to the co-production



### INTERNATIONAL SALES

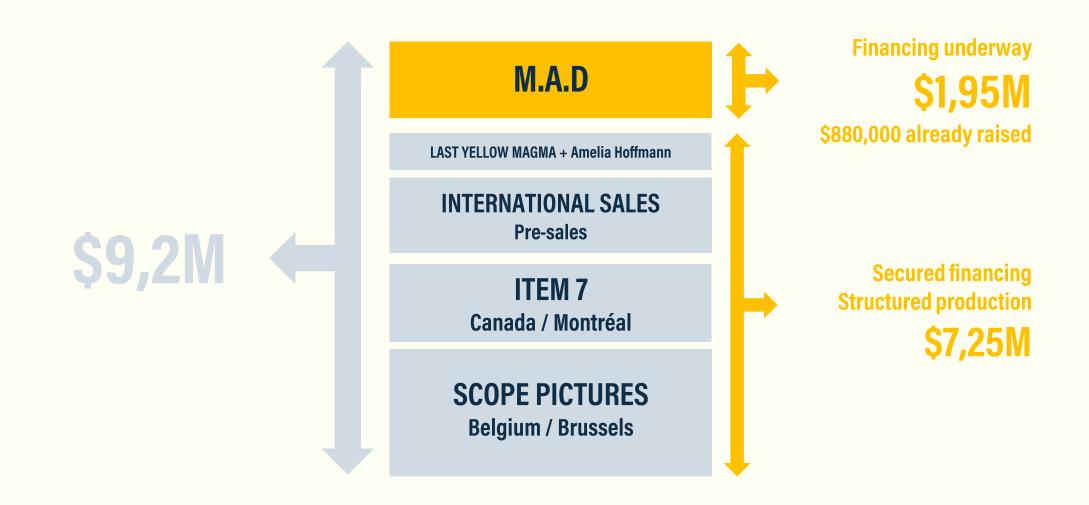
#### **Pre-sales**

Script approved by nearly ten internationa sellers: **Lionsgate, Focus features, A24...**brings \$1,5M to the co-production

An extremely well known Canadian company, **248 nominations and 93 prizes**: Oscars, BAFTA, Golden Globe, Toronto International Film Festival, Venice Film Festival, Academy Awards, Berlinale Berlin Film Festival, Tribeca Film Festival....



## 5 - OBSOLESCENCE: financing secured for 88% of the budget



## 5 - Recovery of investment within M.A.D

for Obsolescence

### **Revenue projection**

Medium revenue is estimated at between **\$32,5m and \$54m**Low Estimation: \$22m / High Estimation: \$108m

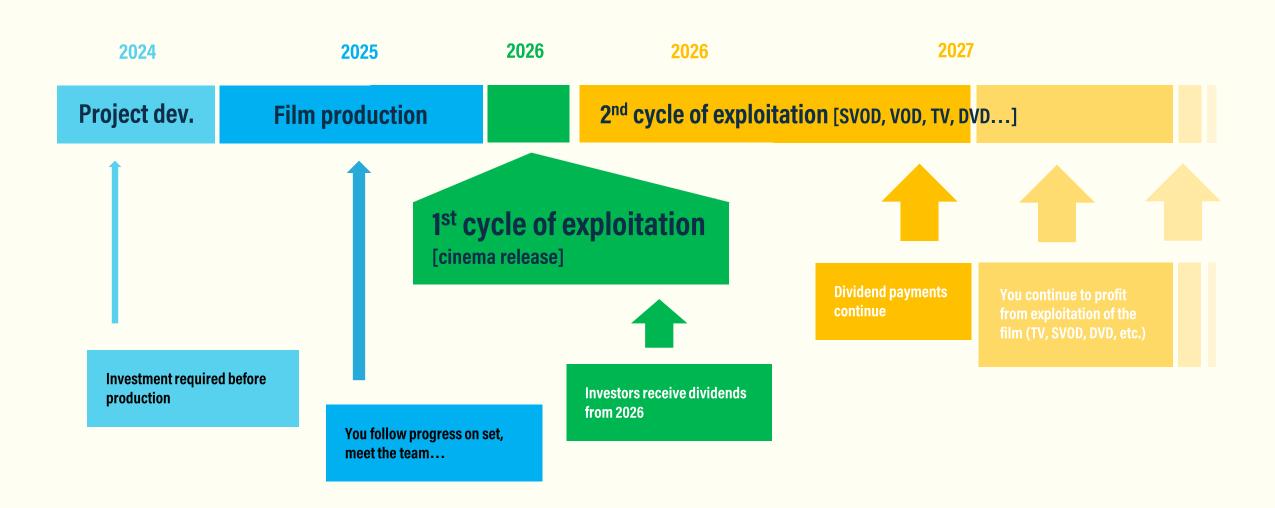
Revenue estimation for Obsolescence was carried out by **The Numbers / Nash Informations Services**, the premier supplier of data and services to the international cinema industry

Media Artistic Development recovers its investment of \$1,95m first, 12% of the net revenenue (producer's share of net eanings, RNPP) up to 200% of recovery, then 6% of net revenue.

Profits excluding contractual distributors' fees	\$21,7m revenue	\$35,6m revenue	\$54m revenue	\$108m revenue	\$163m revenue
	Low estimation	Medium estimation	Medium/high estimation	High estimation	Very High estimation
M.A.D Investment \$1,95m	\$2.6m	\$4.3m	\$5.6m	\$8.9m	\$12.2m

## 5 - A rapid return on investment

**Obsolescence** 





### **Manuel Liminiana**

Writer, director, producer CEO M.A.D

After many years' experience on French film sets (Chabrol, Gobbi, Tavernier), Manuel decided to develop his own projects.

He has written and directed 21 short films and won several prizes around the world.

He notably won the celebrated scriptwriting prize, **Prix Junior du scenario, in 2003**, with *Plastic Toys*, a feature-length fantasy film.

What are his influences? Manuel worked on the universe of the American scriptwriter-director **Terry Gilliam** (*Brazil, Twelve Monkeys...*) and exchanged with him about the notions of utopia, uchronia, and thus constructed a singular approach to anticipation fiction and science fiction. Manuel perfected his writing technique alongside **Robert McKee, Christopher Vogler and David Koepp**, one of Hollywood's greatest scriptwriters (*Jurassic Park, Spider Man, Mission Impossible, Carlito's Way...*).

Manuel is also an **experienced businessman**. He was associated with the creation of the Pole Pixel – Villeurbanne cinema studios, and in 2008 founded with two associates one of the biggest cinema schools in France, **l'Ecole Factory**, in Villeurbanne/Lyon, and of which he was co-director for 10 years. Manuel is also the author of a great many stage-plays, funded by the **Centre national du Livre (National Book Centre)** and founder and director of the théâtre de l'Uchronie in Lyon.

Today, Manuel Liminiana dedicates himself to developing his series and feature film projects.



#### **Barbara Loison**

Producer, M.A.D project develomen

#### **CEO Amelia Hoffmann A.A**

Barbara Loison worked for more than 15 years in the contemporary art world and organization of international cultural events. She has held leading and management roles in the domains of communication, fundraising and of international development projects within major cultural organizations, most notably the International Lyon Biennale.

She joined forces with Kylie Walters, a WHO consultant, with whom she imagined and built a major scientific, political and artistic event within the framework of the G7.

# Barbara became a consultant to the French Ministry of Foreign Affairs for fundraising and the organization of major events.

Through this project, Barbara collaborated with "Times Up", the movement against sexual harassment initiated by a group of Hollywood stars. Inspired by these experiences and her expertise in financing international projects, in 2018, Barbara decided to extend her activity towards the film industry and founded the Amelia Hoffmann Artistic Agency to develop film projects.



#### **Nicolas Triffoz**

Founder director of NT PATRIMOINE &

# Financial Engineering, Administrator of the Strategic Committee of M.A.D

Nicolas has 17 years' experience in asset management and capital investment. Nicolas Triffoz has a record of expertise in the administration of more than ten companies since 2013.

He has notably participated in the financing of industrial and innovative SMEs eligible for the fiscal measures IR-PME and contribution and sale operations of more than €15m, and is known for his analysis, his selection of these companies and the exceptional value of his financial engineering.

He has developed investment solutions in company form, through NT Patrimoine & Finance and its partners for a clientele of private investors having shown a prior interest in this type of operation, and for professional asset managers.

### Other collaborators

### **François Villet**

Associated Founder M.A.D

M.A.D Shareholder



M.A.D Shareholder



**Entrepreneur networks and investor connections** 

M.A.D Shareholder



### **Thierry Picq**

Innovation - Project building

Business School, Co-Founder of Act'4 Talent

M.A.D Shareholder



### Lise de Courville

Innovation - Start up

Business consulting - formerly Head of Open innovation chez Bpifrance fund of funds et Head of Customer Experience at onefinestay



### **David Gal-Regniez**

**Specialist Creative Industries** 

Director «Content and Usages» of the competitivity pole of MINALOGIC, former director of IMAGINOVE



### **ANNEXES**

### **General information**

- Box Office: the genre of the most seen films on the world
- Box Office: how much, where, by who, for who
- Box Office : press reviews
- Diffusion of French films internationally
- Genres of films produced and seen in France
- Detail of French institutional system of financing

### The OBSOLESCENCE project

Film pitch

## World Box Office: the genres of the most seen films in the world

#### Market Share for Each Genre 1995-2023

Rank	Genre	Movies	Total Box Office	Tickets	Share
1	Adventure	1,153	\$65,845,826,501	9,361,784,149	26.65%
2	Action	1,169	\$54,274,521,261	7,449,905,168	21.97%
3	Drama	5,661	\$36,074,070,536	5,467,853,534	14.60%
4	Comedy	2,479	\$34,236,618,858	5,208,766,957	13.86%
5	Thriller/Suspense	1,269	\$20,281,524,391	2,944,265,789	8.21%
6	Horror	774	\$14,202,770,581	2,011,667,164	5.75%
7	Romantic Comedy	659	\$10,886,631,185	1,745,920,849	4.419
8	Musical	208	\$4,383,651,341	578,324,859	1.779
9	Documentary	2,510	\$2,576,023,244	383,311,519	1.049
10	Black Comedy	231	\$2,347,343,372	345,227,893	0.959
11	Western	95	\$1,292,636,021	187,668,543	0.529
12	Concert/Performance	86	\$421,702,053	56,793,532	0.179
13	Multiple Genres	47	\$63,923,998	8,245,910	0.039
14	Reality	5	\$58,365,147	6,370,806	0.029
15	Educational	1	\$260	28	0.009

#### Market Share for Each Creative Type in 2023

Rank	Creative Type	Movies	2023 Gross	Tickets	Share
,	1 Science Fiction	7	\$333,300,560	36,346,840	44.66%
	2 Contemporary Fiction	47	\$222,474,828	24,261,137	29.81%
;	3 Kids Fiction	4	\$101,881,667	11,110,322	13.65%
4	4 Dramatization	10	\$37,890,638	4,132,015	5.08%
;	5 Historical Fiction	11	\$22,816,326	2,488,142	3.06%
(	6 Super Hero	3	\$16,071,666	1,752,634	2.15%
-	7 Factual	10	\$9,737,249	1,061,856	1.30%
	8 Fantasy	2	\$2,066,515	225,355	0.28%

#### Market Share for Each Source 1995-2023

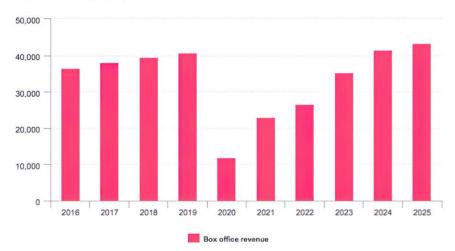
Rank	Source	Movies	Total Box Office	Tickets	Share
1	Original Screenplay	8,307	\$110,160,994,531	16,395,435,740	44.57%
2	Based on Fiction Book/Short Story	2,223	\$47,637,029,420	7,084,822,829	19.27%
3	Based on Comic/Graphic Novel	273	\$26,335,892,806	3,345,567,864	10.65%
4	Remake	336	\$12,891,759,320	1,935,818,897	5.22%
5	Based on Real Life Events	3,364	\$11,785,318,498	1,696,399,370	4.77%
6	Based on TV	236	\$11,442,295,305	1,703,889,146	4.63%
7	Based on Factual Book/Article	320	\$7,594,195,856	1,025,055,399	3.07%
8	Spin-Off	49	\$4,666,525,781	559,835,226	1.89%
9	Based on Folk Tale/Legend/Fairytale	78	\$3,406,118,495	441,393,525	1.38%
10	Based on Game	55	\$2,311,080,539	311,252,098	0.94%
11	Based on Play	278	\$2,129,266,354	329,345,258	0.86%
12	Based on Theme Park Ride	9	\$1,661,572,240	238,117,393	0.67%
13	Based on Toy	21	\$1,295,107,560	157,057,200	0.52%
14	Based on Religious Text	37	\$1,022,487,308	160,501,159	0.41%
15	Based on Short Film	56	\$911,540,024	128,100,355	0.37%
16	Based on Musical or Opera	47	\$821,975,834	123,835,848	0.33%
17	Based on Movie	47	\$544,334,809	69,327,783	0.22%
18	Compilation	57	\$129,045,384	20,129,274	0.05%
19	Based on Song	2	\$83,551,848	9,171,392	0.03%
20	Based on Musical Group	9	\$37,912,982	7,260,288	0.02%
21	Based on Web Series	6	\$11,514,603	1,321,136	0.00%
22	Based on Ballet	4	\$3,324,744	501,492	0.00%
23	Based on Radio	2	\$1,305,508	142,367	0.00%

(Source: the numbers)

## World Box Office: how much, where, by who, for who

#### Global box office revenue contracted sharply in 2020

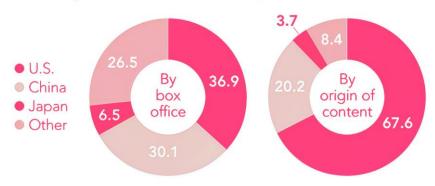
Box office revenue (US\$ mn)



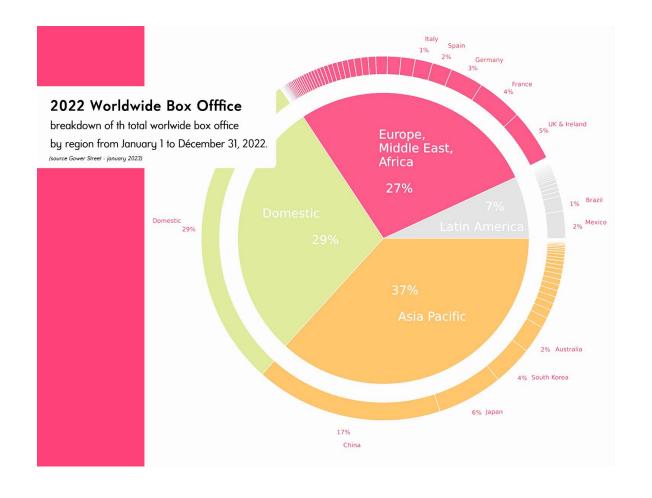
Source: Global Entertainment & Media Outlook 2022-2025. PwC. Omdia

#### Movie mismatch: Where films are made and viewed

Share of global film market in 2022 (in percent)



Totals may not equal 100 due to rounding Source: boxofficemojo.com



## **World Box Office: press review**

- Audiences have returned to cinemas and are spending more on premium tickets and popcorn, but there are still lingering pandemic issues, including production delays.
- Despite nearly 50% fewer film releases during the summer, the domestic box still tallied \$3.34 billion in ticket sales, down nearly 21% from 2019 levels.
- The 2023 box office is looking stronger as the calendar has significantly more titles, as well as a more diverse collection of genres and budgets.
- Global cinema box office revenue weighed in at \$26 billion in 2022, a healthy 27% improvement compared with 2021.

(source cnbc-variety - January 2023)

#### Cinema: 152 millions tickets sold in France in 2022

- France is one of the countries where cinemas have recovered best after the restrictions linked to the Covid crisis. Audience levels remain however inferior by 26.9% to the levels recorded pre-Covid between 2017 and 2010
- The drop in 2022 is in large part due to the drop in the first trimester of 2022, when health restrictions meant a complete vaccinal pass was required. It is also due to the amount of American films released, much lower than its pre-Covid level.

(source: CNC, January 2022)

#### 2022: A Year of Transition

- The CNC has noticed a pick-up in audience figures, especially between March and June 2022, after the lifting of restrictions, and with the return of pre-Covid figures in June (-1.9%).
- However, the figures remain for the moment inferior to those recorded before the Covid period. This can be explained in part by the lack of headline films being released.
- In 2022, 30 films sold more than a million tickets, where 51 did so in 2019. This figure indicates a great recovery compared with 2020/21 which respectively saw 13 and 25 films sell more than a million tickets.

(source cnc - January 2023)

#### Dominique Boutonnat, President of the CNC.

"Despite the difficulties, audience figures have reached three-quarters the level they were ahead before Covid. This shows French people's attachment to the collective experience offered by cinemas. It is a very encouraging result in what is still an atypical situation."

## **Diffusion of French films internationally**

### **Genres Seen and Produced in France**

# The diffusion of French films internationally is limited

- **Only 17m** cinema tickets sold (more than 152 millions tickets sold in France per year approximately)
- Not all films are exported
- Western Europe and French speaking countries are the main markets for French cinema (62%)
- Difficult to penetrate the Anglo Saxon and Asian markets; which represents the largest share of the market.

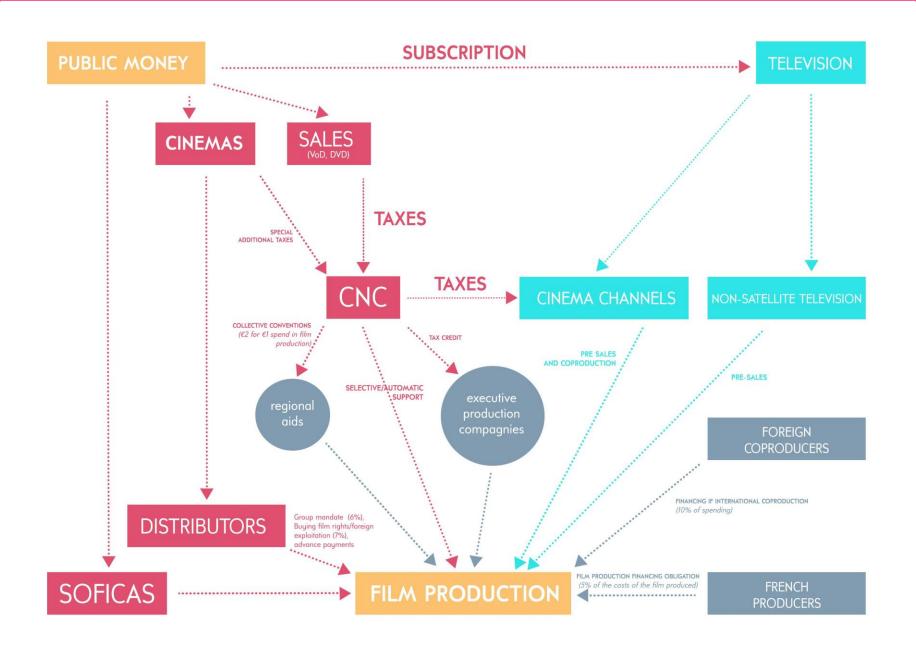
(source: Unifrance)

# **Consumption and production dominated by comedy**

- Very strong dominance of French comedies and dramatic comedies in ticket sales.
- Over the past 20 years, 2/3 of the admissions to french productions have focused on this genre alone.

(Source: Unifrance)

## **How Film Financing Works in France**



### **OBSOLESCENCE - THE FILM**

### The story

In a pre-Orwellian society, where the coordination, security and control of individuals is discreet but unmistakable, citizens have to work on behalf of the government before obtaining the right to study at university. Nananaël and Annie have just finished their studies in the biggest State University.

Nathanaël has long been in love with Annie. Now that they have finished their studies, now that he feels ready, now that their paths are on a good footing and make sense, it's time. He asks her to join him, to make their two lives into one life together.

Downtown, discussing their future prospects as they observe a political demonstration, Nathanaël is brutally arrested and thrown into a high-security prison.

He and a handful of other inmates find themselves monitored, examined, studied. Nathanaël learns of the existence of a new stage of human evolution, which renders the previous obsolete. Certain individuals have apparently developed skills and capabilities "beyond what's normal". The State feels powerless faced with this new state of being and autogenerates its own fears before even trying to understand the phenomenon.

Nathanaël, far removed from these matters, a normal, pro-regime citizen, is going to find himself taking the side of the "monsters", frightened by the lengths to which fear will drive people. Finally, pushed to his limits, he will discover that he is the "father" of this new humanity.

Adèle is locked into Nathanaël's cell. An embedded government agent charged with gathering secrets and information about the prisoners, she naturally gets close to them.

Time, and their faith, make an impact on her. Adèle, a category 7 soldier, trained by National Security, comes to doubt if the government's fears are justified, to doubt the legitimacy of her mission and its intentions.

And then, beyond these questions, beyond her beliefs, she discovers that she, too, has developed a « gift »...

## **Media Artistic Development Shareholders**

**EICAR** - Internationale School of Cinéma

Guillaume Franc - President of Twin Capital, Associate YNOV

Roland Tchenio – Former CEO Toupargel, CEO of TT investissements

Jean-Pascal Forly - CEO Exaprobe, multi-investor

Laurent Fiard - Co-President VISIATIV - Former President of MEDEF Lyon - Rhône

Karine Brignaud - Co-founder and associate group YNOV

François Villet - Director of EICAR PARIS - Producteur

## **Cinema Production Development Mentors**

Larbi Nebbou - President of Zéphyr Productions - Former President of Crédit Mutuel in Lyon Lise de Courville - Business Consulting - Formerly Head of Open innovation chez Bpifrance fund to funds and Head of Customer Experience chez onefinestay

**David Gal-Regniez** - Director «Content and Usages» of the competitivity pole of MINALOGIC – Former director of IMAGINOVE

## **Financing Team Reinforcement**

Nathasha Marquez - Start-up founder - Expert Marketing and Trading TEXEN Christophe Crozier - CEO Immersive Stories

### **Barbara Loison**

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