Fiction film financing in Europe: A sample analysis of films released in 2021

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Martin Kanzler

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EXECUTIVE SUMMARY

Purpose of the report

This report constitutes the output of an extensive collaboration project between the European Audiovisual Observatory and the European Film Agency Research Network (EFARN). The aim is to provide robust figures on how European theatrical live-action fiction films are being financed. This analysis offers a big-picture, pan-European perspective, and complements work at national levels. It provides fact-based insights on a wide variety of research questions, from those relating to quantification of the average budget of theatrical European fiction films, to those illustrating the importance of individual financing sources.

Definition and representativeness of the data sample

This analysis is based on a data sample comprising detailed financing plans for 448 European live-action fiction films – theatrically released or scheduled for theatrical release in 2021 - from 22 European countries. The data sample includes both 100% national films as well as European majority-led co-productions. It covers a cumulative financing volume of EUR 1.33 billion. The data sample is estimated to cover roughly 43% of the total number of European[1] fiction films released in 2021. This is - as far as the Observatory is aware - the largest pan-European data sample for the analysis of financing of European fiction films for this year.

While certain caveats[2] must be considered when interpreting the data, the Observatory and EFARN members regard the outcome of this sample analysis as reliable and **representative at the pan-European level** thanks to the underlying common methodology. The Observatory and EFARN members also believe the size and quality of the data sample permit the formulation of **insights into financing structures on a market cluster basis,** although the

[1] In the context of this report, Europe (EUR 35) is defined as the 27 EU member states plus Bosnia-Herzegovina, Georgia, Iceland, Montenegro, North Macedonia, Norway, Switzerland and the UK.

[2] In interpreting the analysis insights, one must keep in mind that there is a systematic **selection bias**, as the data sample refers only to a very specific subset of films, namely fiction films for which national film agencies have financing plans. In most countries, this limits the sample to films receiving direct public support from national film agencies and **may exaggerate the significance of public funding**. Additionally, the overall analysis results on the pan-European level, and particularly within the large market cluster, have been heavily influenced by the overproportional weight and special characteristics of French films ("**French bias**"): on the one hand, French films represent 24% of the sample films and 34% of the cumulative sample financing volume. At the same time, the analysis reveals broadcaster financing plays an exceptionally prominent role in film financing in France, while direct public funding plays a comparatively limited role compared to most other European markets. To address this bias, indicators were analysed in a two-fold manner: once for the full data sample including French films; and once for the data sample excluding French films. In this context it is important to note that one should not deduce country specific conclusions regarding French films by comparing the two data samples. Instead, one should refer to the official analysis of the financing of French films as published by the CNC.

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coverage of this year's data sample is comparatively low. However, analysis results are not representative for all individual sample countries, which is why indicators have not been published on a country-by-country level. This is also consistent with the focus here on the analysis of aggregate data on the European level, rather than on the analysis of financing structures in individual countries, most of which apply partly different methodologies adapted to the national data needs.

Average budget of European fiction films

The data sample suggests that the mean budget of a European theatrical fiction film released in 2021 amounted to EUR 2.97 million while the **median sample budget** amounted to **EUR 2.12 million**. Given the substantial impact of a comparatively small number of high budget sample films on the mean, the median possibly constitutes a more representative value for the majority of European films.

Average budgets differ widely among countries. Not surprisingly, average budgets are **higher in larger markets** and lower in countries with lower box-office potential, as exploitation in national markets remains key for most films. The median budget of a European fiction film originating in France, Germany, Italy or the UK (the large markets included in the sample) amounted to EUR 2.7 million in 2021, compared to EUR 1.8 million for fiction films produced in a medium-sized European market (markets with 10 to 50 million admissions per year), or compared to a median budget of EUR 0.7 million for fiction films from small markets (markets with fewer than 10 million admissions).

The data analysis also suggests that **international co-productions tend to have higher budgets than 100% national films**, with the median budgets of co-productions exceeding those of 100% national films by EUR 600 000 to EUR 680 000.

Financing structure of European fiction films

In 2021, the **financing** of European theatrical fiction films **relied primarily on five financing sources**: direct public funding; production incentives; broadcaster investments; producer investments; and pre-sales. The **single most important financing source** clearly was **direct public funding**[3], which accounted for 26% of the total financing volume tracked in the analysis. Direct public funding was followed by production incentives[4] which accounted for 21% of total financing while producer investments (excl. broadcasters) accounted for 18% of total financing slightly ahead of broadcaster investments[5] (17%). Pre-sales (excl. broadcasting rights)[6] accounted for 13% of total financing. Other financing sources, including private equity, debt financing or in-kind investments are negligible from a cumulative perspective.

It is worth pointing out that – broadly speaking - public support can either take the form of direct public support or production incentives. For the sake of increased transparency

[3] Direct public funding includes public funding from national, regional and local bodies in the country of origin as well as from minority financing countries and supra-national sources.

[4] Production incentives includes both national as well as foreign production incentives.

[5] Broadcaster investments combine co-production investments by broadcasters with pre-sales made to broadcasters based in any of the co-producing countries.

[6] Pre-sales combine national and international pre-sales; pre-sales in the country of origin.

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these two forms have been treated as different financing sources in the context of this report. However, when evaluating the importance of "public money" for film financing one would have to accumulate them in order to properly calculate the share of "public money" or "public support".

However, the exclusion of French films from the sample analysis produces different results and illustrates the 'French bias' resulting, in the full sample analysis, from the exceptional importance of broadcaster financing in France: The **importance of direct public funding is even more pronounced**, accounting for 31% of the cumulative financing volume of European fiction films, **while broadcaster investments play a significantly less important role**, accounting for only and 10% of fiction film financing **outside France**. Following direct public funding at a distance, production incentives contributed 20%, producer investments 19% and pre-sales accounted for 14% to fiction film financing. It is important, however, to keep the selection bias in mind, which may be assumed to inflate the importance of direct public funding.

There appear to be **significant structural differences among countries** with regard to how theatrical fiction films are financed and some of these differences are apparently **linked to market size**. The most obvious ones concern direct public funding and production incentives, but also producer investments and pre-sales. The data clearly suggest that the weight of direct public funding in film financing decreases with increasing market size. Phrased differently, **the smaller the market** (and hence the lower the national market exploitation potential), **the more important is direct public funding**: while representing only 18% of total financing in the five large sample markets, direct public funding accounted for 45% in medium-sized and 63% in small sample markets.

In contrast, the financing **weight of production incentives seems to increase with market size**, growing from only 3% in small markets, to 14% in medium-sized markets up to 24% in large markets (25% excl. French films).

The significance of **producer investments** as well as **pre-sales** appears to be **comparatively low in small and medium-sized markets** when compared to large markets. Producer investments accounted for only 10% and 12% in small and medium-sized markets, compared to 20% in large markets (23% excl. French films). And pre-sales accounted for only 8% and 9% in small and medium-sized markets, compared to 15% in large markets (17% excl. French films).

In this context it is also **notable that films produced in small- and medium-sized European markets depend to a larger degree on foreign financing sources than films produced in large markets:** although accounting for only 9% of total financing in large markets, foreign sources represented 17% and 19% of total sample financing both in small and medium-sized markets, respectively. This is mostly due to the comparatively high share of international co-productions in small and medium-sized markets, where they accounted for 38% and 45% of the sample films (compared to 18% in large sample markets) and the fact that co-productions, by their very nature, raise a larger share of their financing from foreign sources, i.e. sources located outside the main country of origin.

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Differences among budget types

The sample analysis also suggests that there are **structural differences in how films of different budget sizes are financed**. Generally speaking, films with a budget of up to EUR 3 million depend to a higher degree on direct public support, while films with higher budgets finance their production with proportionally higher shares of pre-sales and broadcaster investments.

The smaller the budget, the more significant is direct public funding, accounting for at least 39% up to 41% of the financing of films with a budget of less than EUR 3 million. The share of public funding drops to 22% for films with a budget between EUR 3 and 10 million, and to 12% for films with budgets between EUR 10 and 30 million. While this drop in the financing share of direct public funding is also noticeable when French films are excluded from the analysis, the share of direct public funding increases for all budget clusters for films produced outside France.

Production incentive-related financing is significant for all budget types but appears to be **proportionally slightly more significant for the financing of films with a budget above EUR 1 million,** accounting for 20% to 22% of total financing of medium-, high and super-high budget films, compared 18% and 13% in case of micro- and low-budget films.

The **significance of pre-sales** clearly correlates with the budget volume, **increasing along with the budget** - from a share of 5% for micro- and low-budget films (less than EUR 500 000 and EUR 1 million respectively), up to 12% for films with a budget exceeding EUR 10 million. The same appears to hold true for **broadcaster investments**, which increase from 3% for micro-budget films to 26% for super-high budget films. However, the sample data suggest that in the case of broadcaster investments this correlation applies primarily to French films and not to the majority of other European sample films.

In 2021 **producer investments were slightly more significant for micro- and low-budget films**, accounting for 26% and 21% of total financing, respectively, compared to medium-budget (15%), as well as high- and super-high-budget films (18% in both cases).

Differences between 100% national films and co-productions

As mentioned above, the data sample suggests that **international co-productions appear to have higher budgets than 100% national films**, with the median budgets of co-productions in the full data sample amounting to EUR 2.44 million compared to EUR 1.84 million in the case of 100% national films.

With regard to the **financing structure** the sample analysis suggests distinct **differences** between 100% national films and international co-productions. However, some of these differences appear specific to French films and are somewhat less pronounced when such films are excluded from the analysis. Generally speaking, **international co-productions depend to a significantly larger degree on direct public funding and producer investments**, while 100% national films raise a proportionally higher share of their financing through practically all other financing sources, particularly production incentives.

Direct public funding accounted for 33% of the total financing volume of international co-productions, compared to 22% for 100% national films. The picture was similar outside

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France, with direct public funding accounting for 41% of international co-productions, and 25% of 100% national films.

In contrast, production incentives represented – for the full data sample - the **single most important financing source for 100% national fiction films** contributing 23% (23% excl. French films) of the total financing volume slightly ahead of direct public funding (22%; 25% excl. French films), while accounting for "only" 17% (14% excl. French films) of financing of international co-productions.

Distribution of financing sources among budget types

Breaking down the cumulative financing volume of EUR 1.33 billion by film budget cluster shows that by far the **largest share of financing funds went to the production of high-budget films (54%) with a budget of EUR 3 to 10 million**, followed by medium budget films (EUR 1 to 3 million) which captured 27% of total financing and super high-budget films (15%) with a budget between EUR 10 and 30 million.

Excluding France, it was also high-budget films that retained the largest apportionment (54%), but the share of medium-budget films increased to 33% and the share of funds invested in super-high-budget films declined to 7%.

The data sample also reveals some interesting insights into differences with regard to the allocation of individual financing sources. For instance, **medium budget films** (EUR 1 to 3 million), which represent the largest category for European films, were **proportionally overfinanced by direct public funding** while they were underfinanced by pre-sales and producer investments. In contrast high budget films, were proportionally underfinanced by direct public funding and broadcaster investments (excl. France) and overfinanced by pre-sales (outside of France), producer investments and or production incentives.

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SYNTHÈSE

Finalité du rapport

Le présent rapport est le résultat d'un vaste projet de collaboration entre l'Observatoire européen de l'audiovisuel et l'EFARN (le réseau européen des chercheurs des agences de cinéma). Il vise à fournir des chiffres fiables sur la manière dont les films de fiction européens en prises de vue réelles sont financés. Cette analyse donne une vue d'ensemble paneuropéenne et complète le travail effectué au niveau national. Elle fournit des informations factuelles sur plusieurs questions de recherche, allant de la quantification du budget moyen des films de fiction européens destinés aux salles à l'illustration de l'importance des sources de financement individuelles.

Définition et représentativité de l'échantillon de données

Cette analyse est basée sur un échantillon de données qui comprend les plans de financement détaillés de 448 films de fiction européens en prises de vue réelles – sortis en salle ou programmés pour une sortie en salle en 2021 – de 22 pays européens. L'échantillon de données comprend à la fois des productions 100 % nationales et des coproductions européennes majoritaires. Il couvre un volume de financement cumulé de 1,33 milliards d'EUR. L'échantillon de données est donc estimé couvrir environ 43 % du nombre total de films de fiction européens[7] sortis en 2021. Il s'agit – à la connaissance de l'Observatoire – du plus grand échantillon de données paneuropéen disponible pour l'analyse du financement des films de fiction européens pour cette année.

S'il convient de garder certaines réserves [8] à l'esprit lors de leur interprétation, l'Observatoire et les membres de l'EFARN considèrent que les résultats de cette analyse d'échantillon sont fiables et représentatifs au niveau paneuropéen, grâce à la méthodologie

[7] Dans le contexte du présent rapport, l'Europe (EUR 35) est définie comme les 27 États membres de l'UE plus la Bosnie-Herzégovine, la Géorgie, l'Islande, Macédoine du Nord, le Monténégro, la Norvège, la Suisse et le Royaume-Uni

[8] Lors de l'interprétation des résultats de l'analyse, il faut toutefois garder à l'esprit qu'il existe un **biais de sélection** systématique car l'échantillon de données ne se réfère qu'à un sous-ensemble très spécifique de films, à savoir les films de fiction pour lesquels les agences nationales du film ont des plans de financement. Dans la plupart des pays, cela limite l'échantillon aux films bénéficiant d'un soutien public direct de la part des agences nationales du film et **peut exagérer l'importance des aides publiques.** De plus, les résultats globaux de l'analyse au niveau paneuropéen et surtout au niveau du groupe des grands marchés sont fortement influencés par le poids disproportionné des films français ainsi que par leurs caractéristiques particulières (le **« biais français »**) : les films français représentent 24 % de l'échantillon de films et 34 % du volume cumulé de financement de l'échantillon. Dans le même temps, l'analyse révèle que le financement des radiodiffuseurs joue un rôle exceptionnellement important dans le financement des films en France alors que les aides publiques directes jouent un rôle relativement limité par rapport à la plupart des autres marchés européens. Afin de remédier à ce biais, les indicateurs ont été analysés de deux façons, une fois pour l'échantillon complet de données incluant les films français et une fois pour l'échantillon de données excluant les films français. Dans ce contexte, il est important de noter qu'il ne faudrait pas tirer des conclusions spécifiques à un pays en ce qui concerne les films français en comparant les deux échantillons de données. Il faut plutôt se référer à l'analyse officielle du financement des films français telle que publiée par le CNC.

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commune sous-jacente. L'Observatoire et les membres de l'EFARN estiment également que la taille et la qualité de l'échantillon permettent de formuler des **idées sur les structures de financement par groupe de marché**, bien que la couverture de l'échantillon de cette année soit comparativement faible. Toutefois, les résultats des analyses ne sont pas représentatifs pour tous les pays de l'échantillon, ce qui explique pourquoi les indicateurs ne sont pas publiés au niveau national. Cela est également cohérent avec l'objectif de la présente analyse, qui consiste à analyser des données agrégées au niveau européen plutôt qu'à analyser les structures de financement dans les différents pays, la plupart appliquant des méthodologies en partie dissemblables car adaptées aux besoins de données au niveau national.

Budget moyen des films de fiction européens

Dans l'échantillon de données, le budget moyen d'un film de fiction européen sorti en salles en 2021 s'élevait à 2,97 millions d'EUR alors que le **budget médian de l'échantillon** était de **2,12 millions d'EUR**. Les films à budget élevé ayant un effet significatif sur la moyenne alors qu'ils sont relativement peu nombreux dans l'échantillon, la médiane constitue peut-être une valeur plus représentative pour la majorité des films européens.

Les budgets moyens varient considérablement d'un pays à l'autre. Il n'est pas surprenant de constater que les budgets moyens sont **plus élevés sur les grands marchés** et plus bas dans les pays à plus faible potentiel de recettes au guichet, car l'exploitation sur les marchés nationaux reste essentielle pour la plupart des films. Le budget médian d'un film de fiction européen originaire de France, d'Allemagne, d'Italie ou du Royaume-Uni (les grands marchés inclus dans l'échantillon) s'élevait à 2,7 millions d'EUR en 2021, contre 1,8 million d'EUR pour les films de fiction produits sur un marché européen moyen (marchés comptant entre 10 et 50 millions d'entrées par an) ou 0,7 million d'EUR pour les films de fiction originaires de petits marchés (marchés comptant moins de 10 millions d'entrées).

L'analyse des données suggère également que les **coproductions internationales ont tendance à avoir des budgets plus élevés que les films nationaux à 100 %**, les budgets médians des coproductions dépassant ceux des films nationaux à 100 % de 600 000 à 680 000 EUR.

Structure de financement des films de fiction européens

En 2021, le **financement** des films de fiction européens destinés aux salles de cinéma **reposait essentiellement sur cinq sources de financement** : les aides publiques directes, les incitations à la production, les investissements des radiodiffuseurs, les investissements des producteurs et les préventes. La **principale source de financement** était clairement les **aides publiques directes**[9], qui représentaient 26 % du volume de financement total suivi dans l'analyse. Venaient ensuite les incitations à la production[10], représentant 21 % du financement total tandis que les investissements des producteurs (hors radiodiffuseurs) représentaient 18 % du financement total, légèrement devant les investissements des

[9] Les aides publiques directes incluent les aides publiques provenant d'organismes nationaux, régionaux et locaux du pays d'origine, ainsi que de pays de financement minoritaire et de sources supranationales.
[10] Les incitations à la production incluent à la fois les incitations à la production nationales et étrangères.

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radiodiffuseurs[11] (17 %). Les préventes (hors droits de radiodiffusion)[12] représentaient 13 % du financement total. Les autres sources de financement, notamment le capital-investissement, le financement par emprunt ou les investissements en nature, sont négligeables d'un point de vue cumulatif.

Il convient de souligner que – d'une manière générale – le soutien public peut prendre la forme d'un soutien public direct ou d'incitations à la production. Dans un souci de transparence accrue, ces deux formes ont été traitées comme des sources de financement différentes dans le contexte de ce rapport. Cependant, pour évaluer l'importance de l'« argent public » pour le financement des films, il faudrait les cumuler afin de calculer correctement la part de l'« argent public » ou de l' « aide publique ».

Toutefois, l'exclusion des films français de l'analyse de l'échantillon produit des résultats différents et illustre le « biais français » dans l'analyse de l'échantillon complet en raison de l'importance exceptionnelle du financement des radiodiffuseurs en France : **si l'on exclut la France, l'importance des aides publiques directes est encore plus marquée**, puisqu'elles représentent 31 % du volume de financement cumulé des films de fiction européens, **tandis que les investissements des radiodiffuseurs jouent un rôle nettement moins important** et ne représentent que 10 % du financement des films de fiction. Suivant de loin les aides publiques directes, les incitations à la production contribuent au financement des films de fiction à hauteur de 20 %, les investissements des producteurs à hauteur de 19 % et les préventes à hauteur de 14 %. Il est toutefois important de garder à l'esprit le biais de sélection qui pourrait exagérer l'importance des aides publiques directes.

Il semble y avoir d'**importantes différences structurelles entre les pays** en ce qui concerne le mode de financement des films de fiction destinés aux salles et certaines de ces différences sont apparemment **liées à la taille du marché**. Les plus évidentes concernent les aides publiques directes et les incitations à la production, mais également les investissements des producteurs et les préventes. Les données suggèrent clairement que le poids des aides publiques directes dans le financement des films diminue avec l'augmentation de la taille du marché ou, en d'autres termes : **plus le marché est petit** (et donc le potentiel d'exploitation sur le marché national réduit), **plus les aides publiques directes sont importantes**. Bien qu'ils ne représentent que 18 % du financement total sur les cinq grands marchés de l'échantillon, les financements publics directs représentent 45 % sur les marchés de taille moyenne et 63 % sur les petits marchés de l'échantillon.

En revanche, l**e poids financier des incitations à la production semble augmenter avec la taille du marché**, de seulement 3 % dans les petits marchés, à 14 % dans les marchés de taille moyenne jusqu'à 24 % dans les grands marchés (25 % hors films français).

Les **investissements des producteurs** aussi bien que **les préventes semblent être faibles dans les marchés** de petite taille et de taille moyenne comparés aux grands marchés. Les investissements des producteurs ne représentaient que 10 % dans les petits marchés et 12 % dans les marchés de taille moyenne comparé à 20 % dans les grands marchés (23 % hors films français). Quant aux préventes, elles ne représentaient que 8 % dans les petits

[11] Les investissements des radiodiffuseurs combinent les investissements de coproduction des radiodiffuseurs et les préventes effectuées auprès des radiodiffuseurs basés dans l'un des pays coproducteurs.
[12] Les préventes combinent les préventes nationales et internationales ; les préventes dans le pays d'origine.

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marchés et 9 % dans les marchés de taille moyenne, comparé aux 15 % dans les grands marchés (17 % hors films français).

Dans ce contexte, il convient également de **noter que les films produits sur les petits et moyens marchés européens dépendent davantage de sources de financement étrangères que les films produits sur les grands marchés :** bien qu'elles ne représentent que 9 % du financement total sur les grands marchés, les sources étrangères représentent 17 % et 19 % du financement total respectivement sur les petits marchés et ceux de taille moyenne. Cela s'explique surtout par la part comparativement élevée des coproductions internationales dans les petits et moyens marchés, où elles représentent 38 % et 45 % des films de l'échantillon (contre 18 % dans les grands marchés de l'échantillon) et par le fait que les coproductions – de par leur nature même – obtiennent une part plus importante de leur financement de sources étrangères, c'est-à-dire de sources situées hors du principal pays d'origine.

Différences entre les types de budget

L'analyse de l'échantillon fait également ressortir des **différences structurelles dans le mode de financement des films de tailles budgétaires différentes**. D'une manière générale, les films disposant d'un budget inférieur à 3 millions d'EUR dépendent dans une plus large mesure d'un soutien public direct, tandis que les films disposant de budgets plus importants financent leur production avec des parts proportionnellement plus élevées de préventes et d'investissements des radiodiffuseurs.

Plus le budget est réduit, plus les aides publiques directes sont importantes ; elles représentent au moins 39 % et jusqu'à 41 % du financement des films dont le budget est inférieur à 3 millions d'EUR. La part des aides publiques tombe à 22 % pour les films dont le budget est compris entre 3 et 10 millions d'EUR et à 12 % pour les films dont le budget est entre 10 millions et 30 millions d'EUR. Si l'on exclut les films français de l'analyse, la part des aides publiques directes augmente pour tous les groupes de budgets mais suit le même schéma, à savoir que son importance est inversement proportionnelle à celle du budget.

Le **financement lié aux incitations à la production** est significatif pour tous les types de budget, mais semble être **proportionnellement légèrement plus important pour le financement des films dont le budget est supérieur à 1 million d'EUR**, représentant 20 % à 22 % du financement total des films à budget moyen, à gros budget et à très gros budget, contre 18 % et 13 % pour les films à petit et à très petit budget.

En revanche, il existe un lien direct entre les **préventes** et le budget, car **leur part augmente proportionnellement** à ce dernier : de 5 % pour les films à très petit et à petit budget (moins de 500 000 EUR et moins de 1 million d'EUR, respectivement) à 12 % pour les films dont le budget dépasse 10 millions d'EUR. Il semble en aller de même pour les **investissements des radiodiffuseurs** qui passent de 3 % pour les films à très petit budget à 26 % pour les films à très gros budget. Toutefois, les données de l'échantillon suggèrent que, dans le cas des investissements des radiodiffuseurs, cette corrélation s'applique principalement aux films français, alors qu'elle ne peut pas être observée pour la majorité des autres échantillons de films européens.

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En 2021, les **investissements des producteurs étaient un peu plus importants pour les films à très petit et à petit budget**, représentant respectivement 26 % et 21 % du financement total, comparé aux films à budget moyen (15 %) ainsi que ceux à gros budget et à très gros budget (18 % chacun).

Différences entre les films 100 % nationaux et les coproductions

Comme mentionné ci-dessus, l'échantillon de données suggère que les **coproductions internationales semblent avoir des budgets plus élevés que les films 100 % nationaux**, les budgets médians des coproductions dans l'échantillon de données complet s'élevant à 2,44 millions d'EUR, contre 1,84 million d'EUR dans le cas des films 100 % nationaux.

En ce qui concerne la **structure de financement**, l'analyse de l'échantillon suggère qu'il existe de nettes **différences** entre les films 100 % nationaux et les coproductions internationales. Cependant, certaines de ces différences semblent être spécifiques aux films français et sont un peu moins prononcées lorsqu'on les exclut de l'analyse. D'une manière générale, **les coproductions internationales dépendent dans une très large mesure des aides publiques directes et des investissements des producteurs**, tandis que les films 100 % nationaux obtiennent une part proportionnellement plus élevée de leur financement par le biais de pratiquement toutes les autres sources de financement, en particulier **des incitations à la production**.

Les **aides publiques directes** représentent 33 % du volume total de financement des coproductions internationales contre 22 % pour les films 100 % nationaux. Le tableau est similaire si l'on exclut la France, les aides publiques représentant 41 % pour les coproductions internationales et 25 % pour les films 100 % nationaux.

En revanche, l**es incitations à la production** représentent la **source de financement la plus importante pour les films de fiction 100 % nationaux** dans l'échantillon complet de données, contibuant à hauteur de 23 % du financement total (23 % hors films français), légèrement plus que les aides publiques (22 % ; 25 % hors films français), tout en ne comptant « que » pour 17 % (14 % hors films français) du financement des coproductions internationales.

Répartition des sources de financement en fonction des types de budget

Si l'on ventile le volume de financement cumulé de 1,33 milliards d'EUR par type de budget de films, on constate que la **part de loin la plus importante (54 %) des fonds de financement est allée à la production de films à budget élevé (3 à 10 millions d'EUR)**, suivis par les films à budget moyen (1 à 3 millions d'EUR) qui ont capté 27 % du financement total et les films à très gros budget (15 %) dont le budget est compris entre 10 et 30 millions d'EUR.

Si l'on exclut la France, ce sont également les films à budget élevé qui ont pris la plus grande part (54 %), mais la part des films à budget moyen a augmenté à 33 % et la part des fonds investis dans les films à très gros budget est tombé à 17 %.

L'échantillon de données révèle des différences intéressantes en ce qui concerne l'affectation des différentes sources de financement. Par exemple, les **films à budget moyen** (1 à 3 millions d'EUR), qui représentent la principale catégorie de films européens, ont été **proportionnellement surfinancés par les aides publiques directes** alors qu'ils ont été sous-

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financés par les préventes et les investissements des producteurs. En revanche, les films à budget élevé ont été proportionnellement sousfinancés par les aides publiques directes et les investissements des radiodiffuseurs (à l'exclusion de la France), et surfinancés par les préventes (si l'on exclut la France), les investissements des producteurs et les incitations à la production.

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ZUSAMMENFASSUNG

Zweck des Berichts

Der Bericht ist das Ergebnis eines umfangreichen Gemeinschaftsprojekts zwischen der Europäischen Audiovisuellen Informationsstelle und dem EFARN-Netzwerk (*European Film Agency Research Network*), mit dem Ziel, fundierte Zahlen bereitzustellen, wie europäische Kino-Realspielfilme finanziert werden. Diese Analyse fokussiert sich auf die gesamteuropäische Perspektive und ergänzt Arbeiten, die auf nationaler Ebene ausgeführt wurden. Sie bietet faktengestützte Erkenntnisse zu einem breiten Spektrum an Forschungsfragen, von einer Quantifizierung des durchschnittlichen Budgets europäischer Kinospielfilme bis hin zu einer Veranschaulichung der Bedeutung der einzelnen Finanzquellen.

Definition und Repräsentativität der Datenauswahl

Die vorliegende Analyse stützt sich auf eine Datenauswahl, welche detaillierte Finanzierungspläne für 448 europäische Realspielfilme, die 2021 in den Kinos anliefen oder dessen Kinostart geplant war, aus 22 europäischen Ländern umfasst. Die Datenauswahl beinhaltet sowohl rein nationale Produktionen als auch Koproduktionen mit europäischer Mehrheitsbeteiligung. Sie umfasst ein kumulatives Finanzierungsvolumen von EUR 1,33 Milliarden. Geschätzt erfasst die Datenauswahl etwa 43 % aller 2021 gestarteten europäischen[13] Spielfilme. Soweit der Informationsstelle bekannt, ist dies die größte verfügbare europäische Datenauswahl zur Analyse der Finanzierung europäischer Spielfilme für dieses Jahr.

Wenngleich bei der Interpretation der Daten eine gewisse Vorsicht geboten ist[14], betrachten die Vertreter der Informationsstelle und der EFARN dank der zugrunde liegenden

[13] Im Kontext dieses Berichts ist Europa (EUR 35) definiert als die 27 EU-Mitgliedstaaten plus Bosnien-Herzegowina, Georgien, Island, Montenegro, Nordmazedonien, Norwegen, die Schweiz und das Vereinigte Königreich.

[14] Bei der Interpretation der Erkenntnisse aus der Analyse muss jedoch berücksichtigt werden, dass es eine systematische **Selektionsverzerrung** gibt, da sich die Datenauswahl lediglich auf ein sehr spezifisches Segment an Filmen bezieht, das heißt auf Spielfilme, für die nationalen Filmbehörden Finanzierungspläne vorliegen. In den meisten Ländern begrenzt dies die Auswahl auf Filme, die direkte öffentliche Förderung von nationalen Filmbehörden erhalten, und **kann öffentlicher Förderung überhöhte Bedeutung beimessen**. Darüber hinaus werden die Gesamtergebnisse der Analyse auf gesamteuropäischer Ebene und innerhalb des großen Marktclusters stark durch das überproportionale Gewicht wie auch die besonderen Eigenheiten französischer Filme („**französische Verzerrung**“) beeinflusst werden. Einerseits machen französische Filme 24 % der Filmauswahl und 34 % des kumulativen Finanzierungsvolumens der Auswahl aus. Gleichzeitig zeigt die Analyse andererseits auf, dass Finanzierung durch Rundfunkveranstalter eine außergewöhnlich starke Rolle bei der Filmfinanzierung in Frankreich spielt, während die Rolle öffentlicher Förderung im Vergleich zu den meisten anderen europäischen Märkten vergleichsweise begrenzt ist. Um dieser Verzerrung Rechnung zu tragen, wurden die Indikatoren auf zweierlei Weise analysiert, zum einen für die gesamte Datenauswahl einschließlich französischer Filme und zum anderen ohne französische Filme. In diesem Zusammenhang ist es wichtig zu erwähnen, dass man aus dem Vergleich dieser beiden Datensets keine akkuraten Rückschlüsse auf die

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gemeinsamen Methodik das Ergebnis dieser Auswahlanalyse auf der **gesamteuropäischen Ebene** als verlässlich und **repräsentativ**. Die Informationsstelle und die EFARN-Mitglieder sind außerdem der Ansicht, dass der Umfang und die Qualität der Datenstichprobe die Formulierung von **Erkenntnissen über die Finanzierungsstrukturen auf der Basis von Marktclustern** ermöglichen, obwohl der Erfassungsgrad der diesjährigen Datenstichprobe vergleichsweise gering ist. Für die Auswahlländer im Einzelnen sind die Analyseergebnisse jedoch nicht repräsentativ, weshalb Indikatoren nicht nach Ländern veröffentlicht werden. Dies steht auch im Einklang mit dem Fokus der Analyse, der auf einer Analyse aggregierter Daten auf europäischer Ebene und nicht auf einer Analyse von Finanzierungsstrukturen in einzelnen Ländern liegt, deren Analysemethodik entsprechend nationaler Datenbedürfnisse teilweise von der in diesem Bericht angewandten Methodik abweichen kann.

Durchschnittliches Budget europäischer Spielfilme

Laut Datenauswahl beträgt das durchschnittliche Budget eines 2021 angelaufenen europäischen Kinospielfilms EUR 2,97 Mio., während sich das **mittlere Budget der Auswahl** auf **EUR 2,12 Mio.** beläuft. Angesichts des beträchtlichen Einflusses einer vergleichsweise geringen Zahl an Filmen mit hohem Budget in der Auswahl auf den Durchschnittswert hat der mittlere Wert möglicherweise für die Mehrheit der europäischen Filme eine repräsentativere Aussagekraft.

Durchschnittliche Budgets unterscheiden sich stark von Land zu Land. Es ist nicht verwunderlich, dass durchschnittliche Budgets **in größeren Märkten höher** und in Länder mit geringerem Zuschauerpotenzial niedriger sind, da die Verwertung auf nationalen Märkten für die meisten Filme nach wie vor entscheidend ist. Das mittlere Budget für europäische Spielfilme aus Deutschland, Frankreich, Italien oder dem Vereinigten Königreich (den großen Märkten in dieser Auswahl) beläuft sich 2021 auf EUR 2,7 Mio., verglichen mit EUR 1,8 Mio. für Spielfilme, die in einem europäischen Markt mittlerer Größe (Märkte mit 10 bis 50 Millionen Kinobesuchern pro Jahr) produziert wurden, und einem mittleren Budget von EUR 0,7 Mio. für Spielfilme von kleinen Märkten (Märkte mit weniger als 10 Millionen Kinobesuchern).

Die Datenanalyse deutet auch darauf hin, dass **internationale Koproduktionen tendenziell höhere Budgets aufweisen als rein nationale Filme**, wobei das mittlere Budget von Koproduktionen das von rein nationalen Filmen um rund EUR 600 000 bis EUR 680 000 übersteigt.

Finanzierungsstruktur europäischer Spielfilme

2021 stützt sich die **Finanzierung** europäischer Kinospielfilme **in erster Linie auf fünf Finanzierungsquellen**: direkte öffentliche Förderung, Produktionsanreize, Investitionen von Rundfunkveranstaltern, Investitionen von Produzenten und Vorabverkäufe. Die **wichtigste einzelne Finanzierungsquelle** war eindeutig **direkte öffentliche Förderung**[15], auf die 26 %

Finanzierungsstruktur französischer Spielfilme schließen sollte. Stattdessen sei an dieser Stelle auf die offizielle Analyse der Finanzierung französischer Film verwiesen, die vom CNC veröffentlicht wird.

[15] Direkte öffentliche Förderung beinhaltet öffentliche Mittel von nationalen, regionalen und lokalen Stellen im Herkunftsland sowie von Ländern mit Minderheitsfinanzierung und von supranationalen Quellen.

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des gesamten in der Analyse erfassten Finanzierungsvolumens entfielen. Auf die direkte öffentliche Finanzierung folgten Produktionsanreizen[16], die 21 % der Gesamtfinanzierung ausmachten, während Investitionen von Produzenten (ohne Rundfunkveranstalter) 18 % der Gesamtfinanzierung ausmachten, knapp vor Investitionen von Rundfunkanstalten[17] (17 %). Auf Vorabverkäufe (ohne Übertragungsrechte)[18] entfielen 13 % der Gesamtfinanzierung. Andere Finanzierungsquellen wie Privatkapital, Fremdfinanzierung oder Sacheinlagen sind aus kumulativer Sicht vernachlässigbar.

Es sei darauf hingewiesen, dass die öffentliche Unterstützung – allgemein gesprochen – entweder in Form von direkter öffentlicher Unterstützung oder von Produktionsanreizen erfolgen kann. Im Hinblick einer größtmöglichen Transparenz, wurden diese beiden Formen im Rahmen dieses Berichts als unterschiedliche Finanzierungsquellen behandelt. Bei der Bewertung der Bedeutung der „öffentlichen Gelder" für die Filmfinanzierung müsste man sie jedoch kumulieren, um den Anteil der „öffentlichen Gelder" oder der „öffentlichen Förderung" korrekt zu berechnen.

Die Herausnahme französischer Filme aus der Auswahlanalyse bringt jedoch andere Ergebnisse hervor und veranschaulicht die „französische Verzerrung", welche durch die außerordentliche Bedeutung der Finanzierung durch Rundfunkveranstalter in Frankreich in die Analyse der Gesamtauswahl einfließt. Die **Bedeutung der direkten öffentlichen Förderung ist sogar noch ausgeprägter** und macht 31 % des kumulierten Finanzierungsvolumens europäischer Spielfilme aus, **während Investitionen von Rundfunkveranstaltern eine deutlich geringere Rolle spielen** und **außerhalb Frankreichs** nur 10 % der Spielfilmfinanzierung ausmachen. Produktionsanreize trugen mit 20 %, Investitionen von Produzenten mit 19 % und Vorabverkäufe mit 14 % zur Finanzierung von Spielfilmen bei und hatten damit einigen Abstand zur direkten öffentlichen Förderung. Es ist jedoch wichtig, die Selektionsverzerrung im Gedächtnis zu behalten, die für die überhöhte Bedeutung direkter öffentlicher Förderung verantwortlich gemacht werden könnte.

Es scheint **wesentliche strukturelle Unterschiede zwischen den Ländern** zu geben, wenn es um die Frage geht, wie Kinospielfilme finanziert werden, und einige dieser Unterschiede stehen offensichtlich **im Zusammenhang mit der Marktgröße**. Die augenfälligsten Unterschiede betreffen direkte öffentliche Förderung und Produktionsanreize, aber auch Investitionen von Produzenten und Vorabverkäufe. Die Daten besagen eindeutig, dass das Gewicht direkter öffentlicher Förderung bei der Filmfinanzierung mit zunehmender Marktgröße abnimmt, oder mit anderen Worten, **je kleiner der Markt** (und somit je kleiner das Verwertungspotenzial auf dem nationalen Markt) ist, **desto wichtiger wird direkte öffentliche Förderung**. Obwohl direkte öffentliche Förderung in den fünf großen Auswahlmärkten lediglich für 18 % der Gesamtfinanzierung steht, macht sie 45 % in mittelgroßen und 63 % in kleinen Auswahlmärkten aus.

[16] Produktionsanreize umfassen sowohl nationale als auch ausländische Produktionsanreize.
[17] Investitionen von Rundfunkveranstaltern umfassen sowohl Koproduktionsinvestitionen von Rundfunkveranstaltern als auch Vorabverkäufe an Rundfunkveranstalter mit Sitz in einem der koproduzierenden Länder.
[18] Vorabverkäufe umfassen nationale und internationale Vorverkäufe; Vorabverkäufe im Herkunftsland.

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Im Gegensatz dazu scheint das Finanzierungsgewicht der Produktionsanreize mit der Marktgröße zu steigen, von nur 3 % in kleinen Märkten auf über 14 % in mittleren Märkten bis hin zu 24 % in großen Märkten (25 % ohne französische Filme).

Die Bedeutung von Produzenteninvestitionen und Vorabverkäufen scheint in kleinen und mittleren Märkten im Vergleich zu großen Märkten vergleichsweise gering zu sein. In kleinen und mittelgroßen Märkten machten die Investitionen der Produzenten nur 10 % bzw. 12 % aus, in großen Märkten dagegen 20 % (23 % ohne französische Filme). Und die Vorabverkäufe machten in kleinen und mittleren Märkten nur 8 % bzw. 9 % aus, während sie in großen Märkten 15 % betrugen (17 % ohne französische Filme).

In diesem Zusammenhang ist zudem **bemerkenswert, dass Filme, die in kleinen und mittleren europäischen Märkten produziert werden, in höherem Maße von ausländischen Finanzierungsquellen abhängen als Filme, die in großen Märkten produziert werden:** Obwohl sie in großen Märkten lediglich 9 % der Gesamtfinanzierung stellten, machten ausländische Quellen 17 % und 19 % der Gesamtfinanzierung der Auswahl jeweils in kleinen und mittleren Märkten aus. Dies ist auf den vergleichsweisen hohen Anteil internationaler Koproduktionen in kleinen und mittleren Märkten, auf die 38 % beziehungsweise 45 % der ausgewählten Filme entfielen (gegenüber 18 % in großen Auswahlmärkten), und auf die Tatsache, dass Koproduktionen naturgemäß einen größeren Anteil ihrer Finanzierung aus ausländischen Quellen, das heißt Quellen außerhalb des Hauptherkunftslandes beziehen, zurückzuführen.

Unterschiede bei den Budgetarten

Die Auswahlanalyse zeigt auch, dass es **strukturelle Unterschiede** gibt, **wie Filme mit unterschiedlichen Budgetrahmen finanziert werden**. Allgemein gesagt sind Filme mit einem Budget bis EUR 3 Mio. in höherem Maße von direkter öffentlicher Förderung abhängig, während Filme mit höheren Budgets ihre Produktion durch proportional höhere Anteile an Vorabverkäufen und Investitionen von Rundfunkveranstaltern finanzieren.

Je niedriger das Budget, desto bedeutender ist direkte öffentliche Förderung, die mindestens 39 % und bis zu 41 % bei der Finanzierung von Filmen mit einem Budget unter 3 Mio. ausmacht. Der Anteil öffentlicher Förderung sinkt auf 22 % bei Filmen mit einem Budget zwischen EUR 3 Mio. und EUR 10 Mio. und auf 12 % bei Filmen mit Budgets zwischen EUR 10 Mio. und EUR 30 Mio. Während dieser Rückgang des Anteils direkter öffentlicher Förderung an der Finanzierung auch zu beobachten ist, wenn französische Filme aus der Analyse ausgenommen werden, steigt der Anteil der direkten öffentlichen Förderung für alle Haushaltscluster bei Filmen, die außerhalb Frankreichs produziert wurden.

Die **Finanzierung im Zusammenhang mit Produktionsanreizen** ist für alle Arten von Budgets von Bedeutung, scheint aber bei der **Finanzierung von Filmen mit einem Budget von über EUR 1 Mio. proportional etwas bedeutender** zu sein und macht 20 % bis 22 % der Gesamtfinanzierung von Filmen mit mittlerem, hohem und sehr hohem Budget aus, gegenüber 18 % und 13 % bei Filmen mit kleinem und niedrigem Budget.

Die Bedeutung von **Vorabverkäufen** korreliert eindeutig mit dem Budgetvolumen und **steigt mit dem Budget** von einem Anteil von 5 % für Filme mit Kleinstbudget und geringem Budget (jeweils unter EUR 500 000 und EUR 1 Mio.) auf bis zu 12 % bei Filmen mit einem

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Budget über EUR 10 Mio. Gleiches scheint für **Investitionen von Rundfunkveranstaltern** zu gelten, die von 3 % bei Filmen mit Kleinstbudget auf bis zu 26 % für Filme mit einem extrem hohen Budget steigen. Die Datenauswahl besagt jedoch, dass diese Korrelation im Fall von Investitionen von Rundfunkveranstaltern in erster Linie für französische Filme gilt, während sie für die Mehrheit der anderen europäischen Auswahlfilme nicht auszumachen ist.

2021 waren **Investitionen von Produzenten** für Filme mit Kleinstbudget und geringem Budget etwas bedeutender, mit 26 % bzw. 21 % der Gesamtfinanzierung, im Gegensatz zu Filmen mit mittlerem Budget (15 %) sowohl wie Filme mit hohem Budget und extrem hohem Budget (18 % jeweils).

Unterschiede zwischen rein nationalen Filmen und Koproduktionen

Wie bereits erwähnt, deutet die Datenauswahl darauf hin, dass **internationale Koproduktionen höhere Budgets zu haben scheinen als rein nationale Filme**, wobei das mittlere Budget von Koproduktionen in der Gesamtdatenauswahl EUR 2,44 Mio. beträgt, verglichen mit EUR 1,84 Mio. bei rein nationalen Filmen.

Im Hinblick auf die **Finanzierungsstruktur** zeigt die Analyse der Datenauswahl deutliche **Unterschiede** zwischen rein nationalen Filmen und internationalen Koproduktionen. Einige dieser Unterschiede scheinen jedoch für französische Filme spezifisch zu sein und zeigen sich weniger ausgeprägt, wenn man diese Filme von der Analyse ausnimmt. Allgemein gesagt sind **internationale Koproduktionen in wesentlich höherem Maße von direkter öffentlicher Förderung und Investitionen von Produzenten abhängig**, während sich rein nationale Filme durch einen verhältnismäßig höheren Anteil ihrer Finanzierung durch praktisch alle andere Finanzierungsquellen, insbesondere Produktionsanreize, finanzieren.

Direkte öffentliche Förderung macht 33 % des gesamten Finanzierungsvolumens internationaler Koproduktionen aus, verglichen mit 22 % im Fall rein nationaler Filme. Ein ähnliches Bild zeigt sich außerhalb Frankreichs, wo 41 % der internationalen Koproduktionen mit direkten öffentlichen Mitteln gefördert wurden und 25 % rein nationaler Filme.

Im Gegensatz dazu stellten **Produktionsanreize** - für die gesamte Datenstichprobe - die **wichtigste Finanzierungsquelle für rein nationale Filme** dar: Sie machten 23 % (23 % ohne französische Filme) des gesamten Finanzierungsvolumens aus, und liegen damit knapp vor der direkten öffentlichen Finanzierung (22 %; 25 % ohne französische Filme), während sie „nur“ 17 % (14 % ohne französische Filme) des Finanzierungsvolumens internationaler Koproduktionen ausmachten.

Verteilung der Finanzierungsquellen nach Budgetarten

Eine Aufschlüsselung des kumulativen Finanzierungsvolumens von EUR 1,33 Mrd. nach Filmbudgetclustern zeigt, dass der **Löwenanteil an Finanzmitteln in die Produktion von Filmen mit hohem Budget (54 %) von EUR 3 bis 10 Mio. floss**, gefolgt von Filmen mit mittlerem Budget (EUR 1 bis 3 Mio.), auf die 27 % der Gesamtfinanzierung entfielen, und Filmen mit extrem hohem Budget (15 %) zwischen EUR 10 und 30 Mio.

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Ohne Frankreich entfiel die größte Zuteilung (54 %) ebenfalls auf Filme mit hohem Budget, wobei der Anteil der Filme mit mittlerem Budget auf 33 % stieg und der Anteil, der in Filme mit extrem hohem Budget investierten Mittel ging auf 17 % zurück.

Die Datenauswahl zeigt auch einige interessante Erkenntnisse zu den Unterschieden in der Aufteilung individueller Finanzierungsquellen auf. So erhielten zum Beispiel, **Filme mit mittlerem Budget** (EUR 1 bis 3 Mio.), die die größte Kategorie bei europäischen Filmen darstellen, eine **im Verhältnis überdurchschnittliche Finanzierung durch direkte öffentliche Förderung**, während ihre Finanzierung durch Vorabverkäufe und Investitionen von Produzenten unterdurchschnittlich war. Demgegenüber wurden Filme mit hohem Budget durch direkte öffentliche Förderung und Investitionen von Rundfunkveranstaltern (außerhalb Frankreichs) unterdurchschnittlich finanziert und durch Vorabverkäufe (außerhalbs Frankreichs), Investitionen von Produzenten und Produktionsanreize im Verhältnis überdurchschnittlich finanziert.

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1 BACKGROUND & PURPOSE

This report reflects the output of an extensive collaboration project between the European Audiovisual Observatory (Observatory) and the European Film Agency Research Network (EFARN). The project aims to **provide reliable figures on the development of budgets and financing structures of European theatrical live-action fiction films.** The project focuses on the analysis of aggregate data on the European level rather than on the analysis of financing structures in individual countries. It offers a **big-picture, pan-European perspective,** and complements work completed at national levels.

Back in October 2016, EFARN members agreed to undertake a pilot project to test the feasibility of monitoring how fiction films were being financed across Europe. The Observatory took on the project implementation, developing - in cooperation with EFARN members - a common methodology for allocating film financing monies to individual financing sources, to ensure comparability of data across countries. Financing plan data were then collected via an annual questionnaire sent to European film agencies, asking them to return anonymised financing plans on a film-by-film basis.

In 2023, the Observatory thus collected and analysed, in collaboration with EFARN members, financing plan data for European theatrical live-action fiction films released in 2021. Thanks to outstanding collaboration with film agencies, financing plan data for 448 films with a cumulative budget of EUR 1.33 billion were gathered and used to analyse financing structures of European fiction films on a pan-European level. Key results of this analysis are published in this report. They address various aspects of the two main research questions: What is the typical budget of a European live-action fiction film? How are European live-action fiction films financed?

The development of financing structures over time can obviously not be addressed by the annual snapshot analysis at hand. Monitoring the development of financing structures would require continuation of the data collection on an annual basis for a number of years to come. Ultimately this project will not only allow for the identification of structural changes in how films are being financed over time but will also enhance our ability to further evaluate the representativeness of the sample data and thereby further improve the quality of insights gained from the analysis. These insights should prove valuable for all stakeholders involved in shaping film financing amid the fundamental structural changes the film industry is undergoing due to digital transformation.

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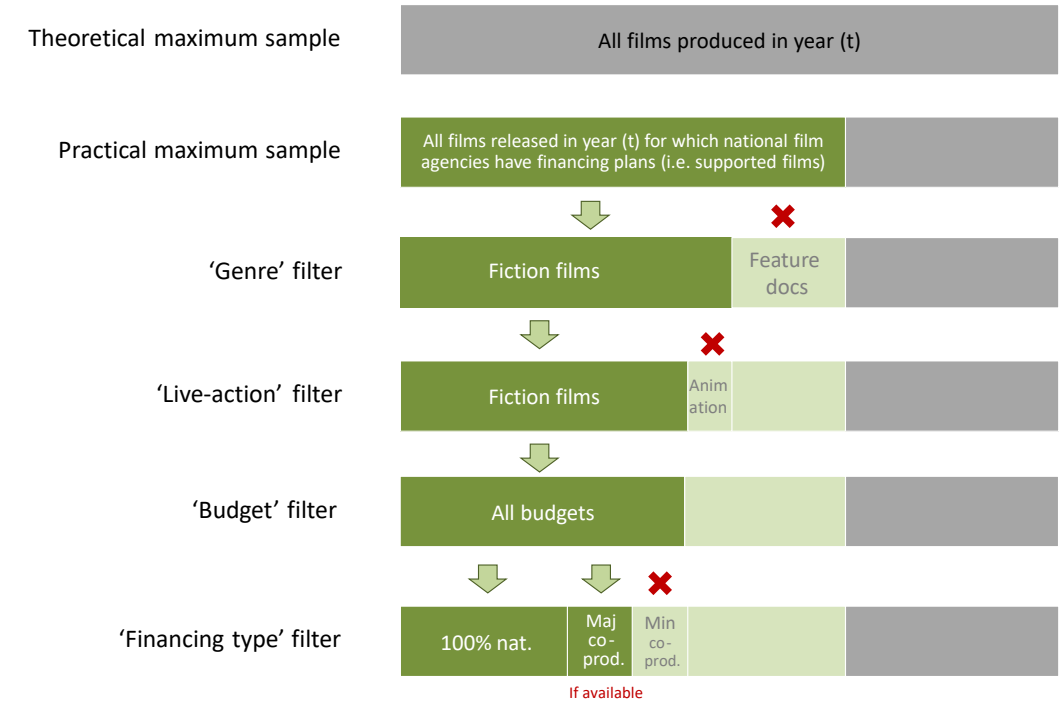
2 DATA SAMPLE & METHODOLOGY

2.1. The data sample

Which films were analysed?

This study focuses on analysis of the financing plans of European 100% national, and majority co-produced live-action fiction films theatrically released in 2021. The financing of these films is estimated to have occurred sometime between 2018 and 2021. By definition, only films for which national film agencies actually have financing plans can be included in the analysis. In most cases this applies primarily to films funded by a national film agency. This of course introduces a selection bias to the analysis which may result in exaggeration of the importance of direct public funding in the analysis results[19].

Figure 1. Definition of film data sample (2021)



[19] See Chapter 2.3 for further remarks on caveats with regard to the interpretation of analysis results.

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- **Rationale for limitation to *films for which national agencies have financing plans readily available*:** feasibility; film agencies can obviously only share financing plan data available to them. In most countries this is only the case with films that receive funding from national film agencies, as the producers of such films are generally obliged to share their financing plans as part of the funding process. In selected countries, film agencies also have access to financing plans of other films due to other reporting obligations / practices. This is however the exception. It would go beyond the current capacity of agencies to collect financing plan data for films for which no reporting obligations exist. The data sample analysed here is thus limited to films for which national agencies have financing plan data readily available. This of course introduces a selection bias into the analysis which must be kept in mind when interpreting the analysis results.

- **Rationale for limitation to *fiction films***: reduction of workload; he main reason for further limiting the scope of the film sample was to reduce the extra workload for film agencies and allow them to participate in the project. There are significant differences with regard to budget requirements and financing structures between fiction films and feature documentaries. The analysis of the financing of fiction films was considered to be of greater strategic importance than the analysis of the financing of feature documentaries.

- **Rationale for limitation to *live-action films*:** representativeness of data; the number of European live-action films by far exceeds the number of animation films, which tend to have exceptionally high budgets and therefore financing structures that differ from those of the vast majority of live-action fiction films. Including a very small number of big-budget, animation films in the data sample would have reduced the representativeness of analysis results for both live-action as well as animation films, since the resulting average values would not have applied to either.

- **Rationale for focusing on *100% national films and majority co-productions* (wherever possible)**: representativeness of data; the Observatory estimates that one out of three European fiction films is produced as an international co-production. When addressing the question of how European fiction films are being financed it must hence be the goal to collect financing plan data on both 100% national films as well as international co-productions. In a few countries, it is not possible for agencies to properly analyse the financing structure of international co-productions, as the financing plans available to them generally show "foreign minority co-production investments" only as a lump sum and do not allow for a more detailed breakdown by (foreign) financing source. Such a breakdown is, however, necessary for a meaningful analysis of financing structures. The vast majority of the sample countries, though, managed to allocate foreign financing sources in a sufficiently meaningful manner, so that international majority co-productions were included in the data sample, representing a significant share of the European fiction film production volume. To avoid double counting films, however, minority co-productions were not considered in the analysis.

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- **Rationale for limitation to *films released theatrically in 2021***: timeliness of analysis and reliability of financing plan data; EFARN members agreed to use the 'release year' rather than the 'financing year' as the common reference year for the analysis, for the following reasons: on the one hand, definitions of 'financing year' differ widely between agencies, and mixing financing plans from different years in one data set would have impaired our ability to analyse structural changes over time. Basing the analysis on 'release year', though, was not only feasible for most agencies but also provided data that can be easily interpreted, is clearly allocated to a specific year, is reliable and is comparatively timely. In those cases where data collection was not practicable on a release year basis, film agencies collected data as close to the release year as possible. The reason for introducing a two-year time lag (i.e. analysing 2021 film releases in 2023, rather than 2022 film releases) was to give agencies sufficient time to collect updated financing plans which better reflect the final financing structure of the films.

Which financing plans were used?

In some agencies, financing plan data refers to "agreement financing plans", in others to "answer print financing plans" or "final financing plans". For the purposes of this project, EFARN members agreed to adopt a **pragmatic approach** and base the analysis on the **latest financing plan available at the time of the data collection**, provided that it was considered "sufficiently reliable". Practically, this means that it was up to the individual film agencies to decide which financing plan to use and to assess the robustness of the financing plan data. Most agencies expressed confidence that the introduction of a two-year time lag (i.e. the analysis of financing plans of 2021 releases in 2023) would give them enough time to collect sufficiently reliable financing plans.

How was data collected and analysed?

The Observatory sent a questionnaire to all European film agencies, asking them to return anonymous financing plans on a film-by-film basis. The data collection was based on a common methodology developed in co-operation with the EFARN and can be found in the appendix of this report. Film agencies were asked to allocate the individual positions of their "national financing plans" to the corresponding financing sources as defined in the common methodology (see appendix 7.4 and 7.5) in order to ensure comparability of data across countries. The Observatory consequently collated the data sets, performed plausibility checks, and conducted the analysis. Analysis results were reviewed by all participating agencies before being published in this report, to ensure the meaningfulness of the analysis insights and avoid misleading 'technical results'.

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2.2. Size and composition of the data sample

The Observatory contacted film agencies in 35 European countries and focused especially on EU member states and countries fully participating in the MEDIA programme.

As of December 2023, **22 countries** had provided the Observatory with detailed financing plans for a total of **448 sample films**. The data sample includes 321 100% national live-action fiction films and 127 European-led co-productions. The data sample covers a **cumulative financing volume of EUR 1.33 billion** - EUR 852 million for 100% national films and EUR 488 million for international co-productions (see Table 1).

Table 1. Number of sample films and sample financing volume by country (2021)

Nr	Country	100% national films		Majority co-productions		Total sample	
		Sample films	Financing volume (in MEUR)	Sample films	Financing volume (in MEUR)	Sample films	Financing volume (in MEUR)
1	AT	5	14.5	3	13.5	8	27.9
2	BE	6	10.6	11	23.0	17	33.6
3	BG	7	3.5	2	1.2	9	4.6
4	CH	3	6.0	5	18.6	8	24.6
5	CY	1	0.9		0.0	1	0.9
6	CZ	15	12.0	9	14.9	24	26.9
7	DE	29	101.2	14	83.6	43	184.8
8	DK	6	13.1	6	33.6	12	46.7
9	FI	7	10.4	3	8.4	10	18.8
10	FR	81	309.0	26	140.9	107	449.9
11	GB	7	33.6	3	10.0	10	43.5
12	HR	2	1.2	5	5.0	7	6.1
13	HU	15	28.7	3	11.3	18	40.0
14	IE	2	1.3	3	5.8	5	7.1
15	IT	102	256.2	6	15.2	108	271.5
16	LT	4	2.5		0.0	4	2.5
17	LU	1	1.7	2	5.1	3	6.7
18	LV	2	1.9	3	1.9	5	3.8
19	NL	13	19.3	9	39.1	22	58.4
20	NO	4	4.8	8	31.8	12	36.7
21	PT	2	0.6	2	2.2	4	2.8
22	SE	7	18.9	4	12.0	11	30.8
Total sample		**321**	**851.8**	**127**	**477.0**	**448**	**1 328.8**
% share		**72%**	**64%**	**28%**	**36%**	**100%**	**100%**

Source: European Audiovisual Observatory

In order to assess the representativity of this data sample it is useful to estimate its coverage rate. As the sample data are - in principle collected - on the basis of their theatrical release year, the **sample coverage rate** is calculated in relation to the estimated total number of national live-action fiction films theatrically released in the various countries. While there are a couple of methodological caveats and limitations to this approach (see below), it represents the most meaningful way to assess the overall representativity of the data sample.

As shown in Table 2, the data sample represents about 57% of the estimated total number of live-action fiction films released in 2021 in the 22 sample countries. Taking into consideration the number of fiction films released in the 13 European countries that

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couldn't share any financing plan data, the coverage rate of the data sample is **estimated at 43% of all national live-action films**[20] **released in Europe in 2021.**

Table 2. Size and estimated coverage rates of data sample by country (2021)

To estimate the coverage rate, the number of sample films, which primarily – but not exclusively – refer to films theatrically released in 2021, was compared to the estimated number of national live-action fiction films theatrically released in the various countries.

		Sample live-action fiction films released 2021			Total live-action fiction films released 2021 est.			Sample coverage rate (in %) est.		
Nr.	Country	100% national films	Majority Co-prod.	Total sample films	100% national films	Majority co-prod.	Total	100% national films	Majority co-prod.	Total
1	AT	5	3	**8**	11	4	**15**	45%	75%	**53%**
2	BE	6	11	**17**	19	6	**25**	32%	>=100%	**68%**
3	BG	7	2	**9**	10	3	**13**	70%	67%	**69%**
4	CH	3	5	**8**	17	11	**28**	18%	45%	**29%**
5	CY	1	0	**1**	1	3	**4**	100%	0%	**25%**
6	CZ	15	9	**24**	22	12	**34**	68%	75%	**71%**
7	DE	29	14	**43**	73	24	**97**	40%	58%	**44%**
8	DK	6	6	**12**	13	5	**18**	46%	>=100%	**67%**
9	FI	7	3	**10**	22	5	**27**	32%	60%	**37%**
10	FR	81	26	**107**	116	32	**148**	70%	81%	**72%**
11	GB	7	3	**10**	52	21	**73**	13%	14%	**14%**
12	HR	2	5	**7**	3	4	**7**	67%	>=100%	**100%**
13	HU	15	3	**18**	24	4	**28**	63%	75%	**64%**
14	IE	2	3	**5**	6	3	**9**	33%	100%	**56%**
15	IT	102	6	**108**	101	42	**143**	>=100%	14%	**76%**
16	LT	4	0	**4**	5	1	**6**	80%	0%	**67%**
17	LU	1	2	**3**	0	2	**2**	>=100%	100%	**>=100%**
18	LV	2	3	**5**	4	3	**7**	50%	100%	**71%**
19	NL	13	9	**22**	27	10	**37**	48%	90%	**59%**
20	NO	4	8	**12**	27	5	**32**	15%	>=100%	**38%**
21	PT	2	2	**4**	9	6	**15**	22%	33%	**27%**
22	SE	7	4	**11**	15	7	**22**	47%	57%	**50%**
TOTAL SAMPLE		**321**	**127**	**448**	**577**	**213**	**790**	**56%**	**60%**	**57%**
Fiction films from countries where no data is available*					**179**	**76**	**255**	**n/a**	**n/a**	**n/a**
TOTAL - EUROPE (35 countries)					**756**	**289**	**1 045**	**42%**	**44%**	**43%**

* Estimated number of fiction film releases for Bosnia-Herzegovina, Spain, Estonia, Georgia, Greece, Iceland, Montenegro, North Macedonia, Malta, Poland, Romania, Slovenia and Slovakia.

Source: European Audiovisual Observatory / LUMIERE

Particularly two factors can cause the estimated coverage rate in individual countries to overestimate the actual coverage and in some cases even exceed 100%.

The first reason is linked to the fact that not all sample films refer to films actually released in cinemas in 2021 In some cases (e.g. the French or Italian data), the sample data are - for pragmatic reasons - based on an indicator (e.g. production agreement or release licence) which serves as a proxy for the release year rather than being based on the actual theatrical release in the given calendar year as such. In other cases the sample data may refer to scheduled releases and not take into account postponements of the actual release. Under normal circumstances the usage of such proxy indicators does not distort the data significantly.

The second reason can be an incomplete identification of the number of national live-action fiction films released. Due to the lack of official figures on this specific sub-set of film releases in several countries, the number of first releases was mostly estimated based on data from the LUMIERE database. Given the only partial LUMIERE coverage in certain

[20] In the case of international co-productions, the data sample is estimated to account for 44% of total co-productions released in Europe, while the coverage rate for 100% national fiction films is estimated at 42%.

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countries, the actual number of fiction films released may be slightly higher than the estimated values shown in Table 2.

In both cases the estimated coverage rate of the data sample would slightly overestimate the coverage rate. In order to correct for this potential bias to a certain extent, the number of sample films in any individual market used for calculating the coverage rate of the total sample can not exceed the estimated total number of live-action film releases in that market.

In any case, the number of film releases is only used as most appropriate benchmark to roughly estimate the coverage rate of the sample. Wherever possible the data sample strives to include films that are ready to be released rather than actual releases. This increases the number of sample films relevant for analysing the financing structures over time, which are in fact not impacted at all by the actual release of a film. Using the release year as benchmark for estimating coverage rates is still more meaningful than e.g. using financing or production year, as these two terms are not applied in a comparable manner across European markets. A coverage rate exceeding 100% is hence not challenging but rather increasing the representativity of the data sample.

Breakdown by market cluster

Budgets and financing structures differ among individual countries depending on, among other factors, their market size. Indicators were therefore analysed by market cluster based on annual admission levels as measured in 2019 (pre-COVID level).

Table 3 shows the definition of small, medium-sized, and large markets applied in this analysis while Table 4 lists all countries within the three market clusters for which sample data was available, as well as those countries for which no sample data was available.

Table 3. Definition of market clusters

Market clusters	Admissions in 2019
Small markets	< 10 million
Medium-sized markets	[10 million to 50 million[
Large markets	> 50 million

Table 4. Sample markets by market cluster (2021)

Market clusters	Sample countries	No sample data available for
Small markets	7 countries: BG, CY, FI, HR, LT, LU, LV	10 countries: BA, EE, GE, GR, IS, ME, MK, MT, SI, SK
Medium-sized markets	11 countries: AT, BE, CH, CZ, DK, HU, IE, NL, NO, PT, SE	1 country: RO
Large markets	4 countries: DE, FR, GB, IT	2 countries: ES, PL

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The 2021 data sample covers 22 of 35 European markets (63%). The **country coverage** of the sample is comprehensive for medium-sized markets (11 of 12, i.e. 92%), substantial for large markets (four of six, i.e. 67%), while it is comparatively low for the small markets (seven of 17, i.e. 41%).

Film coverage, i.e. the share of sample films out of total national live-action film releases, is higher in medium-sized markets than in the small and large market clusters. As shown in Table 5, the data sample is estimated to cover 50% of all national live-action fiction films released in medium-sized markets compared to an estimated coverage rate of 42% and 30% for large and small markets respectively.

Film coverage rates within the respective sample markets are of course higher, with sample films covering an estimated 59% of all film releases in the seven small markets for which financing data were available, 54% of all film releases in the 11 medium-sized sample markets and 58% of the film releases in the four large sample markets. The data sample can thus be assumed to permit the formulation of insights into financing structures on a market cluster basis, although the coverage of this year's data sample is comparatively low. Data from previous years serve as comparative benchmarks for plausibility checks.

Table 5. Overview of estimated sample coverage by market cluster (2021)

Market clusters	Country coverage	Film coverage all releases	Film coverage within sample countries
Small markets	41%	30%	59%
Medium-sized markets	92%	50%	54%
Large markets	67%	42%	58%
Total Europe	**63%**	**43%**	**57%**

Source: European Audiovisual Observatory

A breakdown of the data sample shows that 60% of the 448 **sample films** were **produced** in a large market, 31% of the sample films originated from a medium-sized market and 9% came from a small market (see Figure 2).

In terms of **financing volume**, the weight of large-market films is, unsurprisingly, more pronounced, with 71% of the EUR 1.33 billion in film investment funds going to large-market films, 25% to films from medium-sized markets and only 3% to small-market films.

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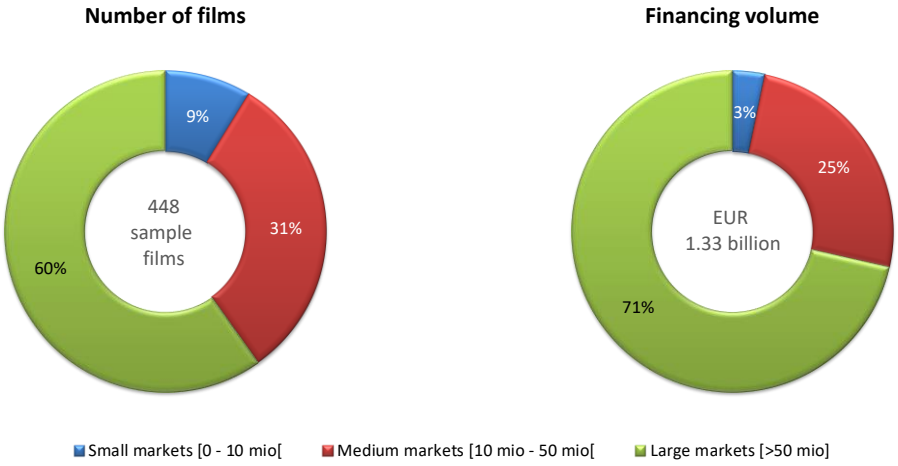
Figure 2. Breakdown of number and financing volume of data sample - by market cluster (2021)



Source: European Audiovisual Observatory

Comparing the composition of the 448 sample films with the composition of the estimated total 1 045 European live-action fiction films released in 2021 reveals that the **make-up of the data sample sufficiently reflects the breakdown of overall releases by market type,** even though films produced in medium-sized countries are proportionally slightly over-represented in the data sample while films originating in small and large markets are slightly under-represented (see Table 6): accounting for 27% of total estimated releases, films from medium-sized markets represented 31% of the sample films. Small-market films, on the other hand, accounted for 12% of total releases but only 9% of sample films. Films produced in large markets represented 61% of total European fiction film releases and 60% of sample films.

Table 6. Comparison of sample composition with European release volume (2021)

Market clusters	Share of sample films 2021	Share of European fiction films released in 2021 (est.)
Small markets	9%	12%
Medium-sized markets	31%	27%
Large markets	60%	61%
Total Europe	**448 films**	**1 045 films**

Source: European Audiovisual Observatory

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Breakdown by budget cluster

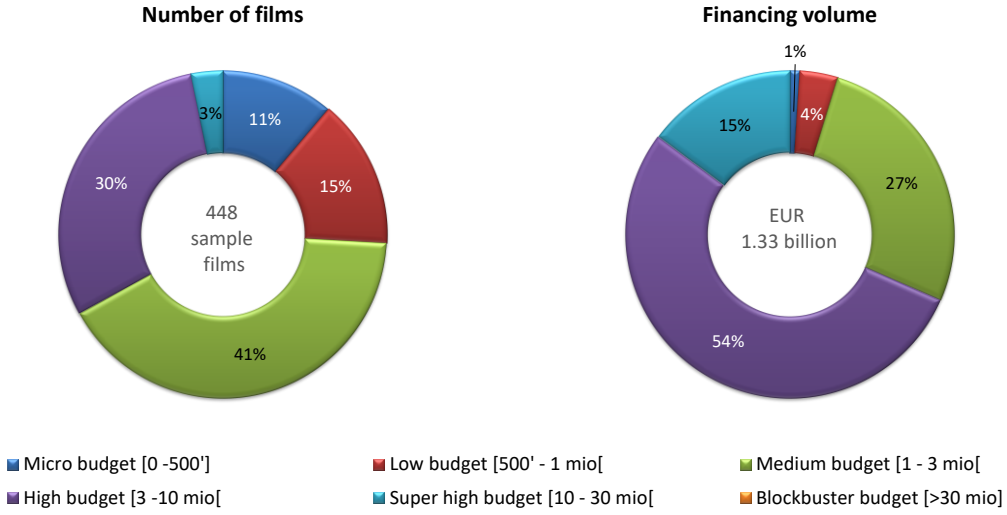
As financing structures may differ between films with different budget sizes, indicators were also analysed by budget cluster, according to the following categorisation:

Table 7. Definition of budget clusters

Film budget types	Budget bandwidth in EUR
Micro-budget films	< 500’
Low-budget films	[500’ to 1 million[
Medium-budget films	[1 million to 3 million[
High-budget films	[3 million to 10 million[
Super-high-budget films	[10 million to 30 million[
Blockbuster-budget films	> 30 million

To better interpret the analysis results, it is important to keep in mind the composition of the data sample in terms of budget clusters. As illustrated in Figure 3, medium-budget films, i.e. films with budgets between EUR 1 million and EUR 3 million, represent the largest number of films in the data sample (41%), but they account for only 27% of the cumulative production spend / financing volume. The largest chunk of the cumulative sample financing volume of EUR 1.33 billion (54%) was invested in high-budget films costing between EUR 3 million and EUR 10 million while they accounted for only 30% of the sample films. While super-high-budget films costing more than EUR 10 million represent only 3% of the sample films, they account for 15% of total production spend. There were no blockbuster-budget films costing more than EUR 30 million films in the 2021 data sample. In sum, 26% of the sample films were low- or micro-budget productions cumulatively accounting for only 5% of total production spend. Differences between the characteristics of individual budget clusters with regard to financing structures are shown in chapter 5.

Figure 3. Breakdown of number and financing volume of sample films by budget size (2021)



Source: European Audiovisual Observatory

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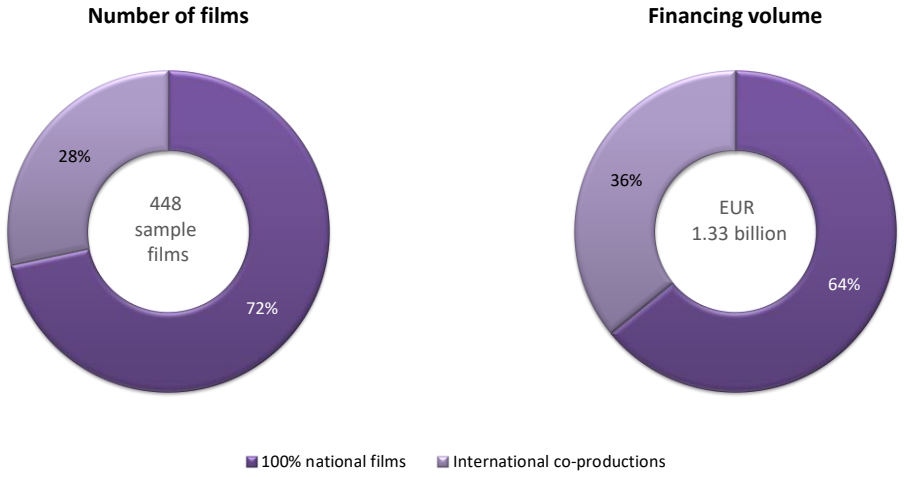
Breakdown by financing type

Financing structures, too, differ between 100% national films and international co-productions. To better interpret the analysis results, it is important to keep in mind the composition of the data sample in terms of these two film financing types.

As shown in Figure 4, 100% national films account for 72% of the 448 sample fiction films and 64% of the total sample financing volume of EUR 1.33 billion while international co-productions account for 28% of the sample films and 36% of the sample financing volume.

This is in line with the breakdown of the estimated total of 1 045 live-action fiction films released in 2021 in the 35 European countries (in theory covered in this study) shows that 100% national films represented 73% and international co-productions 27% of total releases.

Figure 4. Breakdown of number and financing volume of sample films by financing type (2021)



Source: European Audiovisual Observatory

2.3. Remarks on the quality of analysis insights

This is sixth year in which the Observatory, in collaboration with EFARN members, has collected such comprehensive sample data on the financing structures and budgets of European live-action fiction films on a pan-European level. As far as the Observatory is aware, no comparable data have been published by any other organisation. There are thus no other established benchmark figures that can be used to conclusively check the reliability of the analysis results. The Observatory and EFARN members have, however, undertaken a significant effort to collect data of good quality and to render them comparable across countries. Plausibility checks were performed both at the pan-European and at the country levels. The analysis results of the 2021 data sample are – broadly speaking - in line with the results obtained from the 2016 and 20120 data samples - an encouraging indication of the reliability and robustness of the insights gained from this analysis. It is, however, important to address a few caveats with regard to the interpretation of the analysis results.

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Representativeness of the data sample

Probably the most important question with regard to the reliability of analysis insights concerns the **representativeness of the data sample**. Is the coverage rate of the data sample sufficient to ensure representative insights as to how European theatrical live-action fiction films are financed?

As mentioned above, the 448 sample films represent an estimated 57% of the fiction films released in the countries that provided financing plans, and 43% of the estimated total European release volume in 2021. The analysis spans a cumulative financing volume of EUR 1.33 billion. While it is impossible to make a conclusive assessment about the representativeness of the data sample, the Observatory and EFARN believe the size and quality of the data sample allow for **valid *big-picture* insights** into how European theatrical fiction films released in 2021 were financed **from a pan-European perspective**.

At the same time, Table 2 shows that the **estimated**[21] **coverage rates** - and thus the representativeness - of data samples differ significantly among individual countries. The data sample is clearly representative in six out of 22 sample markets, where it covers more than 70% of the estimated live-action fiction film release volume in 2021. In another nine sample countries, coverage rates range between 50% and 69%, again suggesting a high likelihood of representativeness. However, in Germany, Norway and Finland the coverage rate ranges between 44% and 37%, while in Switzerland, Portugal and Cyprus it only amounts to 29%, 27% and 25% and in the UK sample films represent only 14% of the estimated UK film releases. Furthermore, in the case of countries with a very low production output even a 100% coverage of national film releases may not necessarily be 'representative' in terms of how films generally are financed in that country, as a single film - with a possibly exceptional financing structure – can heavily influence the overall breakdown of financing volume in such a country in a specific year. **The representativeness of the data sample can therefore not be guaranteed on a country-by-country level**. Hence, no data have been published on a country-by-country basis.

The Observatory and EFARN members also believe the size and quality of the data sample permit the formulation of **insights into financing structures on a market cluster basis, although the coverage of this year's data sample is comparatively low.** As mentioned, the data sample is estimated to cover 50% of the live-action fiction films released in medium-sized markets, compared to an estimated coverage rate of 42% for large and 30% for small markets. In the case of large markets, one must also bear in mind the *French bias* resulting from the over-proportional share of French films (see below). However, the availability of comparative data at market cluster levels for the years 2016 to 2020 provides reliable benchmarks to assess the representativity of 2021 results on market cluster basis.

[21] In most countries the number of live-action fiction film releases in 2021 had to be estimated based on data from the LUMIERE database as film agencies generally do not publish release figures in this granularity. When LUMIERE coverage for a of specific country was not sufficient production figures were used as a proxy for releases. The estimated coverage rates are hence to be interpreted to give a rough indication of representativeness of the data sample rather than providing accurate release figures.

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Selection bias

In interpreting the analysis insights regarding financing structures, it is important to note that there is a systematic selection bias, as the data sample refers only to a very specific subset of films, namely fiction films, for which national film agencies have financing plans.

In most countries (exceptions[22] are the Czechia, France, Hungary, Italy and the Netherlands) this limits the sample to films receiving direct public support from national film agencies so the bias may exaggerate the importance of public funding.

While the representativeness of the data sample for fiction films receiving public national support can be assumed with high confidence, it cannot be assessed for films produced without direct public national support, due to the lack of financing plans for this control group. The financing structures of films falling into the latter category may ultimately be substantially different from the results published in this report.

French bias

The overall analysis results on the pan-European level, and particularly within the large market cluster, are heavily influenced by the weight and characteristics of French films: French films represent 24% of the sample films and 34% of the cumulative financing volume in the total data sample. Within the large market cluster, French films account for 40% of the sample films and 47% of the corresponding financing volume. This is important because the analysis reveals significant structural differences in how films are financed in France compared to the vast majority of other European countries. This is particularly true with regard to the comparatively prominent role of broadcaster financing and the comparatively limited role of direct public funding. In order to address this bias, pan-European indicators have been analysed in a two-fold manner, once for the full data sample including French films, and once for the data sample excluding French films.

Comparability of financing plan data

Another important question concerns the comparability of the financing plans provided by the different countries, i.e. the consistent labelling and accounting for funds based on the common methodology. While the Observatory can neither verify nor guarantee that financing plan data have been allocated in a consistent manner across all agencies, the Observatory and EFARN members regard the data provided by the various agencies - based on the application of a common methodology, several plausibility checks and discussions with film agencies - to be by and large comparable and of good quality. While the analysis results of the 2021 data sample are – broadly speaking - in line with the results obtained from the data samples collected for the years 2016 to 2020, one cannot compare directly the analysis results over time due different sample compositions and coverage rates.

[22] In some countries national film agencies have access to financing plans also for films that do not benefit from direct national support, either for films benefitting from production incentives or due to other regulation.

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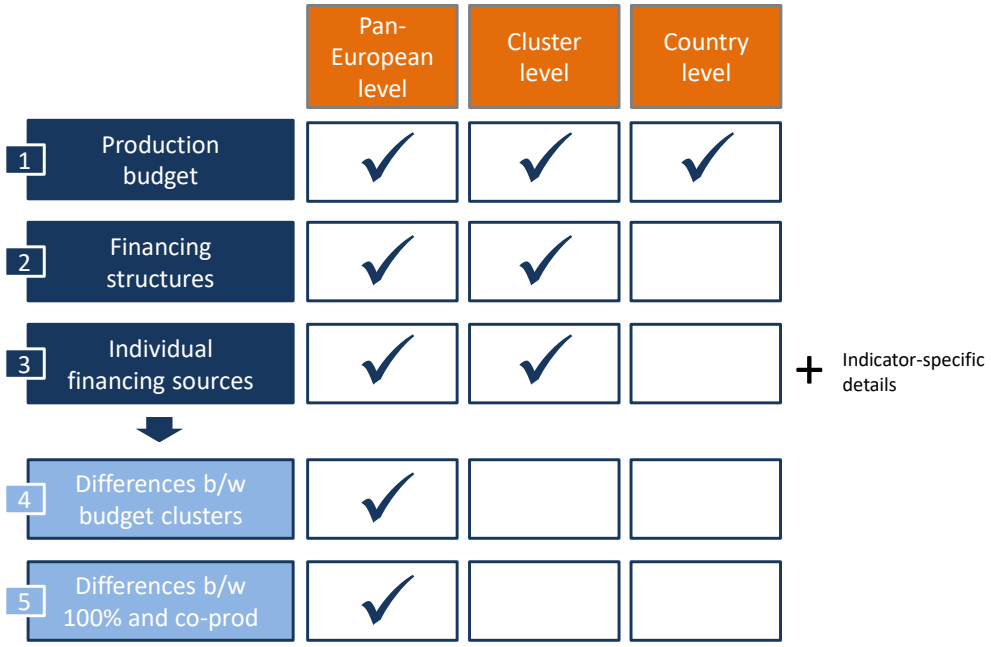
2.4. Analysis approach and structure of the report

The purpose of this report is to make available a wide array of data shedding light on a variety of aspects so readers may use the data according to their own research needs and priorities. A relevant research question is posed at the top of each page, followed by a table and / or figure shedding light on that particular question. Additionally, selected insights that may be drawn from the corresponding table / figure are listed below the figure. In doing this, the Observatory fulfils its role as the provider of neutral facts and figures without assignment of any particular weight to any specific research angle.

Pointers referring to the three main indicators, namely the average budget, the financing structure and the role of individual financing sources, are presented on the pan-European level (with and without French films, so as to address the *French bias*) as well as the market cluster level but not at the country level, as the representativeness of data for selected countries cannot be guaranteed. Only average sample budget data are shown on a country level, to describe the characteristics of the data sample.

This analysis is complemented by two special chapters highlighting the differences between the different budget clusters as well as differences between 100% national films and international co-productions. This analysis refers only to the pan-European level, as a breakdown by market cluster offers limited added value.

Figure 5. Overview of analysis approach



Source: European Audiovisual Observatory

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3 ANALYSIS OF AVERAGE PRODUCTION BUDGETS

Please note that all figures in this report refer only to theatrical live-action fiction films.

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WHAT IS THE AVERAGE BUDGET OF A EUROPEAN FICTION FILM?

- PAN-EUROPEAN PERSPECTIVE

Table 8. Average budget of European sample live-action fiction films (2021)

	Nr. of sample films	Mean budget	Median budget
All sample films	**448**	**MEUR 2.97**	**MEUR 2.12**
All sample films excl. FR	**341**	**MEUR 2.58**	**MEUR 1.84**

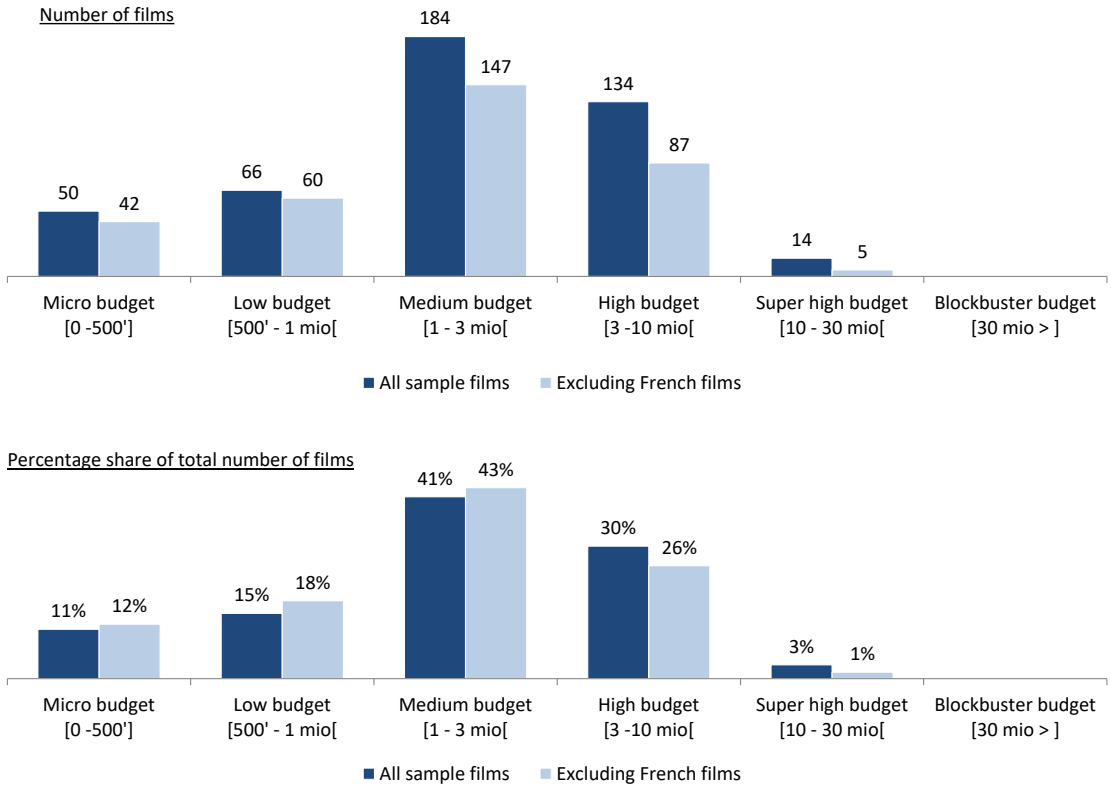
Source: European Audiovisual Observatory

SELECTED INSIGHTS

- The data sample suggests that the mean budget of a European theatrical live-action fiction film released in 2021 amounted to EUR 2.97 million.
- The mean can of course be significantly impacted by a comparatively low number of films with very high budgets. The median budget of EUR 2.12 million hence possibly constitutes a more representative value for the majority of European films.
- Excluding French films from the analysis lowers the mean and median budgets of European theatrical fiction films, to EUR 2.58 million and EUR 1.84 million, respectively. This illustrates that French films tend to have above-average budgets compared to most other European countries.
- Bearing in mind the selection bias towards films receiving funding from national film agencies, it may be possible that the values indicated in Table 8 overestimate to a certain degree the average budgets of European fiction films from a pan-European perspective, as often films receiving funding from national film agencies tend to have higher budgets than films without national funding.
- On the other hand the majority of films not covered in the data sample originate from large markets (in particular Spain; Poland and the UK) and tend to have higher budgets, which could cause the values indicated in Table 8 to actually underestimate to a degree average budgets for European fiction films from a pan-European perspective.
- In any case, typical production costs differ significantly from one country to the next, and providing one pan-European average value for the production costs of European films may offer only limited insights with regard to production realities in individual countries.

BREAKDOWN OF THE NUMBER OF FILMS BY BUDGET RANGE
- PAN-EUROPEAN PERSPECTIVE

Figure 6. Number of sample films by budget range (2021)



Source: European Audiovisual Observatory

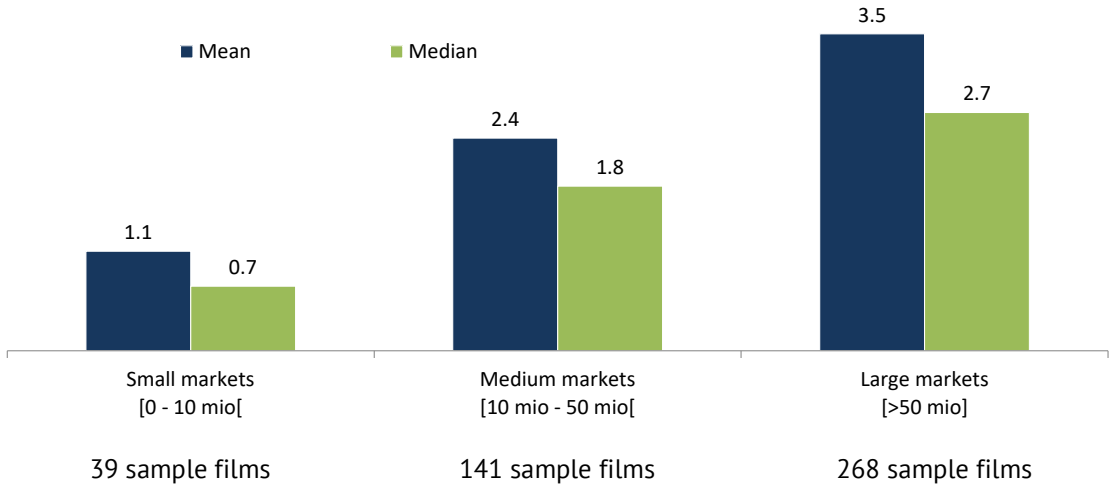
SELECTED INSIGHTS

- Consistent with mean and median budgets, the largest number of films – 184 (41%) out of 448 sample films - in the data sample fell into the medium-budget category.
- The second largest number of sample films (134 films; 30%) fell into the high-budget category ranging from EUR 3 million to EUR 10 million.
- Low-budget films (with budgets ranging from EUR 500 000 to EUR 1 million) and micro-budget films (with budgets below EUR 500 000) accounted for 66 and 50 films, each representing 15% and 11% of the total sample films, respectively.
- Only 14 of the 448 sample films had a budget above EUR 10 million, and none of them exceeded EUR 30 million.
- The distribution weights shift slightly when comparatively expensive French films are excluded from the analysis, with 43% European fiction film falling into the medium-budget category, and only 26% of films falling into the high-budget range (compared to 30% when French films are included).

HOW DO AVERAGE BUDGETS DIFFER BETWEEN MARKET CLUSTERS?

- MARKET CLUSTER PERSPECTIVE

Figure 7. Mean and median budgets of European fiction films by market size (2021)



Source: European Audiovisual Observatory

SELECTED INSIGHTS

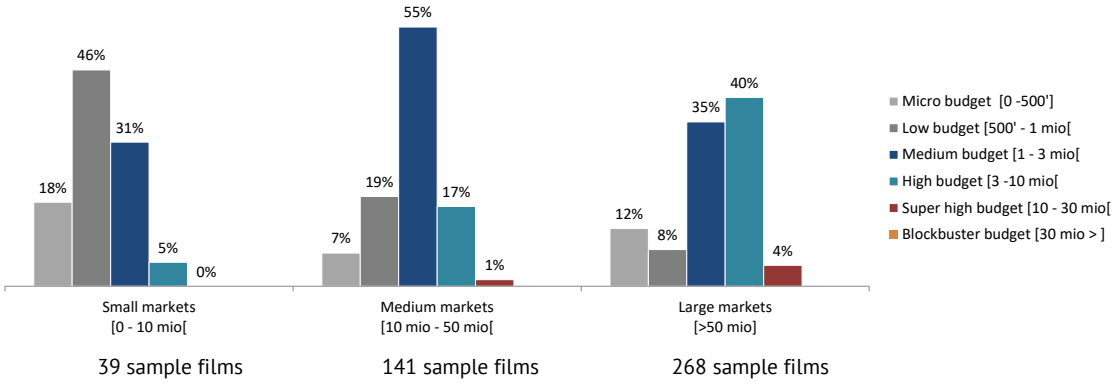
- Average budgets differ widely among countries. Not surprisingly, average budgets are higher in larger markets and lower in countries with a more limited box-office potential.
- The mean budget of a European fiction film originating in France, Germany, Italy, or the UK[23] (the large markets included in the sample) amounted to EUR 3.5 million in 2021 (EUR 3.1 million excluding French films) while the median budget amounted to EUR 2.7 million (EUR 2.4 million excluding French films).
- This is about 50% higher than the average budget of a fiction film originating in a medium-sized European market (markets with 10 to 50 million admissions per year) whose mean budget amounted to EUR 2.4 million (median budget of EUR 1.8 million).
- Again, budgets appear lower in small European markets (markets with fewer than 10 million admissions) where the mean budget amounted to EUR 1.1 million and the median budget ran at EUR 0.7 million.

[23] Remark: UK sample data are based on only 10 sample films that received direct production funding from the British Film Institute (BFI). The official median budget for 126 domestic UK features shooting in 2021 was EUR 0.88 million (GBP 0.76 million). Restricting the sample to the 75 domestic UK features with a budget exceeding GBP 500 000, the median budget was EUR 2.68 million (GBP 2.33 million). The median budget of the 28 UK co-productions produced in 2021 was EUR 3.72 million (GBP 3.20 million) according to BFI figures.

BUDGET RANGE: DIFFERENCES AMONG SMALL, MEDIUM AND LARGE MARKETS?
- MARKET CLUSTER PERSPECTIVE

Figure 8. Breakdown of number of sample films by budget range and market size (2021)

In % of total number of sample films released within each market cluster.



Source: European Audiovisual Observatory

SELECTED INSIGHTS

- There are significant budget bandwidth differences among the sample films depending on the market size: the larger the market, the higher the share of films falling into higher-budget clusters.
- High-budget films represent the largest group of fiction film releases in large markets (40%) while the majority of film releases in medium-sized markets fell into the medium-budget category (55%), and low-budget films represented the largest share of film releases in the small markets cluster (48%).
- The eight films with a budget above EUR 10 million were almost exclusively produced in large markets, with only two coming from a medium-sized market.
- Excluding French films from the analysis, the percentage share of high-budget and super-high-budget films in the large markets cluster decreases from 40% to 38% and from 4% to 2%, while the share of micro-budget films increases from 12% to 16%.

HOW DO AVERAGE BUDGETS DIFFER AMONG COUNTRIES?

Table 9. Average sample budgets of European fiction films – country ranking (2021)

Ranked by median budget; note that these mean and median budgets represent sample averages and may differ from the official figures published by national film agencies. This is particularly true for countries where sample films represent less than 50% of the country's estimated annual production volume or where the number of film releases is very low in absolute terms.

Rank	Country		Mean budget 2021 (in MEUR)	Median budget 2021 (in MEUR)	Number of sample films 2021
Countries with a median budget > EUR 3 million					
1	DE	Germany*[1)]	4.32	**3.80**	43
2	GB	UK*[2)]	4.35	**3.50**	10
3	FR	France	4.21	**3.09**	107
Countries with a median budget between EUR 1 million to 3 million					
4	AT	Austria	3.49	**2.92**	8
5	NO	Norway*	3.05	**2.49**	12
6	CH	Switzerland*	3.07	**2.45**	8
7	SE	Sweden	2.80	**2.29**	11
8	DK	Denmark	3.89	**2.28**	12
9	NL	Netherlands	2.65	**1.99**	22
10	BE	Belgium	1.98	**1.92**	17
11	IT	Italy	2.51	**1.86**	108
12	HU	Hungary	2.22	**1.73**	18
13	LU	Luxembourg*	2.24	**1.66**	3
14	FI	Finland*	1.88	**1.63**	10
15	IE	Ireland	1.42	**1.34**	5
Countries with a median budget of less than EUR 1 million					
16	CZ	Czech Republic	1.12	**0.94**	24
17	CY	Cyprus*	0.88	**0.88**	1
18	LV	Latvia	0.77	**0.70**	5
19	PT	Portugal*	0.71	**0.65**	4
20	LT	Lithuania	0.62	**0.62**	4
21	HR	Croatia	0.87	**0.61**	7
22	BG	Bulgaria	0.51	**0.60**	9
TOTAL SAMPLE			**2.97**	**2.12**	**448**

** Due to either low coverage rates or a very low number of sample films, the average values should be considered 'technical' values which describe the data sample rather than as representative values for the respective countries.*

1) The German data sample primarily includes films funded by the FFA which tend to have above average budgets. Sample data might hence somewhat overestimate the average budget of German theatrical films.

2) The UK sample data are based on only 10 sample films that received direct production funding from the British Film Institute (BFI). The official median budget for 126 domestic UK features shooting in 2021 was EUR 0.88 million (GBP 0.76 million). Restricting the sample to the 75 domestic UK features with a budget exceeding GBP 500 000, the median budget was EUR 2.68 million (GBP 2.33 million). The median budget of the 28 UK co-productions produced in 2021 was EUR 3.72 million (GBP 3.20 million) according to BFI figures.

Source: European Audiovisual Observatory

SELECTED INSIGHTS

- Among the 2021 sample markets, France, Germany and the UK, stood out with median budgets ranging between EUR 3.8 million and EUR 3.1 million.
- Median budgets in medium-sized Western European markets tended to range between EUR 1.6 million and EUR 2.5 million, while median budgets in Eastern European and smaller markets often ranged between EUR 0.6 million and EUR 0.9 million.

COUNTRY BREAKDOWN OF THE NUMBER OF FILMS BY BUDGET RANGE

Table 10. Number of sample films by budget range and country (2021)

Ranked by number of films within budget clusters

Country	Micro budget [0 -500']	Low budget [500' - 1 mio[	Medium budget [1 - 3 mio[	High budget [3 -10 mio[	Super high budget [10 - 30 mio[	Mean budget 2021 (in MEUR)	Median budget 2021 (in MEUR)	Nr of sample films 2021
Countries with HIGH BUDGET productions representing the largest cluster of sample films								
FR	8	6	37	47	9	4.21	3.09	107
DE**	2	0	17	21	3	4.32	3.80	43
NO*	0	4	3	5	0	3.05	2.49	12
GB*	0	0	4	6	0	4.35	3.50	10
AT	0	0	4	4	0	3.49	2.92	8
Countries with MEDIUM budget productions representing the largest cluster of sample films								
NL	1	4	14	2	1	2.65	1.99	22
HU	4	0	11	3	0	2.22	1.73	18
BE	0	1	15	1	0	1.98	1.92	17
DK	0	2	6	3	1	3.89	2.28	12
FI*	0	2	6	3	0	2.80	2.29	11
FI*	1	0	8	1	0	1.88	1.63	10
IE	1	0	4	0	0	1.42	1.34	5
CH*	0	0	6	2	0	3.07	2.45	8
LU*	0	1	1	1	0	2.24	1.66	3
Countries with LOW and MICRO budget productions representing the largest cluster of sample films								
IT	23	15	36	34	0	2.51	1.86	108
CZ	3	12	8	1	0	1.12	0.94	24
BG	4	5	0	0	0	0.51	0.60	9
HR	0	5	2	0	0	0.87	0.61	7
LV	0	4	1	0	0	0.77	0.70	5
LT	2	2	0	0	0	0.62	0.62	4
PT*	1	2	1	0	0	0.71	0.65	4
CY*	0	1	0	0	0	0.88	0.88	1
TOTAL	**50**	**66**	**184**	**134**	**14**	**2.97**	**2.12**	**448**
%	**11%**	**15%**	**41%**	**30%**	**3%**	**-**	**-**	**100%**

** Due to either low coverage rates or a very low number of sample films, the average values should be considered 'technical' values which describe the data sample rather than as representative values for the respective countries.*
*** The German data sample primarily includes films funded by the FFA which tend to have above average budgets. Sample data might hence somewhat overestimate the average budget of German theatrical films.*

Source: European Audiovisual Observatory

SELECTED INSIGHTS

- Productions with a budget above EUR 3 million represented the largest budget cluster of sample fiction films in only four of the sample countries: France, where cumulatively 56 out of 107 sample films fell into the high-, or super-high budget categories, Germany, Norway and the UK. In the case of Austria 4 out of 8 sample films were high-budget films.
- Medium-budget films appear to account for the majority of national film releases in medium-sized Western European markets, while some smaller and Eastern European sample markets tend to produce predominantly low- or micro-budget films.

4 ANALYSIS OF FINANCING STRUCTURES

4.1. Breakdown of cumulative financing volume by financing sources

Reminder:

When interpreting the analysis results it is important to keep in mind the various caveats described in Chapter 2. This is particularly true for the selection bias which may result in over-emphasis of the role of direct public funding.

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HOW ARE EUROPEAN FICTION FILMS FINANCED?
- PAN-EUROPEAN PERSPECTIVE

Table 11. Breakdown of cumulative financing volume by source (2021)

Ranked by percentage share; based on all 482 sample films

Rank	Financing source	Amount in MEUR	% share
1	Direct public funding	343.3	26%
2	Production incentives	275.4	21%
3	Producer investments (excl. broadcasters)	242.9	18%
4	Brodcaster investments	222.5	17%
5	Pre-sales (excl. broadcasters)	177.5	13%
6	Private equity cash investments	22.0	2%
7	Debt financing	19.0	1%
8	In-kind investments	3.6	0%
9	Other financing sources	22.6	2%
	Total sample	**1 328.8**	**100%**

Source: European Audiovisual Observatory

SELECTED INSIGHTS

- In 2021, the financing of European theatrical live-action fiction films came primarily from five financing sources: direct public funding; production incentives; producer investments; broadcaster investments; and pre-sales.
- The single most significant financing source clearly was direct public funding[24], which accounted for 26%.
- Direct public funding was followed by production incentives, producer investments (excl. broadcasters) and broadcaster investments[25], accounting for 21%, 18% and 17% of total financing, respectively. Pre-sales (excl. broadcasting rights)[26] accounted for 13% of total financing.
- Other financing sources, including private equity, debt financing or in-kind investments, were negligible from an aggregate perspective.
- Video on demand (VOD) financing was insignificant, representing 0.33% of the total financing volume and is therefore not shown as a separate category in this overview. Pre-sales to VOD service providers and (co-) production investments made by VOD companies are included in the pre-sales and producer investment categories, respectively.

[24] Direct public funding includes public funding from national, regional and local bodies in the country of origin as well as from minority financing countries and supra-national sources. The percentage share of direct public funding may be exaggerated due to the selection bias.

[25] Broadcaster investments combine co-production investments by broadcasters with pre-sales made to broadcasters based in any of the co-producing countries.

[26] Pre-sales combine national and international pre-sales.

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DETAILED FINANCING STRUCTURE – PAN-EUROPEAN PERSPECTIVE

Table 12. Detailed breakdown of cumulative financing volume by source (2021)

Financing sources	Amount in EUR	% share
∑ DIRECT PUBLIC FUNDING	**343 265 546**	**26%**
- ∑ Public funding from country of origin	**301 923 570**	**23%**
- National public funding	225 298 204	17%
- Regional public funding	76 273 962	6%
- Local public funding	351 404	0%
- ∑ Public funding from minority financing countries	**30 390 469**	**2%**
- National public funding	26 750 659	2%
- Regional public funding	3 569 811	0%
- Local public funding	70 000	0%
- ∑ Supra-national public funding	**10 951 507**	**1%**
∑ BROADCASTER INVESTMENTS	**222 501 061**	**17%**
- ∑ Broadcaster investments from country of origin	**210 875 752**	**16%**
- Co-production investments	60 863 615	5%
- Pre-sales	150 012 137	11%
- ∑ Broadcaster investments from minority financing countries	**11 625 309**	**1%**
- Co-production investments	4 495 574	0%
- Pre-sales	7 129 735	1%
∑ PRODUCER INVESTMENTS (excl. broadcasters)	**242 939 173**	**18%**
- ∑ Producer investments from country of origin	205 310 280	15%
- ∑ Independent production companies	201 951 223	15%
- ∑ VOD	335 000	0%
- ∑ Other	3 024 057	0%
- ∑ Producer investments from minority financing countries	37 628 893	3%
- ∑ Independent production companies	25 386 499	2%
- ∑ VOD	0	0%
- ∑ Other	555 145	0%
∑ PRE-SALES (excl. broadcasters)	**177 503 094**	**13%**
- ∑ Pre-sales in country of origin	154 461 158	12%
- Outright sales	46 473 083	3%
- Minimum guarantees	107 988 075	8%
- ∑ Pre-sales in minority financing countries	8 005 396	1%
- Outright sales	8 502	0%
- Minimum guarantees	3 109 149	0%
∑ PRODUCTION INCENTIVES	**275 433 805**	**21%**
- ∑ Production incentives from country of origin	239 837 340	18%
- ∑ Production incentives from minority financing countries	35 596 465	3%
∑ DEBT FINANCING	**21 978 960**	**2%**
∑ OTHER FINANCING SOURCES	**19 034 113**	**1%**
∑ PRIVATE EQUITY CASH INVESTMENTS	**22 559 907**	**2%**
∑ IN-KIND INVESTMENTS	**3 582 026**	**0%**
∑ FINANCING VOLUME	**1 328 797 685**	**100%**

Source: European Audiovisual Observatory

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HOW ARE EUROPEAN FICTION FILMS FINANCED?
- PAN-EUROPEAN PERSPECTIVE EXCL. FRENCH FILMS

Table 13. Breakdown of cumulative financing volume by source – excl. French films (2021)

Ranked by percentage share; based on 341 sample films, i.e. full data sample excl. French films

Rank	Financing source	Amount in MEUR	% share
1	Direct public funding	274.5	31%
2	Production incentives	172.2	20%
3	Producer investments (excl. broadcasters)	165.9	19%
4	Pre-sales (excl. broadcasters)	119.3	14%
5	Brodcaster investments	85.1	10%
6	Private equity cash investments	22.0	3%
7	Debt financing	18.9	2%
8	In-kind investments	3.5	0%
9	Other financing sources	17.4	2%
	Total sample	**878.9**	**100%**

Source: European Audiovisual Observatory

SELECTED INSIGHTS

- Excluding French films from the sample analysis produces different results and illustrates the "French bias" introduced to the full sample analysis because of significant structural differences in financing structures in France on the one hand, and the large number of French films - 24% of films and 34% of the cumulative financing volume in the data sample, respectively - on the other.
- Leaving French films aside, the importance of direct public funding as the single most significant financing source of European fiction films is even more pronounced, accounting for 31% of the cumulative financing volume[27].
- At a distance, production incentives and producer investments (excl. broadcasters) represent the second most significant group of financing sources with a funding share of 20% and 19%, respectively.
- Pre-sales (excl. broadcasters) accounted for 14% of total financing and broadcaster investments accounted for only 10% (compared to 27% in the full data sample), of fiction film production funding outside France, illustrating the comparatively limited significance of broadcaster financing in most of the other 21 sample markets.

[27] The percentage share of direct public funding may be exaggerated due to the selection bias.

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DETAILED FINANCING STRUCTURE
– PAN-EUROPEAN PERSPECTIVE EXCLUDING FRENCH FILMS

Table 14. Detailed breakdown of cumulative finc. volume by source – excl. French films (2021)

Financing sources	Amount in EUR	% share
∑ DIRECT PUBLIC FUNDING	**274 519 467**	**31%**
- ∑ Public funding from country of origin	**243 034 572**	**28%**
- National public funding	177 786 615	20%
- Regional public funding	64 896 553	7%
- Local public funding	351 404	0%
- ∑ Public funding from minority financing countries	**21 385 162**	**2%**
- National public funding	17 745 352	2%
- Regional public funding	3 569 811	0%
- Local public funding	70 000	0%
- ∑ Supra-national public funding	**10 099 733**	**1%**
∑ BROADCASTER INVESTMENTS	**85 135 743**	**10%**
- ∑ Broadcaster investments from country of origin	**74 051 799**	**8%**
- Co-production investments	44 865 010	5%
- Pre-sales	29 186 789	3%
- ∑ Broadcaster investments from minority financing countries	**11 083 944**	**1%**
- Co-production investments	3 990 574	0%
- Pre-sales	7 093 370	1%
∑ PRODUCER INVESTMENTS (excl. broadcasters)	**165 921 411**	**19%**
- ∑ Producer investments from country of origin	141 177 387	16%
- ∑ Independent production companies	138 012 330	16%
- ∑ VOD	335 000	0%
- ∑ Other	2 830 057	0%
- ∑ Producer investments from minority financing countries	24 744 024	3%
- ∑ Independent production companies	24 001 963	3%
- ∑ VOD	0	0%
- ∑ Other	555 145	0%
∑ PRE-SALES (excl. broadcasters)	**119 267 603**	14%
- ∑ Pre-sales in country of origin	101 848 747	12%
- Outright sales	46 449 083	5%
- Minimum guarantees	55 399 664	6%
- ∑ Pre-sales in minority financing countries	3 006 012	0%
- Outright sales	8 502	0%
- Minimum guarantees	2 989 149	0%
∑ PRODUCTION INCENTIVES	**172 232 674**	**20%**
- ∑ Production incentives from country of origin	158 450 744	18%
- ∑ Production incentives from minority financing countries	13 781 930	2%
∑ DEBT FINANCING	**21 978 960**	**3%**
∑ OTHER FINANCING SOURCES	**18 910 397**	**2%**
∑ PRIVATE EQUITY CASH INVESTMENTS	**17 356 919**	**2%**
∑ IN-KIND INVESTMENTS	**3 531 763**	**0%**
∑ FINANCING VOLUME	**878 854 937**	**100%**

Source: European Audiovisual Observatory

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HOW DO FINANCING STRUCTURES DIFFER AMONG MARKET SIZES?
- MARKET CLUSTER PERSPECTIVE

Table 15. Breakdown of cumulative financing volume by source – and by market size (2021)

ALL EUROPE	Small markets [0 - 10 mio[	Medium markets [10 mio - 50 mio[	Large markets [>50 mio]	Total sample
Direct public funding	63%	45%	18%	26%
Production incentives	3%	14%	24%	21%
Producer investments (excl. broadcasters)	13%	13%	20%	18%
Brodcaster investments	10%	12%	19%	17%
Pre-sales (excl. broadcasters)	8%	9%	15%	13%
Private equity cash investments	1%	1%	2%	2%
Debt financing	0%	2%	1%	1%
In-kind investments	0%	1%	0%	0%
Other financing sources	2%	4%	1%	2%
Total financing volume	**43.5**	**335.6**	**949.7**	**1 328.8**
Number of sample films	**39**	**141**	**268**	**448**

EXCLUDING FRENCH FILMS	Small markets [0 - 10 mio[	Medium markets [10 mio - 50 mio[	Large markets [>50 mio]	Total sample
Direct public funding	63%	45%	20%	31%
Production incentives	3%	14%	25%	20%
Producer investments (excl. broadcasters)	13%	13%	23%	19%
Pre-sales (excl. broadcasters)	8%	9%	17%	14%
Brodcaster investments	10%	12%	8%	10%
Private equity cash investments	1%	1%	3%	3%
Debt financing	0%	2%	2%	2%
In-kind investments	0%	1%	0%	0%
Other financing sources	2%	4%	1%	2%
Total financing volume	**43.5**	**335.6**	**499.8**	**878.9**
Number of sample films	**39**	**141**	**161**	**341**

Source: European Audiovisual Observatory

SELECTED INSIGHTS

- There appear to be significant structural differences among countries with regard to how 2021 fiction films were financed, and some of these differences are apparently linked to market size. The most obvious ones concern direct public funding and production incentives, but also producer investments and pre-sales.
- The data clearly suggest that the weight of direct public funding decreases with increasing market size or, phrased differently, the smaller the market, the more important is direct public funding. While accounting for only 18% of total financing in the four large sample markets (20% excl. French films), direct public funding accounted for 45% in medium-sized, and 63% in small sample markets.
- In contrast, the financing weight of production incentives seems to increases with market size, growing from only 3% in small markets, to 14% in medium-sized markets up to 24% in large markets (25% excl. French films).
- The significance of producer investments as well as pre-sales appears to be comparatively low in small and medium-sized markets when compared to to large markets. Producer investments accounted for only 13% in small and medium-sized markets, compared to 20% in large markets (23% excl. French films). And pre-sales accounted for only 8% and 9% in small and medium-sized markets, compared to 15% in large markets (17% excl. French films).
- The growing weight of broadcaster investments along with market size in the full data sample, is linked to the 'French bias' and is not representative for other large markets.

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4.2. Distribution of film financing by film type

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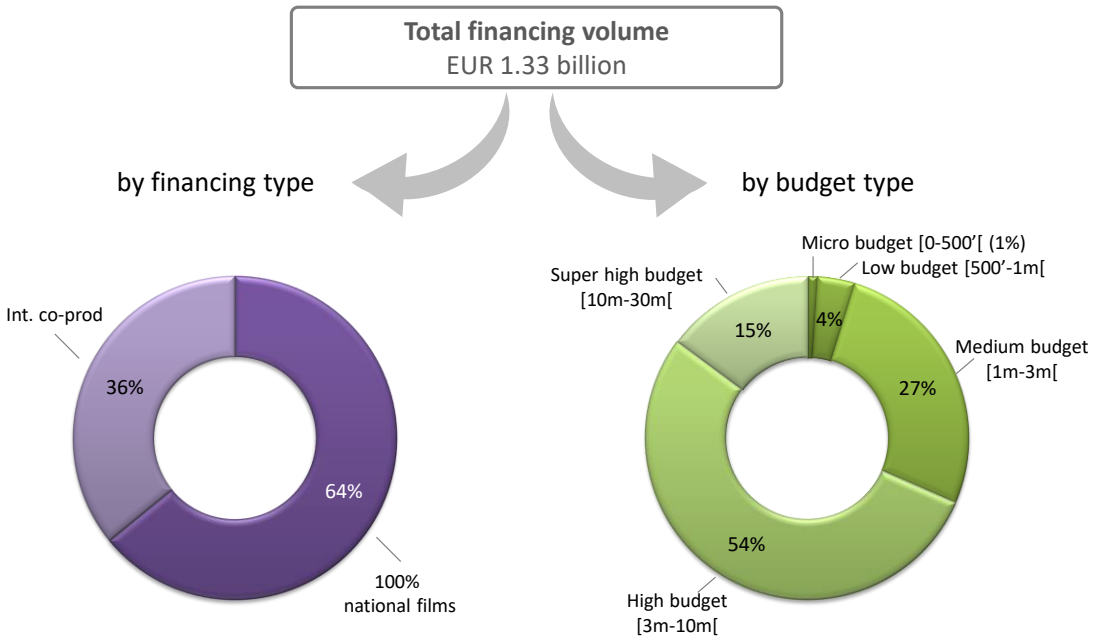
HOW IS FILM FINANCING ALLOCATED AMONG FILM TYPES?
- PAN-EUROPEAN PERSPECTIVE

Figure 9. Breakdown of cumulative fiction film financing by film type (2021)



Source: European Audiovisual Observatory

Table 16. Allocation of financing funds by film type – top 5 film types (2021)

Rank	Budget type	Financing type	Amount in MEUR	% share of total financing
1	High budget [3 -10 mio[	100% national	490.5	37%
2	Medium budget [1 - 3 mio[	100% national	243.4	18%
3	High budget [3 -10 mio[	Int. co-production	222.1	17%
4	Super high budget [10 - 30 mio[	Int. co-production	127.5	10%
5	Medium budget [1 - 3 mio[	Int. co-production	112.8	8%
Other	-	-	132.4	10%
Total financing volume			**1 328.8**	**100%**

Source: European Audiovisual Observatory

SELECTED INSIGHTS

- Accounting for 72% of the sample films, 100% national films captured 64% of the total sample financing volume, while international co-productions accounted for 28% of the sample films and 36% of the cumulative financing funds, respectively.
- Breaking down cumulative financing volume by film budget cluster shows that by far the largest share of financing went to the production of high-budget films (54%), followed by and medium-budget films (27%) and super-high-budget films (15%).
- Crossing financing and budget types, the largest chunk of funds (37%) went to financing the production of high-budget 100% national films.

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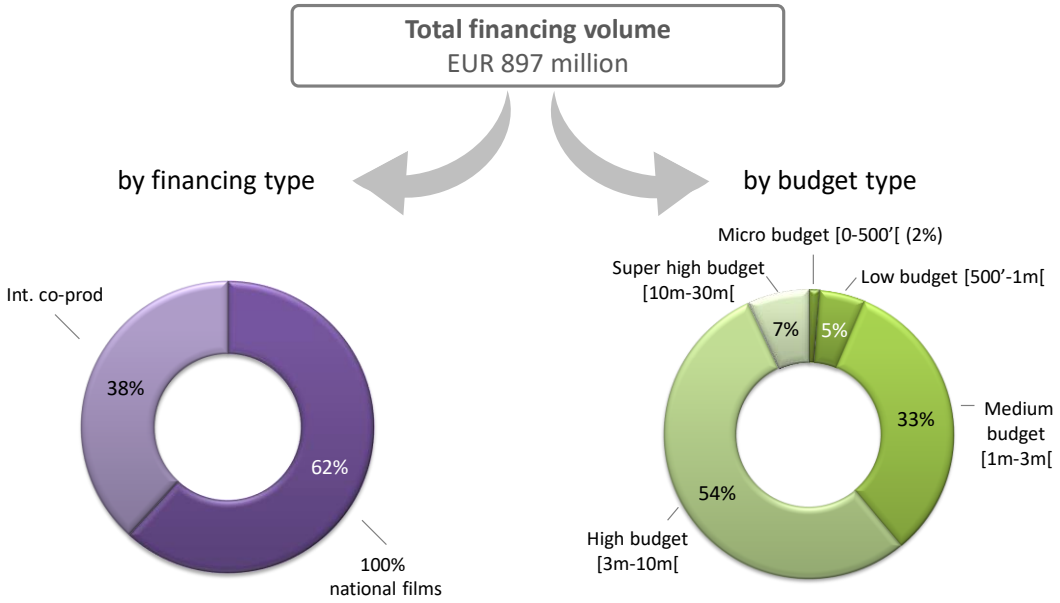
HOW IS FILM FINANCING ALLOCATED AMONG FILM TYPES?
- PAN-EUROPEAN PERSPECTIVE EXCLUDING FRENCH FILMS

Figure 10. Breakdown of cumulative fiction film financing by film type (2021)



Source: European Audiovisual Observatory

Table 17. Allocation of financing funds by film type – top 5 film types (2021)

Rank	Budget type	Financing type	Amount in MEUR	% share of total financing
1	High budget [3 -10 mio[	100% national	302.3	34%
2	Medium budget [1 - 3 mio[	100% national	199.0	23%
3	High budget [3 -10 mio[	Int. co-production	173.6	20%
4	Medium budget [1 - 3 mio[	Int. co-production	87.8	10%
5	Super high budget [10 - 30 mio[	Int. co-production	60.4	7%
Other	-	-	55.8	6%
Total financing volume (excl. FR)			**878.9**	**100%**

Source: European Audiovisual Observatory

SELECTED INSIGHTS

- Excluding French films, 100% national films captured 62% of the total sample financing volume while accounting for 70% of the sample films. International co-productions accounted for 38% of the cumulative financing funds and 30% of the sample films, respectively.
- In terms of distribution of financing funds by budget type, high-budget films again took the largest share (54%), but the share of medium-budget films increased from 27% to 33%, while the share of super-high-budget films dropped from 15% to 7%.
- Crossing financing and budget types shows that, as in the full sample, the largest chunk of funds (34%) also went to financing the production of high-budget 100% national films, followed by medium budget 100% national films (23%) and high-budget international co-productions (20%).

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4.3. Direct public funding

4.3.1. Importance of direct public funding as a financing source

Methodological remarks:

Please note that direct public funding refers to funds granted (committed) by a public film fund to finance/support the development and production of a theatrical feature film. It does not include other forms of public money, such as production incentives - which are treated as a separate financing source for reasons of transparency. In contrast to production incentives, direct public funding is (mostly) provided up-front and is not calculated as a percentage share of eligible production expenditures to be refunded ex post. It includes national, regional, and local direct public funding from agencies within the country of origin, as well as from agencies in minority-financing countries.

In interpreting the analysis insights regarding financing structures, one must bear in mind that the significance of direct public funding may be exaggerated due to the inherent selection bias as a result of the exclusion - in most countries - of films produced without national public support.

See Appendix 7.5 for detailed definitions.

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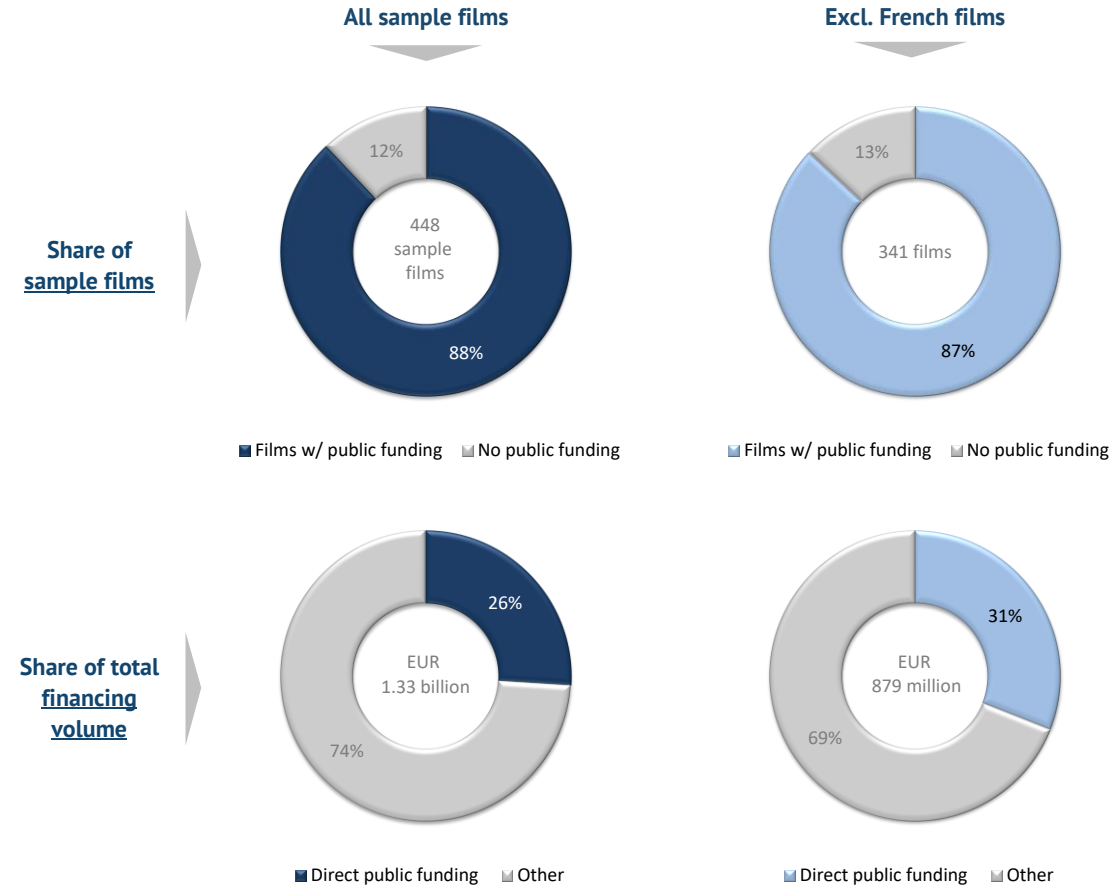
HOW IMPORTANT IS DIRECT PUBLIC FUNDING ACROSS EUROPE?
- PAN-EUROPEAN PERSPECTIVE

Figure 11. Share of direct public funding in financing European fiction films (2021)



Source: European Audiovisual Observatory

SELECTED INSIGHTS

- Reminder: The selection bias of the data sample may result in an exaggeration of the significance of direct public funding as a financing source for films.
- A total of 88% of the sample films were partly financed by direct public support. This high share suggests either that the vast majority of European theatrical fiction films are partly financed by direct public support, or that very few films are produced without direct public funding.
- Public funding contributed EUR 343 million (26%) to the cumulative sample production spend of EUR 1.33 billion – the single most significant financing source of European fiction films in 2021. Excluding French films, the share of direct public funding increases to 31%, accounting for EUR 275 million out of a total EUR 879 million.

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HOW IMPORTANT IS DIRECT PUBLIC FUNDING IN MARKETS OF DIFFERENT SIZES?
- MARKET CLUSTER PERSPECTIVE

Table 18. Direct public funding – differences among market clusters (2021)

All sample films	Total sample films	Films with public funding	% share films with public funding	Total financing volume (in MEUR)	Total public funding (in MEUR)	% share public funding
Small market [0 - 10 mio[	39	39	100%	43.5	27.2	63%
Medium market [10 mio - 50 mio[	141	134	95%	335.6	149.4	45%
Large market [>50 mio]	268	222	83%	949.7	166.7	18%
TOTAL	**448**	**395**	**88%**	**1 328.8**	**343.3**	**26%**

Excluding French films	Total sample films	Films with public funding	% share films with public funding	Total financing volume (in MEUR)	Total public funding (in MEUR)	% share public funding
Small market [0 - 10 mio[	39	39	100%	43.5	27.2	63%
Medium market [10 mio - 50 mio[	141	134	95%	335.6	149.4	45%
Large market [>50 mio]	161	125	78%	499.8	97.9	20%
TOTAL	**341**	**298**	**87%**	**878.9**	**274.5**	**31%**

Source: European Audiovisual Observatory

SELECTED INSIGHTS

- The analysis of direct public funding by market cluster, based on admissions volume, clearly reveals that the importance of direct public funding as a financing source for European fiction films is closely linked to the market size of the country of origin - which typically is the film's primary exploitation market: the weight of direct public funding in film financing increases with declining market size or, phrased differently, the smaller the market, the more important is direct public funding.
- While accounting for only 18% of total financing in the four large sample markets (20% excluding France), direct public funding accounted for 45% in medium-sized markets and 63% in small sample markets.
- Access to direct public funding does not appear to differ significantly across market clusters. Almost all sample films from small markets and medium-sized markets received direct public funding, but this is most likely due to the selection bias, as data from these markets was almost exclusively available for those films that received direct public funding from national film agencies in the respective countries. In contrast, the data sample from large markets also included films that were financed without direct public support, with eight out of 10 films in large markets receiving some form of direct public funding.

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4.3.2. Forms and national origin of direct public funding

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BREAKDOWN OF DIRECT PUBLIC FUNDING BY GEOGRAPHICAL LEVEL
- PAN-EUROPEAN PERSPECTIVE

Table 19. Direct public funding by geographical level (2021)

Please note: this table shows a breakdown of direct public funding granted to sample films both in the main country of origin and in minority co-producing /-financing countries, by the geographical level on which it was granted, i.e. the amounts granted by national, regional and local funding bodies.

Geographical level	Nr. of films	% share of total	% share of public funding	Amounts in MEUR	% share of total	% share of public funding
National public funding	353	79%	89%	252.0	19%	73%
Regional public funding	226	50%	57%	79.8	6%	23%
Local public funding (0%)	9	2%	2%	0.4	0%	0%
Supranational public funding	59	13%	15%	11.0	1%	3%
Total public funding	**395**	**88%**	**100%**	**343.3**	**26%**	**100%**
Total sample films	**448**	**100%**		**1 328.8**	**100%**	

Source: European Audiovisual Observatory

Figure 12. Breakdown of cumulative funds from direct public funding by geographical level (2021)

Source: European Audiovisual Observatory

SELECTED INSIGHTS

- Reminder: the selection bias of the data sample, which includes – for reasons of data availability – primarily films receiving funding from national film agencies, may result in an exaggeration of the significance of public funding provided by national film agencies, as it – in several countries - does not cover, for example, films that received only regional public funding.
- National film agencies clearly were the most significant providers of direct public funding for the films in the data sample, accounting for 73% of cumulative public funding, followed by regional public funding (23%). Local funding was negligible, while supra-national public funding contributed 3% to the total direct public funding volume.
- 79% of sample films received funding from a national film agency, while half of the sample films (50%) received regional public funding, 13% obtained supra-national funding and only 2% of sample films had local public funding indicated in their financing mix.

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BREAKDOWN OF DIRECT PUBLIC FUNDING BY NATIONAL ORIGIN

- PAN-EUROPEAN PERSPECTIVE

Table 20. Direct public funding by national origin (2021)

Please note: this table shows a breakdown of direct public funding by national origin of the funds, i.e. the amounts granted by funding bodies (at all geographical levels) located in the main country of origin, the amounts granted by foreign funding bodies (located in minority co-producing /- financing countries), as well as the amounts granted by supra-national bodies like Eurimages.

National origin	Nr. of films	% share of total	% share of public funding	Amounts in MEUR	% share of total	% share of public funding
National funding bodies	394	88%	100%	301.9	23%	88%
Foreign funding bodies	87	19%	22%	30.4	2%	9%
Supranational funding bodies	59	13%	15%	11.0	1%	3%
Total public funding	**395**	**88%**	**100%**	**343.3**	**26%**	**100%**
Total sample films	**448**	**100%**		**1 328.8**	**100%**	

Source: European Audiovisual Observatory

Figure 13. Breakdown of cumulative public funding by national origin (2021)

Source: European Audiovisual Observatory

SELECTED INSIGHTS

- The lion's share of direct public funding was raised within the main country of origin: 88% of cumulative direct public funding was provided by funding agencies within the main country of origin, while 9% of direct public funding was provided by funding agencies within minority-financing countries. Supra-national funding agencies contributed 3% to the cumulative direct public funding volume for European fiction films in the data sample.
- All sample films which received direct public funding, did receive funding from a film agency in the main country of origin, while only 22% received public funding by funding bodies located in a minority-co-producing /-financing country, and 15% of the sample films were partly financed through supra-national public funding.

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4.3.3. Distribution of direct public funding by film type

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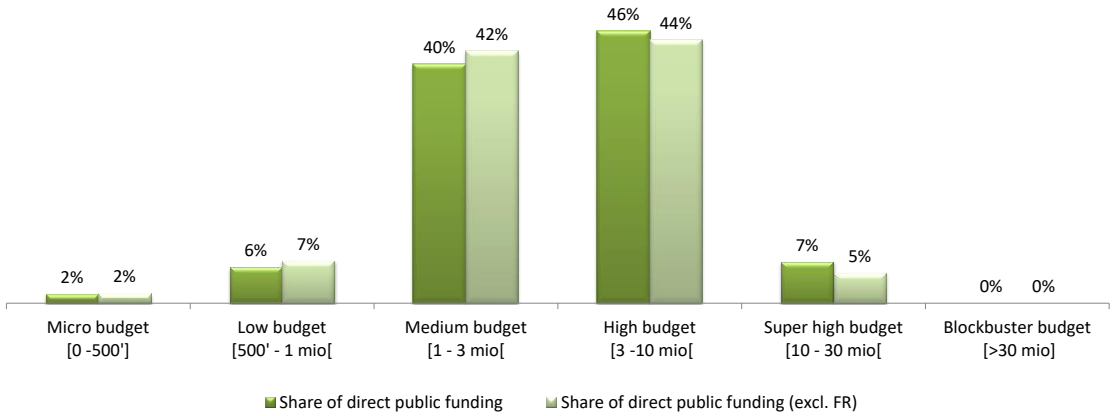
HOW IS DIRECT PUBLIC FUNDING DISTRIBUTED AMONG BUDGET CLUSTERS?
- PAN-EUROPEAN PERSPECTIVE

Figure 14. Distribution of direct public funding across film budget types (2021)



Source: European Audiovisual Observatory

SELECTED INSIGHTS

- High-budget films - which accounted for 30% of the sample films (26% excluding French films) - captured the largest share of direct public funding, comprising 46% (EUR 156 million) of a total EUR 343 million in direct public funding.
- Medium-budget films - which accounted for 41% of the sample films - obtained the second largest slice of direct public funding, accounting for 40% (EUR 137 million) of total direct public funding. Excluding French films, medium-budget films captured 42% (EUR 116 million) out of the EUR 275 million direct funding total.
- By far the biggest portion of direct public funding thus went to high- and medium-budget films: 86% of total direct public funding both in the case of the full data sample as well as in case of the sample excluding French films.

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HOW IS DIRECT PUBLIC FUNDING DISTRIBUTED BETWEEN 100% NATIONAL FILMS AND INTERNATIONAL CO-PRODUCTIONS?

- PAN-EUROPEAN PERSPECTIVE

Figure 15. Distribution of direct public funding between 100% national films and international co-productions (2021)

Source: European Audiovisual Observatory

SELECTED INSIGHTS

- In 2021 International co-productions captured an over-proportional share of direct public funding, compared to 100% national films.
- 100% national films accounted for 72% of the total sample films, but only 54% of cumulative direct public funding was allocated to them. By contrast, international co-productions accounted for 28% of the sample films and captured 46% of total direct public funding, illustrating that international co-productions received proportionally more direct public funding than 100% national fiction films.
- The picture remains similar when French films are excluded from the analysis: 50% of direct public funding went to the production of 100% national films (70% of sample films), and 50% went to international co-productions (30% of sample films).

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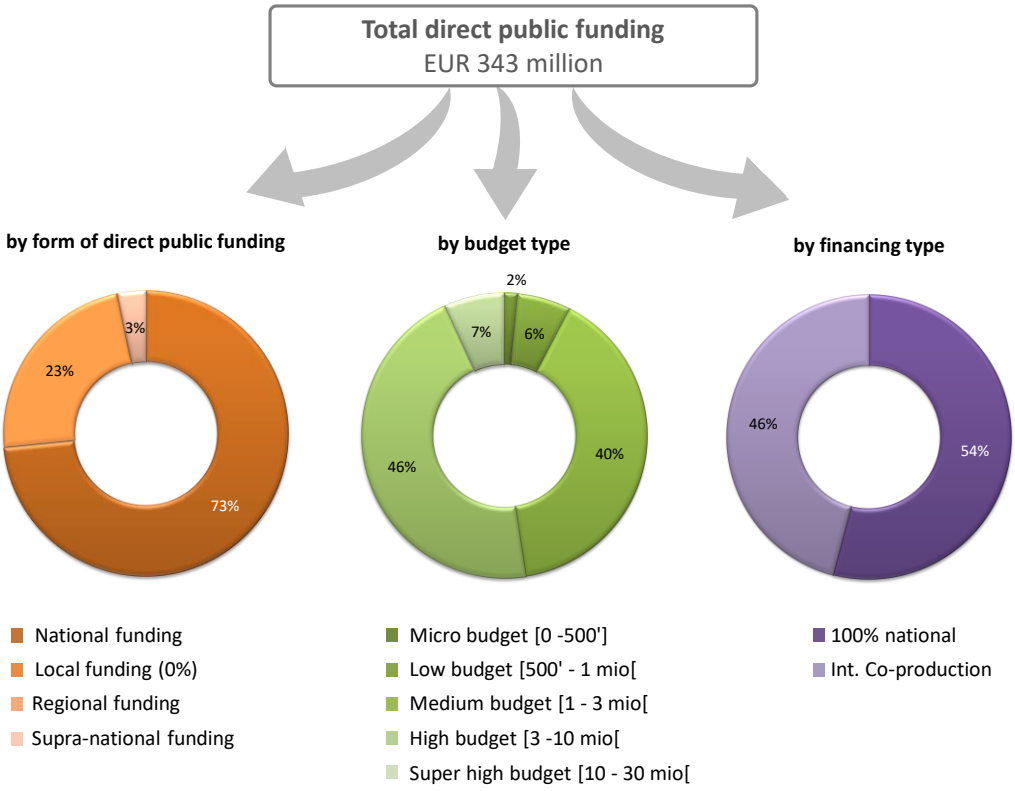
AT A GLANCE: HOW IS DIRECT PUBLIC FUNDING DISTRIBUTED?

- PAN-EUROPEAN PERSPECTIVE

Figure 16. Breakdown of cumulative direct public funding by funding form, budget and financing type of films (2021)



Source: European Audiovisual Observatory

Table 21. Ranking of direct public funding – top 5 forms / film types (2021)

Rank	Form of direct public funding	Budget type	Financing type	Amount in MEUR	% share
1	National public funding	Medium budget [1 - 3 mio[	100% national	62.4	18%
2	National public funding	High budget [3 -10 mio[	Int. co-production	58.6	17%
3	National public funding	High budget [3 -10 mio[	100% national	50.2	15%
4	National public funding	Medium budget [1 - 3 mio[	Int. co-production	43.1	13%
5	Regional funding	High budget [3 -10 mio[	100% national	24.4	7%
Other	-	-	-	104.6	30%
Total direct public funding				**343.3**	**100%**

Source: European Audiovisual Observatory

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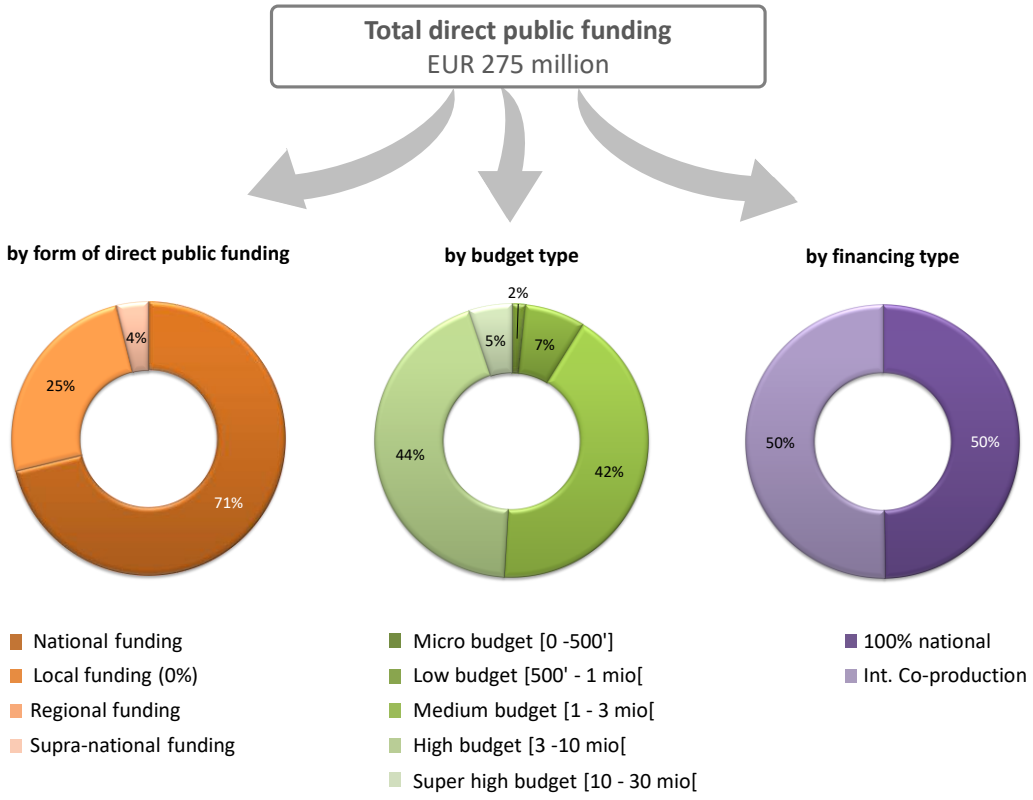
AT A GLANCE: HOW IS DIRECT PUBLIC FUNDING DISTRIBUTED?
– EXCLUDING FRENCH FILMS

Figure 17. Breakdown of cumulative direct public funding by funding form, budget and financing type of films - excl. French films (2021)



Source: European Audiovisual Observatory

Table 22. Ranking of direct public funding – top 5 forms / film types excl. French films (2021)

Rank	Form of direct public funding	Budget type	Financing type	Amount in MEUR	% share
1	National public funding	Medium budget [1 - 3 mio[	100% national	55.3	20%
2	National public funding	High budget [3 -10 mio[	Int. co-production	50.9	19%
3	National public funding	Medium budget [1 - 3 mio[	Int. co-production	34.2	12%
4	National public funding	High budget [3 -10 mio[	100% national	27.6	10%
5	Regional public funding	High budget [3 -10 mio[	100% national	20.4	7%
Other	-	-	-	86.1	31%
Total direct public funding				**274.5**	**100%**

Source: European Audiovisual Observatory

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4.4. Broadcaster investments

4.4.1. Significance of broadcaster investments as a financing source

Methodological remarks:

Please note that "broadcaster investments" refer to the cumulative amount of two different types of broadcaster investments: pre-sales to broadcasters and direct producer equity cash investments undertaken by broadcasters both in the main country of origin and in minority-co-producing/-financing countries. Combining these two forms of broadcaster investments aims offers insights into the role of broadcasters in financing European fiction films – an important research angle.

Pre-sales (for financing purposes) are defined as a sale of distribution rights (licence to distribute) that takes place at any time prior to the completion of a film production. To be considered financing funds, receipts from pre-sales must enter the production account to be used to finance the production, rather than into the collection account.

Producer production investments (own investment) are defined as funds invested by producers[28] in the production of the film, giving them an equity share in the film, i.e. (partial) ownership of the negative and copyrights linked to the film. This includes in-kind investments by producers but excludes in-kind investments (facilities for equity) by third parties such as equipment rental companies, studios, or post-production houses - a separate financing category. It also excludes deferments or loans by producers as they are qualified as debt financing. Producers' equity generally comes last in the recoupment schedule.

See Appendix 7.5 for detailed definitions.

[28] All persons, either corporate or individual, responsible for developing, packaging and making the film. Producers ultimately own and control the copyright in the finished product. This includes both the lead producer as well as co-producers but excludes production service companies, which are only engaged by the production company to make the film on its behalf but do not invest their own equity.

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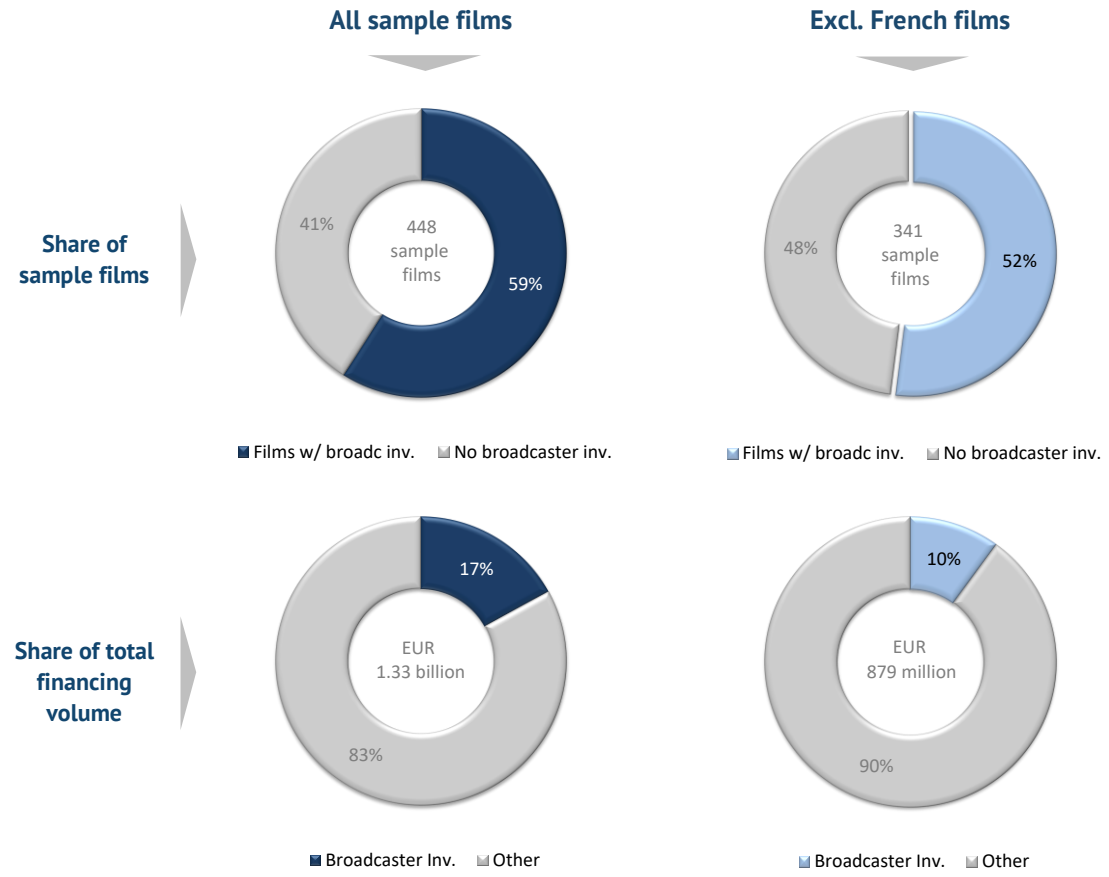
HOW IMPORTANT ARE BROADCASTER INVESTMENTS?
- PAN-EUROPEAN PERSPECTIVE

Figure 18. Share of broadcaster investments in financing European fiction films (2021)



Source: European Audiovisual Observatory

SELECTED INSIGHTS

- The sample analysis indicates that six out of ten sample films (59%) were partly financed through broadcaster investments, either via pre-sales or as direct (co-)production investments by broadcasters. Excluding French films this share drops to 52%.
- In total, broadcasters contributed 17% (EUR 223 million) to the total sample production spend of EUR 1.33 billion. In 2021, broadcasters thus represented only the fourth most-significant financing source for theatrical fiction films on a pan-European level.
- Furthermore, broadcaster financing is much more significant in France than it is in most other European countries. Excluding French films from the analysis shows that broadcaster investments comprised only 10% (EUR 85 million) to the cumulative total financing volume (EUR 879 million) in this scenario, rendering it only the fifth-highest financing source for European fiction films.

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HOW IMPORTANT ARE BROADCASTER INVESTMENTS AMONG MARKET CLUSTERS?
- MARKET CLUSTER PERSPECTIVE

Table 23. Broadcaster investments – differences among market clusters (2021)

All sample films	Total sample films	Films with broadcaster inv.	% share films with broadcaster inv.	Total financing volume (in MEUR)	Total broadcaster inv. (in MEUR)	% share broadcaster inv.
Small markets [0 - 10 mio[	39	24	62%	43.5	4.4	10%
Medium markets [10 mio - 50 mio[	141	93	66%	335.6	40.7	12%
Large markets [>50 mio]	268	149	56%	949.7	177.4	19%
Total broadcaster investments	**448**	**266**	**59%**	**1 328.8**	**222.5**	**17%**

Excluding French films	Total sample films	Films with broadcaster inv.	% share films with broadcaster inv.	Total financing volume (in MEUR)	Total broadcaster inv. (in MEUR)	% share broadcaster inv.
Small market [0 - 10 mio[	39	24	62%	43.5	4.4	10%
Medium market [10 mio - 50 mio[	141	93	66%	335.6	40.7	12%
Large market [>50 mio]	161	62	39%	499.8	40.1	8%
Total broadcaster investments	**341**	**179**	**52%**	**878.9**	**85.1**	**10%**

Source: European Audiovisual Observatory

SELECTED INSIGHTS

- With the exception of France, where broadcaster investments are comparatively high, broadcasters appear to have contributed between 8% and 12% to the total financing volume in small, medium and large markets. The analysis therefore suggests that there are no inherent structural differences with regard to the significance of broadcaster financing between countries of different market sizes.
- In France, however, broadcasters play an exceptionally significant role in film financing, as clearly indicated by the fact that – when considering all sample films – broadcaster investments accounted for 19% of total financing volume in the large sample markets compared to only 8% if French films are excluded from the analysis.
- In the other three large sample markets, only 39% of the sample films had access to broadcaster financing. This compares to 66% and 62% of films in medium-sized and small markets, respectively.

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4.4.2. Forms and national origin of broadcaster investments

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BREAKDOWN OF BROADCASTER INVESTMENTS BY INVESTMENT FORM
- PAN-EUROPEAN PERSPECTIVE

Table 24. Broadcaster financing by investment form (2021)

All sample films	Nr. of films	% share of total	% share of broadcaster investment	Amounts in MEUR	% share of total	% share of broadcaster investment
Broadcaster co-production	177	40%	67%	65.4	5%	29%
Broadcaster pre-sales	204	46%	77%	157.1	12%	71%
Total broadcaster investments	**266**	**59%**	**100%**	**222.5**	**17%**	**100%**
Total Sample films	**448**	**100%**		**1 328.8**	**100%**	

Excluding French films	Nr. of films	% share of total	% share of broadcaster investment	Amounts in MEUR	% share of total	% share of broadcaster investment
Broadcaster co-production	137	40%	77%	48.9	6%	57%
Broadcaster pre-sales	119	35%	66%	36.3	4%	43%
Total broadcaster investments	**179**	**52%**	**100%**	**85.1**	**10%**	**100%**
Total Sample films	**341**	**100%**		**878.9**	**100%**	

Source: European Audiovisual Observatory

SELECTED INSIGHTS

- The sample data suggest that, on a pan-European level, broadcasters financed fiction film production primarily through pre-sales rather than (co-)production investments: 71% of the sample broadcaster investments took the form of pre-sales while (co-) production investments accounted for only 29% of cumulative broadcaster investments of EUR 222.5 million.
- The picture is very different, however, when French films are excluded from the analysis. In this case, broadcaster film financing was more equally spread between pre-sales and (co-)production investments, the former accounting for 57% and the latter for 43% of cumulative sample broadcaster investments of EUR 85 million.

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BREAKDOWN OF BROADCASTER INVESTMENTS BY INVESTMENT FORM
- MARKET CLUSTER PERSPECTIVE

Table 25. Broadcaster financing by investment form – and by market cluster (2021)

All sample films	Films with broadcaster investments	Total broadcaster inv. (in MEUR)	Broadcaster (co-) production inv. (in MEUR)	% share of total broadcaster inv.	Broadcaster pre-sales (in MEUR)	% share of total broadcaster inv.
Small markets [0 - 10 mio[	24	4.4	1.1	25%	3.3	75%
Medium markets [10 mio - 50 mio[	93	40.7	25.6	63%	15.0	37%
Large markets [>50 mio]	149	177.4	38.6	22%	138.8	78%
Total broadcaster inv.	**266**	**222.5**	**65.4**	**29%**	**157.1**	**71%**

Excluding French films	Films with broadcaster investments	Total broadcaster inv. (in MEUR)	Broadcaster (co-) production inv. (in MEUR)	% share of total broadcaster inv.	Broadcaster pre-sales (in MEUR)	% share of total broadcaster inv.
Small markets [0 - 10 mio[	24	4.4	1.1	25%	3.3	75%
Medium markets [10 mio - 50 mio[	93	40.7	25.6	63%	15.0	37%
Large markets [>50 mio]	62	40.1	22.1	55%	17.9	45%
Total broadcaster inv.	**179**	**85.1**	**48.9**	**57%**	**36.3**	**43%**

Source: European Audiovisual Observatory

SELECTED INSIGHTS

- A comparison of broadcaster, pre-sales and co-production investments by market size suggests that pre-sales tend to be the dominant form of broadcaster investments in small and large markets, while (co-)production investments tend to be more common and financially more significant in medium-sized markets.
- There are, however, significant differences between individual markets where, according to the sample data, one of the two broadcaster investment forms generally dominates, with only seven sample countries showing a fairly balanced mix between broadcaster pre-sales and direct production investments.

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BREAKDOWN OF BROADCASTER INVESTMENTS BY NATIONAL ORIGIN

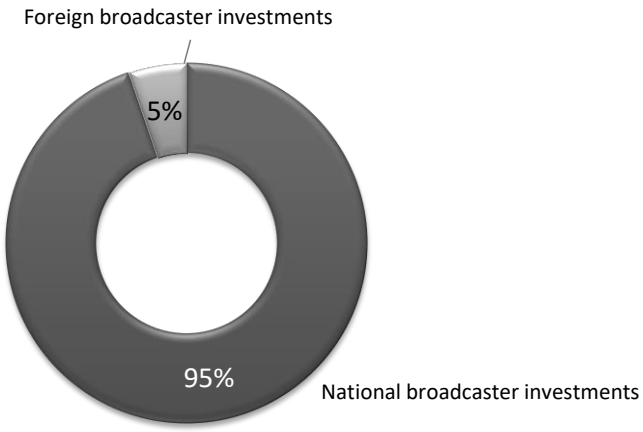
- PAN-EUROPEAN PERSPECTIVE

Table 26. Broadcaster investments by national origin (2021)

National origin	Nr of films	% share of total	% share of broadcaster investment	Amounts in MEUR	% share of total	% share of broadcaster investment
National broadcaster investments	258	58%	97%	210.9	16%	95%
Foreign broadcaster investments	41	9%	15%	11.6	1%	5%
Total broadcaster investments	**266**	**59%**	**100%**	**222.5**	**17%**	**100%**
Total sample films	**448**	**100%**		**1 328.8**	**100%**	

Source: European Audiovisual Observatory

Figure 19. Breakdown of cumulative broadcaster investments by national origin (2021)



Source: European Audiovisual Observatory

SELECTED INSIGHTS

- The data analysis clearly shows that only national broadcaster investments, i.e. investments from broadcasters based in the main country of origin, really matter as a financing source of theatrical fiction films: investments from national broadcasters accounted for 95% of total broadcaster investments with only 5% coming from broadcasters based in minority-financing countries.
- This is also reflected in the number of films partly financed by broadcasters: while 58% of the sample films were partly financed by national broadcasters, only 9% were co-financed by foreign broadcasters.

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4.4.3. Distribution of broadcaster investments by film type

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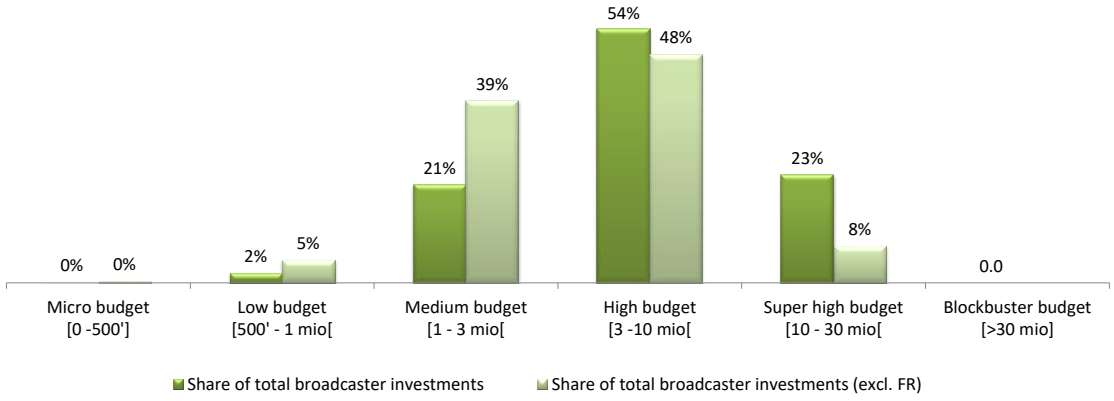
HOW ARE BROADCASTER INVESTMENTS DISTRIBUTED AMONG BUDGET TYPES?

- PAN-EUROPEAN PERSPECTIVE

Figure 20. Distribution of broadcaster investments across film budget types (2021)



Source: European Audiovisual Observatory

SELECTED INSIGHTS

- Including French films, the lion's share of broadcaster investments went to high-budget films (54%), with another 23% and 21% going to super-high- and medium-budget films. Almost eight out of 10 Euros invested by European broadcasters in sample films were thus invested in fiction films, with budgets exceeding EUR 3 million, i.e. films with above-average budgets.
- Excluding French films the largest share of broadcaster investments still goes to high-budget films (48%), but medium-budget films receive a significantly higher share of broadcaster investments, namely 39%.

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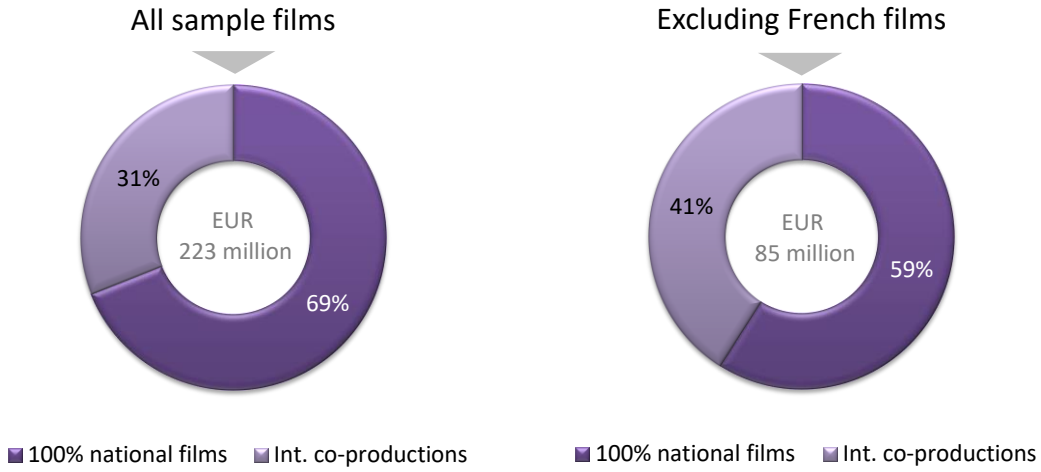
HOW ARE BROADCASTER INVESTMENTS DISTRIBUTED BETWEEN 100% NATIONAL FILMS AND INTERNATIONAL CO-PRODUCTIONS?

- PAN-EUROPEAN PERSPECTIVE

Figure 21. Distribution of broadcaster investments between 100% national films and international co-productions (2021)



Source: European Audiovisual Observatory

SELECTED INSIGHTS

- In the 2021 data sample, broadcaster investments appear to be slightly over-proportionally allocated to international co-productions, as they comprised 28% of the sample films but captured 31% of broadcaster investments. On the other hand, 100% national films accounted for 72% of the sample films but captured 69% of cumulative broadcaster investments.
- This observation is more pronounced when French films are excluded from the analysis. In this smaller data sample 100% national films accounted for 70% of the sample films and captured 59% of cumulative broadcaster investments, while international co-productions - which comprised 30% of the sample films - captured 41% of broadcaster investments.

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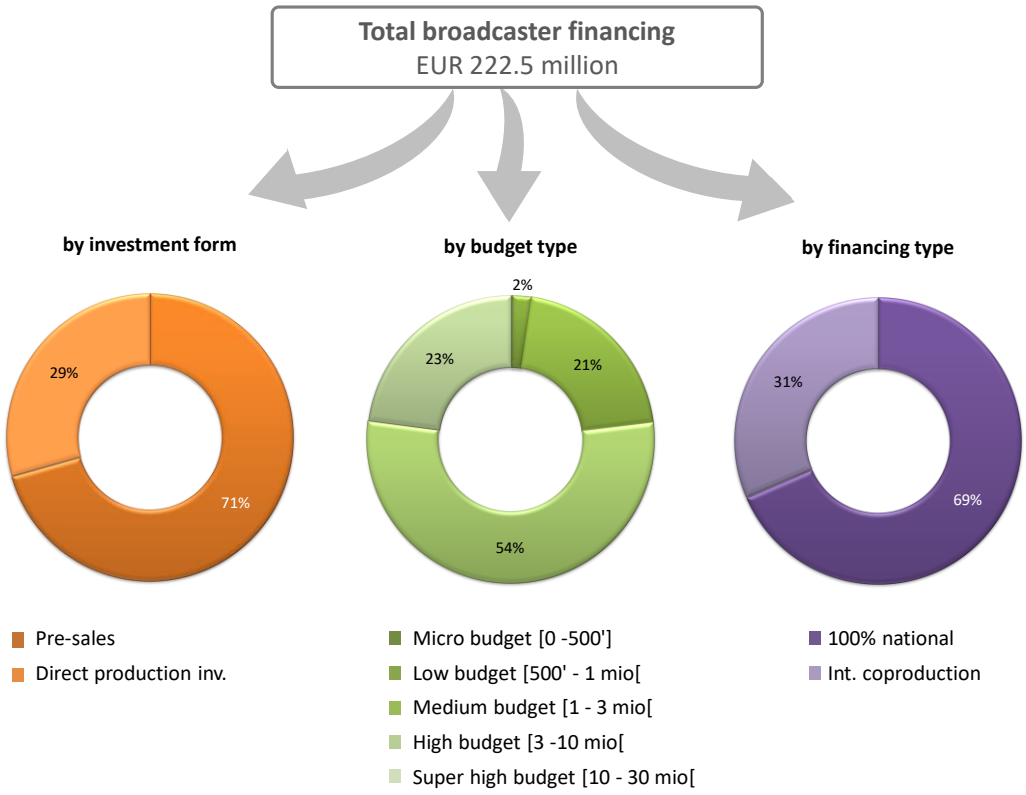
AT A GLANCE: HOW IS BROADCASTER FINANCING DISTRIBUTED AMONG FILM TYPES?
- PAN-EUROPEAN PERSPECTIVE

Figure 22. Breakdown of cumulative broadcaster financing volume by investment form, budget and financing type of films (2021)



Source: European Audiovisual Observatory

Table 27. Ranking of broadcaster financing – top 5 forms / film types (2021)

Rank	Form of broadcaster financing	Budget type	Financing type	Amount in MEUR	% share
1	Pre-sales	High budget [3 -10 mio[	100% national	70.3	32%
2	Pre-sales	Super high budget [10 - 30 mio[	Int. co-production	23.8	11%
3	Pre-sales	High budget [3 -10 mio[	100% national	21.9	10%
4	(Co-)Production Investment	High budget [3 -10 mio[	100% national	20.0	9%
5	Pre-sales	Super high budget [10 - 30 mio[	100% national	18.8	8%
Other	-	-	-	86.6	39%
Total broadcaster investments				**222.5**	**100%**

Source: European Audiovisual Observatory

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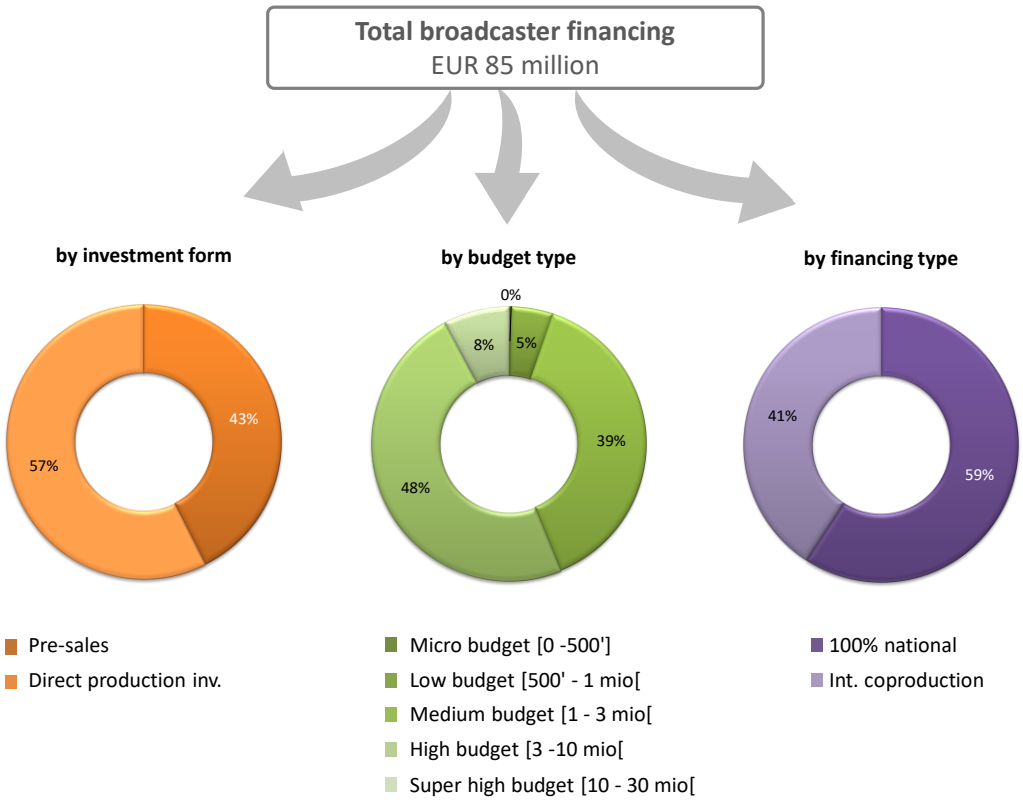
AT A GLANCE: HOW IS BROADCASTER FINANCING DISTRIBUTED AMONG FILM TYPES?
- PAN-EUROPEAN PERSPECTIVE EXCLUDING FRENCH FILMS

Figure 23. Breakdown of cumulative broadcaster financing volume by investment form, budget and financing type of films - excl. French films (2021)



Source: European Audiovisual Observatory

Table 28. Ranking of broadcaster financing – top 5 forms / film types excl. French films (2021)

Rank	Form of broadcaster financing	Budget type	Financing type	Amount in MEUR	% share
1	(Co-)Production investment	Medium budget [1 - 3 mio[	100% national	13.8	16%
2	(Co-)Production investment	High budget [3 -10 mio[	100% national	13.1	15%
3	Pre-sales	Medium budget [1 - 3 mio[	100% national	11.4	13%
4	Pre-sales	High budget [3 -10 mio[	100% national	8.5	10%
5	(Co-)Production investment	Medium budget [1 - 3 mio[	Int. co-production	5.7	7%
Other	-	-	-	32.7	38%
Total broadcaster investments				**85.1**	**100%**

Source: European Audiovisual Observatory

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4.5. Pre-sales (excl. broadcasters)

4.5.1. Importance of pre-sales as a financing source

Methodological remarks:

Please note that 'pre-sales' refers to the cumulative amount of all financing raised from pre-sales of national distribution rights in the (co-)producing /-financing countries as well as multi-territory presales. In order to avoid double-counting, pre-sales to broadcasters based in (co-)producing countries are counted as broadcaster investments rather than pre-sales, for the purpose of this analysis. For research angles focusing on pre-sales rather than broadcaster financing, broadcaster pre-sales would have to be added to pre-sales. Pre-sales can either take the form of outright sales or minimum guarantees.

A pre-sale (for financing purposes) is defined as a sale of distribution rights (licence to distribute) that takes place at any time prior to the completion of a film production. To be considered financing funds, receipts from pre-sales have to go into the production account to be used to finance the production, rather than into the collection account.

In an outright sale / split rights deal, a financier pays (cash) in return for specific distribution rights. In contrast to a producer equity cash investment, which creates (partial) ownership of the negative and copyrights linked to the film, the financier in a split right deal only acquires distribution rights but does not share responsibility for actually developing, packaging and making the film. In contrast to a pre-sale based on minimum guarantees, these deals are generally structured as an outright sale in which the buying party pays the full purchase price up-front (i.e. before production is completed / started) as a one-off payment, with the producer receiving no further revenues from the subsequent exploitation of the right in question.

A minimum guarantee (MG) refers to the fee a distributor agrees to pay for the licence of copyright allowing them to distribute the film exclusively in their territory in the specified formats for a specified period of time. In contrast to an outright sale, the producer will participate in all revenues generated by the distributor during the lifetime of their distribution licence according to contractually defined splits. In fact, the minimum guarantee is actually an advance against future revenues payable to the producer pursuant to the distributors' sales contract.

See Appendix 7.5 for detailed definitions.

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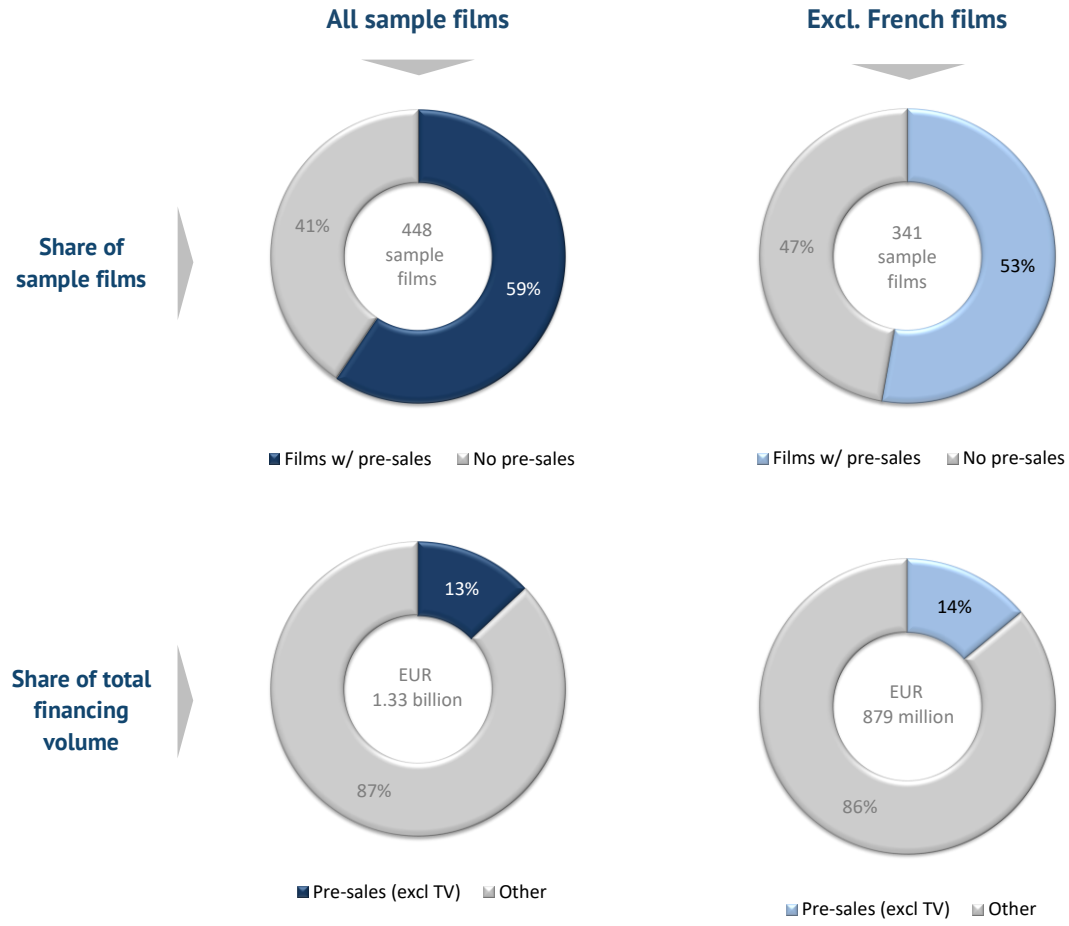
HOW IMPORTANT ARE PRE-SALES?
– PAN-EUROPEAN PERSPECTIVE

Figure 24. Share of pre-sales (excl. TV) in financing European fiction films (2021)



Source: European Audiovisual Observatory

SELECTED INSIGHTS

- About six out of 10 sample films were partly financed by pre-sales (other than pre-sales to broadcasters), either taking the form of outright sales or minimum guarantees. The sample analysis hence suggests that 59% of European fiction films (53% excl. French films) released in 2021 relied on pre-sales to finance their production budgets.
- In total, pre-sales contributed EUR 177.5 million to the cumulative sample financing volume of EUR 1.33 billion, representing 13% of the total cumulative funding volume of the data sample.
- Similar results are obtained when excluding French films from the analysis with pre-sales accounting for 14% (EUR 119 million) of the total financing volume of EUR 879 million.

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HOW IMPORTANT ARE PRE-SALES IN MARKETS OF DIFFERENT SIZES?
– MARKET CLUSTER PERSPECTIVE

Table 29. Pre-sales – differences among market clusters (2021)

All sample films	Total sample films	Films with pre-sales	% share films with pre-sales	Total financing volume (in MEUR)	Total pre-sales (in MEUR)	% share pre-sales
Small markets [0 - 10 mio[	39	15	38%	43.5	3.4	8%
Medium markets [10 mio - 50 mio[	141	85	60%	335.6	28.8	9%
Large markets [>50 mio]	268	166	62%	949.7	145.2	15%
Total pre-sales (excl. TV)	**448**	**266**	**59%**	**1 328.8**	**177.5**	**13%**

Excluding French films	Total sample films	Films with pre-sales	% share films with pre-sales	Total financing volume (in MEUR)	Total pre-sales (in MEUR)	% share pre-sales
Small market [0 - 10 mio[	39	15	38%	43.5	3.4	8%
Medium market [10 mio - 50 mio[	141	85	60%	335.6	28.8	9%
Large market [>50 mio]	161	80	50%	499.8	87.0	17%
Total pre-sales (excl. TV)	**341**	**180**	**53%**	**878.9**	**119.3**	**14%**

Source: European Audiovisual Observatory

SELECTED INSIGHTS

- Analysis of pre-sales by market cluster based on admissions volume suggests that the significance of pre-sales as a financing source for European fiction films is disproportionally high in large markets where pre-sales contributed 15% (17% excl. French films) to cumulative financing volume, compared to 9% and 8% in medium-sized and small sample markets, respectively.
- The data also suggest that access to pre-sales financing can somewhat increase with market size. While only 38% of the sample films produced in small markets were financed with pre-sales; the ratio increases to 60% of films in medium-sized markets and 62% in large markets (50% excluding French films).

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4.5.2. Forms and national origin of pre-sales

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PRE-SALES: MINIMUM GUARANTEE OR OUTRIGHT SALES?
– PAN-EUROPEAN PERSPECTIVE

Table 30. Pre-sales financing: Minimum guarantees vs. outright sales (2021)

All sample films	Nr of films	% share of total	% share of pre-sales	Amounts in MEUR	% share of total	% share of pre-sales
Minimum guarantees	206	46%	77%	121.4	9%	68%
Outright sales (excl national TV)	89	20%	33%	51.2	4%	29%
Total pre-sales	**266**	**59%**	**100%**	**177.5**	**13%**	**100%**
Total sample films	**448**	**100%**		**1 328.8**	**100%**	

Excluding French films	Nr of films	% share of total	% share of pre-sales	Amounts in MEUR	% share of total	% share of pre-sales
Minimum guarantees	124	36%	69%	68.1	8%	57%
Outright sales (excl national TV)	86	25%	48%	51.2	6%	43%
Total pre-sales	**180**	**53%**	**100%**	**119.3**	**14%**	**100%**
Total sample films	**341**	**100%**		**878.9**	**100%**	

Source: European Audiovisual Observatory

SELECTED INSIGHTS

- The data sample suggests that in 2021 minimum guarantees were the dominant form of pre-sales financing: on a pan-European level, 68% (57% excluding French films) of pre-sales financing was structured as minimum guarantees, while outright sales accounted for 29% (43% excluding French films) of cumulative pre-sales funding.
- A total of 46% of the sample films secured a minimum guarantee to finance their budgets (36% excluding French films), while only 20% of films made an outright sale (25% excluding French films).

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PRE-SALES: MINIMUM GUARANTEES OR OUTRIGHT SALES?
- MARKET CLUSTER PERSPECTIVE

Table 31. Minimum guarantees vs. outright sales – by market cluster (2021)

All sample films	Films with pre-sales	Total pre-sales (MEUR)	Minimum guarantees (MEUR)	% share of total pre-sales	Outright sales (MEUR)	% share of total pre-sales
Small markets [0 - 10 mio[	15	3.4	3.2	93%	0.2	7%
Medium markets [10 mio - 50 mio[	85	28.8	19.0	66%	9.9	34%
Large markets [>50 mio]	166	145.2	99.2	68%	41.1	28%
Total pre-sales (excl. TV)	**266**	**177.5**	**121.4**	**68%**	**51.2**	**29%**

Excluding French films	Films with pre-sales	Total pre-sales (MEUR)	Minimum guarantees (MEUR)	% share of total pre-sales	Outright sales (MEUR)	% share of total pre-sales
Small markets [0 - 10 mio[	15	3.4	3.2	93%	0.2	7%
Medium markets [10 mio - 50 mio[	85	28.8	19.0	66%	9.9	34%
Large markets [>50 mio]	80	87.0	45.9	53%	41.1	47%
Total pre-sales (excl. TV)	**180**	**119.3**	**68.1**	**57%**	**51.2**	**43%**

Source: European Audiovisual Observatory

SELECTED INSIGHTS

- The sample data shows that most countries tend, by a significant margin, to either favour minimum guarantees or outright sales, with only two sample markets showing a fairly balanced mix between minimum guarantees and outright sales. An analysis by market cluster hence provides only limited insights.

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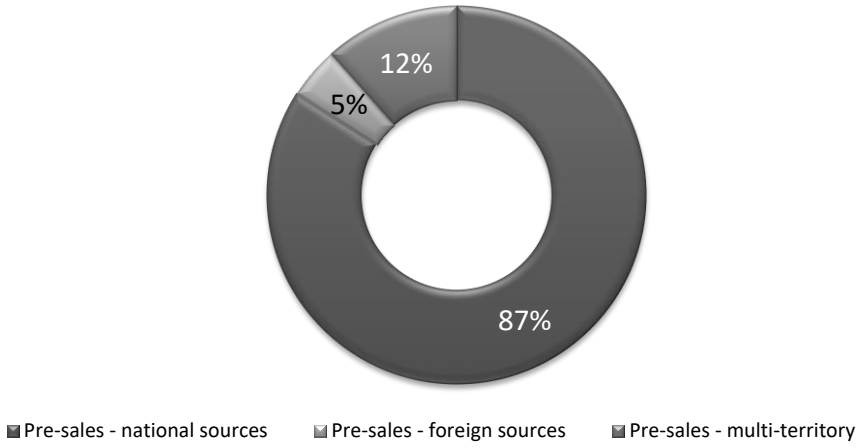
BREAKDOWN OF PRE-SALES BY NATIONAL ORIGIN – PAN-EUROPEAN PERSPECTIVE

Table 32. Pre-sales by national origin (2021)

National origin	Nr of films	% share of total	% share of pre-sales	Amounts in MEUR	% share of total	% share of pre-sales
Pre-sales - national sources	243	54%	91%	154.5	12%	87%
Pre-sales - foreign sources	38	8%	14%	8.0	1%	5%
Pre-sales - multi-territory	62	14%	23%	21.2	2%	12%
Total pre-sales	**266**	**59%**	**100%**	**177.5**	**13%**	**100%**
Total sample films	**448**	**100%**		**1 328.8**	**100%**	

Source: European Audiovisual Observatory

Figure 25. Breakdown of cumulative pre-sales by national origin (2021)



Source: European Audiovisual Observatory

SELECTED INSIGHTS

- The data analysis suggests that pre-sales financing is, for the most part, raised only in the national market, i.e. pre-sales for the main country of origin, which accounted for 87% of the total sample pre-sales financing volume.
- While 23% of sample films were financed through a multi-territory pre-sale, but, cumulatively, such pre-sales accounted for only 12% of the total pre-sales financing volume.
- Only 14% of sample films had a pre-sale outside the main country of origin, with the latter category representing only 5% of total pre-sales financing.

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4.5.3. Distribution of pre-sales by film type

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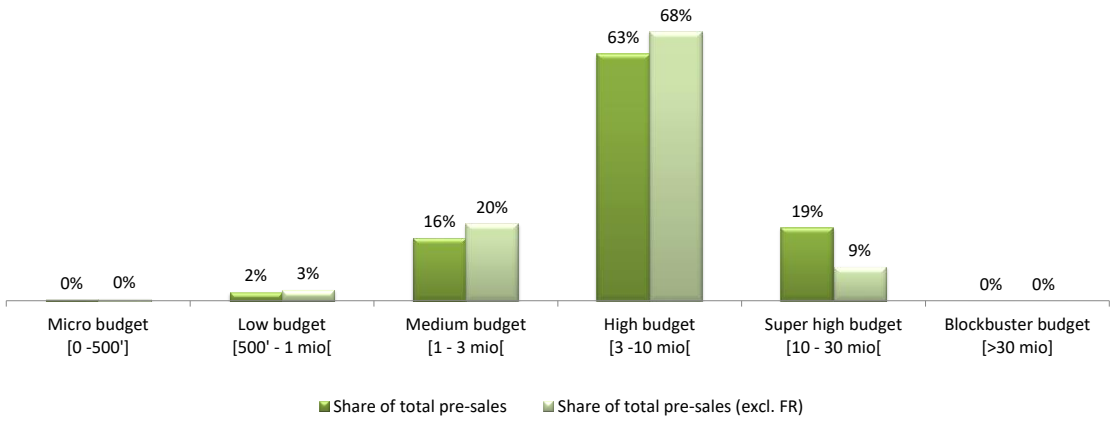
HOW ARE PRE-SALES DISTRIBUTED AMONG BUDGET CLUSTERS?
– PAN-EUROPEAN PERSPECTIVE

Figure 26. Distribution of pre-sales across film budget types (2021)



Source: European Audiovisual Observatory

SELECTED INSIGHTS

- The sample analysis suggests that pre-sales financing goes primarily to films with budgets exceeding EUR 3 million, i.e. films that can be expected to have a comparatively high commercial potential.
- The largest share of pre-sales financing went to the production of high-budget films, namely 63% of total pre-sales financing (68% excluding French films).
- A total of 19% of the financing amounts generated through pre-sales was invested in the production of super-high-budget films (9% excluding French films) and 16% went to medium-budget films (20% excluding French films).
- Cumulative pre-sales for low- and micro-budget films were negligible.

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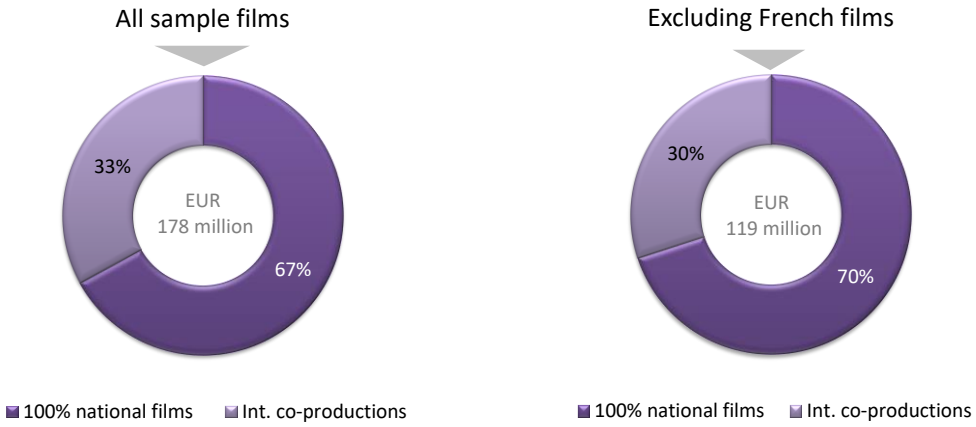
HOW ARE PRE-SALES DISTRIBUTED BETWEEN 100% NATIONAL FILMS AND INTERNATIONAL CO-PRODUCTIONS?

– PAN-EUROPEAN PERSPECTIVE

Figure 27. Distribution of pre-sales financing volume between 100% national films and international co-productions (2021)



Source: European Audiovisual Observatory

SELECTED INSIGHTS

- In 2021 pre-sales financing appears to be slightly disproportionally allocated to international co-productions: international co-productions accounting for 28% of the sample films captured 33% of pre-sales (EUR 178 million), while 100% national films represented 72% of the sample films captured 67% of cumulative pre-sales.
- When excluding French films, however, pre-sales financing is proportionally allocated: 100% national films accounted for 70% of the sample films and captured 70% of cumulative pre-sales (EUR 119 million) as international co-productions accounted for 30% of the sample films and captured 30% of total pre-sales.

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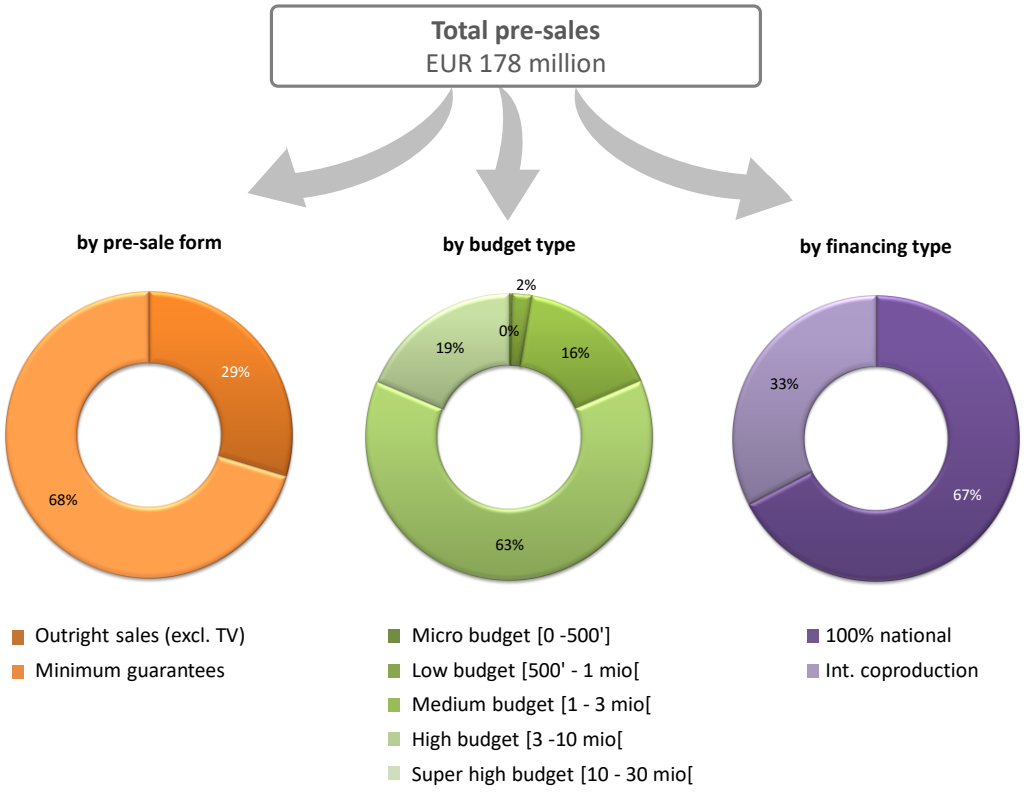
AT A GLANCE: HOW ARE PRE-SALES DISTRIBUTED AMONG FILM TYPES?
– PAN-EUROPEAN PERSPECTIVE

Figure 28. Breakdown of cumulative pre-sales by pre-sale form, budget and financing type of films (2021)



Source: European Audiovisual Observatory

Table 33. Ranking of pre-sales financing – top 5 forms / film types (2021)

Rank	Form of pre-sales	Budget type	Financing type	Amount in MEUR	% share
1	Minimum guarantee	High budget [3 -10 mio[	100% national	51.4	29%
2	Outright sale (excl. TV)	High budget [3 -10 mio[	100% national	33.4	19%
3	Minimum guarantee	High budget [3 -10 mio[	Int. co-production	20.1	11%
4	Minimum guarantee	Super high budget [10 - 30 mio[	Int. co-production	17.4	10%
5	Minimum guarantee	Medium budget [1 - 3 mio[	100% national	12.9	7%
Other	-	-	-	42.2	24%
Total pre-sales				**177.5**	**100%**

Source: European Audiovisual Observatory

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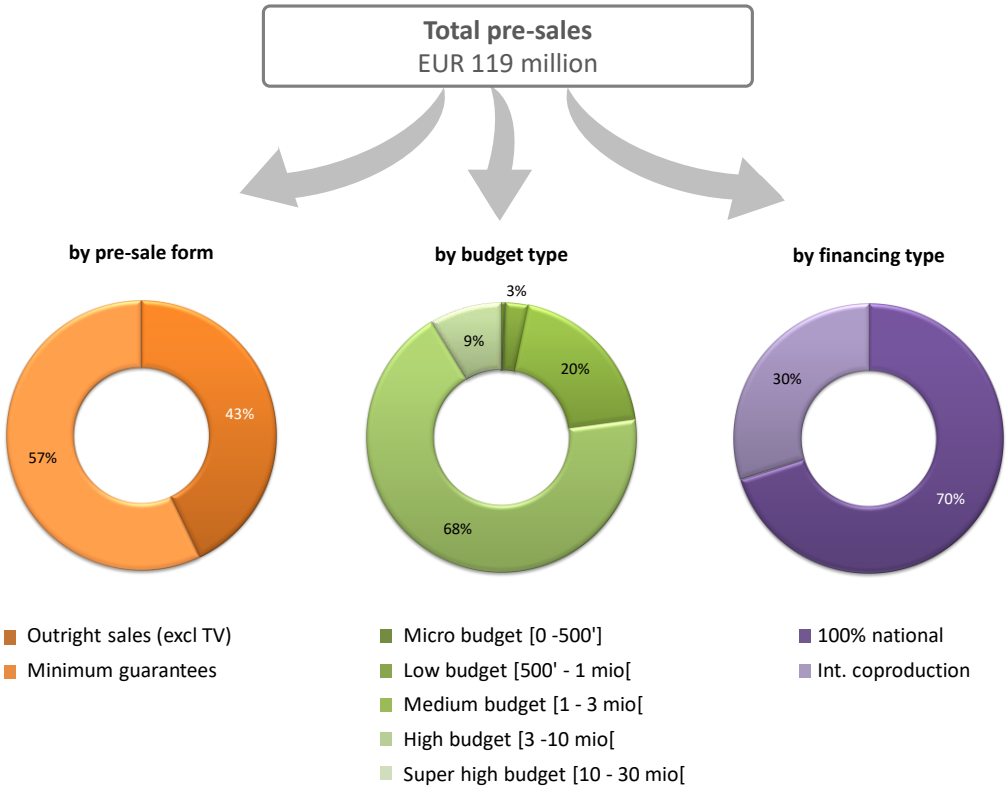
AT A GLANCE: HOW ARE PRE-SALES DISTRIBUTED AMONG FILM TYPES?

-PAN-EUROPEAN PERSPECTIVE EXCLUDING FRENCH FILMS

Figure 29. Breakdown of cumulative pre-sales by pre-sale form, budget and financing type of films - excl. French films (2021)



Source: European Audiovisual Observatory

Table 34. Ranking of pre-sales financing – top 5 forms / film types excluding French films (2021)

Rank	Form of pre-sales	Budget type	Financing type	Amount in MEUR	% share
1	Outright sale	High budget [3 -10 mio[	100% national	33.4	28%
2	Minimum guarantee	High budget [3 -10 mio[	100% national	29.7	25%
3	Minimum guarantee	High budget [3 -10 mio[	Int. co-production	14.3	12%
4	Minimum guarantee	Medium budget [1 - 3 mio[	100% national	9.4	8%
5	Outright sale	Medium budget [1 - 3 mio[	100% national	7.5	6%
Other	-	-	-	58.4	49%
Total pre-sales				**119.3**	**100%**

Source: European Audiovisual Observatory

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4.6. Producer investments (excl. broadcasters)

4.6.1. Importance of producer investments as a financing source

Methodological remarks:

Please note that this category combines all production investments (own investments) from producers based either in the main production country or in one of the minority co-producing countries. To avoid double counting producer investments from broadcasters are excluded, as they are treated as broadcaster investments for the purpose of this analysis. For research angles focusing on producer rather than broadcaster financing, direct broadcaster (co-)production investments would have to be added to this category.

Producers are defined as persons, either corporate or individual, responsible for developing, packaging and making the film. Producers ultimately own and control the copyright in the finished product. This includes both the lead producer as well as co-producers but excludes production service companies only engaged by the production company to make the film on its behalf and not investing their own equity.

Producer investments are defined as funds invested by producers in the production of the film, giving them an equity share in the film, i.e. (partial) ownership of the negative and copyrights linked to the film. This includes in-kind investments made by producers but excludes in-kind investments (facilities for equity) made by third parties such as equipment rental companies, studios or post-production houses, which are treated as a separate financing category. This furthermore excludes payments made by broadcasters in exchange for TV rights (pre-sales to broadcasters). It also excludes deferments or loans made by producers as they are qualified as debt financing. Producers' equity generally comes last in the recoupment schedule.

See Appendix 7.5 for detailed definitions.

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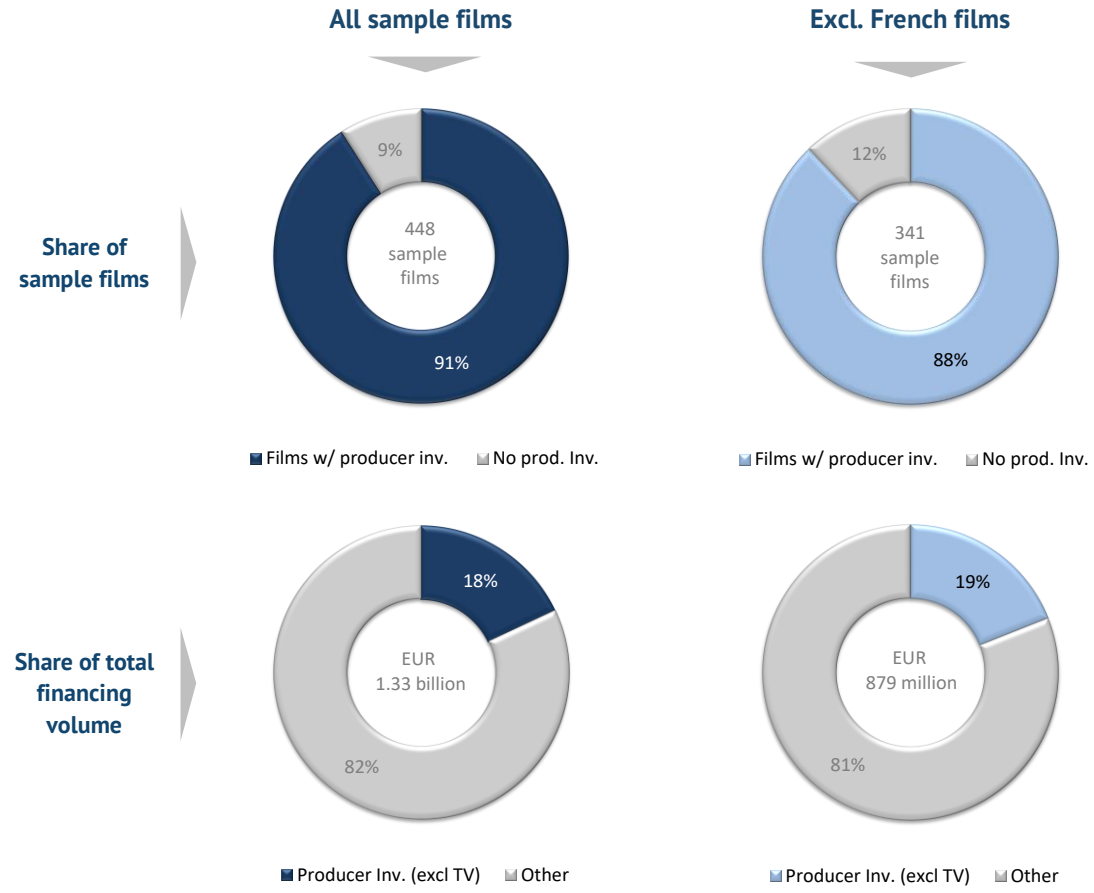
HOW IMPORTANT ARE PRODUCER INVESTMENTS?
- PAN-EUROPEAN PERSPECTIVE

Figure 30. Share of producer investments in financing European fiction films (2021)



Source: European Audiovisual Observatory

SELECTED INSIGHTS

- Nine out of 10 sample films were partly financed through producer investments (other than producer investments made by broadcasters). Conversely, one in 10 films was produced without direct producer investment.
- In total, producer investments contributed EUR 243 million to the cumulative financing volume of EUR 1.33 billion, representing 18% of the total sample financing volume. The exclusion of French films does not alter the analysis results significantly.
- Producer investments thus represented the third most significant financing source for theatrical fiction films on a pan-European level.

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HOW IMPORTANT ARE PRODUCER INVESTMENTS?
- MARKET CLUSTER PERSPECTIVE

Table 35. Producer investments – differences among market clusters (2021)

All sample films	Total sample films	Films with producer inv.	% share films with prod. inv.	Total financing volume (in MEUR)	Total producer inv. (in MEUR)	% share producer inv.
Small markets [0 - 10 mio[	39	37	95%	43.5	5.7	13%
Medium markets [10 mio - 50 mio[	141	118	84%	335.6	44.5	13%
Large markets [>50 mio]	268	252	94%	949.7	192.7	20%
Total producer investments (excl. TV)	**448**	**407**	**91%**	**1 328.8**	**242.9**	**18%**

Excluding French films	Total sample films	Films with producer inv.	% share films with prod. inv.	Total financing volume (in MEUR)	Total producer inv. (in MEUR)	% share producer inv.
Small market [0 - 10 mio[	39	37	95%	43.5	5.7	13%
Medium market [10 mio - 50 mio[	141	118	84%	335.6	44.5	13%
Large market [>50 mio]	161	145	90%	499.8	115.7	23%
Total producer investments (excl. TV)	**341**	**300**	**88%**	**878.9**	**165.9**	**19%**

Source: European Audiovisual Observatory

SELECTED INSIGHTS

- Analysis of producer investments by market cluster suggests that the share of producer investments is higher in large markets than in small and medium-sized markets: producer investments represented 13% of total financing volume in small and medium-sized markets compared to 20% (23% excluding French films) in large markets.
- In terms of access, the data sample suggests there are no significant differences between market clusters, with at least nine (eight in case of medim-sized markets) out of 10 sample films partly relying on producer investments.

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4.6.2. National origin of producer investments

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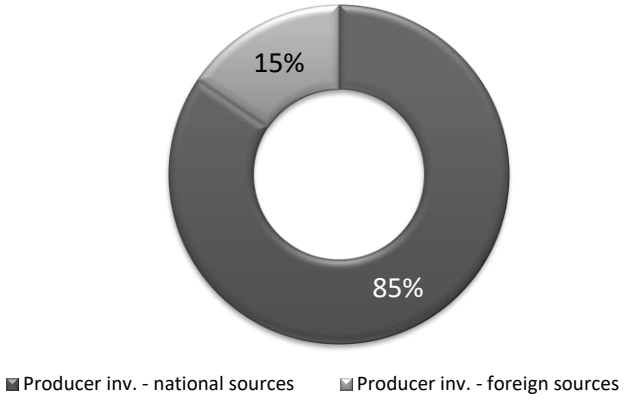
BREAKDOWN OF PRODUCER INVESTMENTS BY NATIONAL ORIGIN
- PAN-EUROPEAN PERSPECTIVE

Table 36. Producer investments by national origin (2021)

All sample films	Nr of films	% share of total	% share of producer inv.	Amounts in MEUR	% share of total	% share of producer inv.
Producer inv. - national source	398	89%	98%	205.3	15%	85%
Producer inv. - foreign sources	121	27%	30%	37.6	3%	15%
Total producer investments	**407**	**91%**	**100%**	**242.9**	**18%**	**100%**
Total sample films	**448**	**100%**		**1 328.8**	**100%**	

Source: European Audiovisual Observatory

Figure 31. Breakdown of cumulative producer investments by national origin (2021)



Source: European Audiovisual Observatory

SELECTED INSIGHTS

- A total of 85% of cumulative producer investments in the data sample came from national producers, i.e. producers based in the main country of origin; 15% of producer investments originated from foreign (co-)producers based in minority co-producing / financing countries.
- Nine out of 10 sample films were financed through national producer investments. Reflecting the share of international co-productions 27% of sample films were co-financed by a foreign producer.

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4.6.3. Distribution of producer investments by film types

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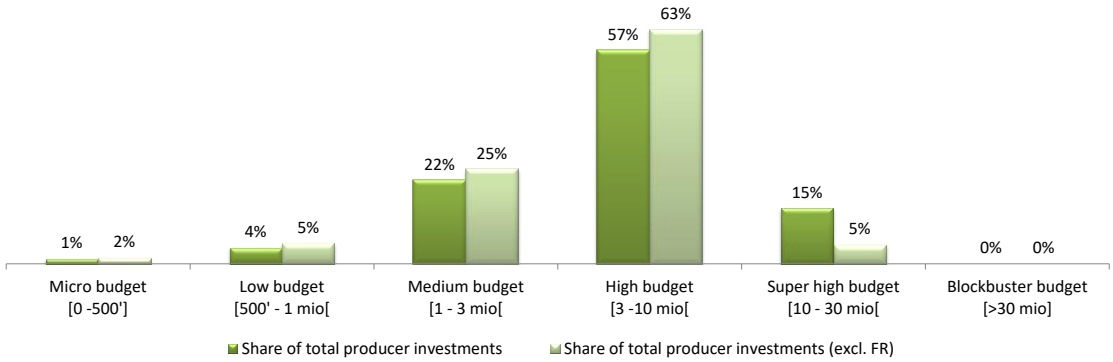
HOW ARE PRODUCER INVESTMENTS DISTRIBUTED AMONG BUDGET CLUSTERS?

- PAN-EUROPEAN PERSPECTIVE

Figure 32. Distribution of producer investments across film budget types (2021)



Source: European Audiovisual Observatory

SELECTED INSIGHTS

- High-budget films attracted the by far largest share of producer investments, capturing 57% of cumulative producer investments.
- A total of 22% of producer investments went to finance the production of medium-budget films, 15% to super-high-budget films.
- Excluding French films, the picture remains comparable with the bulk of producer investments going to the production of high-budget films (63%), followed by medium-budget films (25%).

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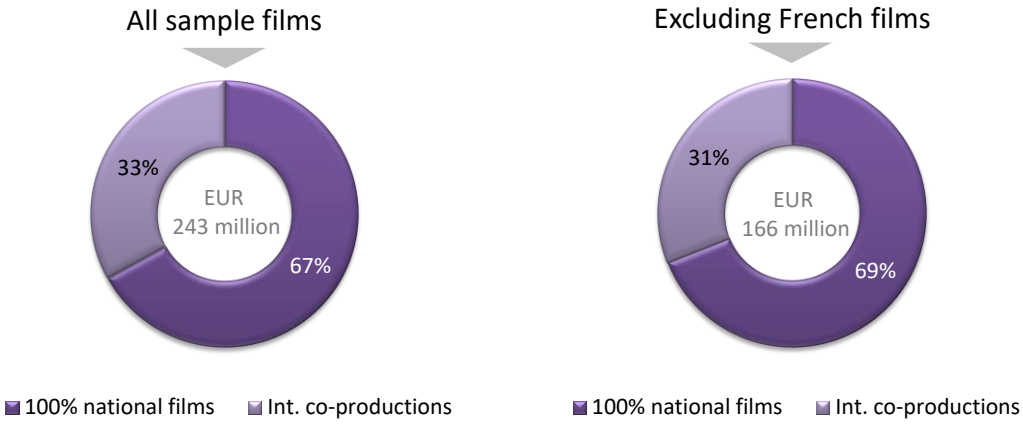
HOW ARE PRODUCER INVESTMENTS DISTRIBUTED BETWEEN 100% NATIONAL FILMS AND INTERNATIONAL CO-PRODUCTIONS?

- PAN-EUROPEAN PERSPECTIVE

Figure 33. Distribution of producer investments between 100% national films and international co-productions (2021)



Source: European Audiovisual Observatory

SELECTED INSIGHTS

- Producer investments appear to be slightly disproportionally allocated to international co-productions: accounting for 72% of sample films, 100% national films captured only 67% of total producer investments, while international co-productions represented 28% of sample films and captured 33% of total producer investments.
- When excluding French films from the data sample, producer investments are however proportionally distributed among 100% national films and international co-productions: 100% national films accounted for 70% of the sample films and captured 69% of cumulative producer investments, while international co-productions accounted for 30% of the sample films and captured 31% of total producer investments.

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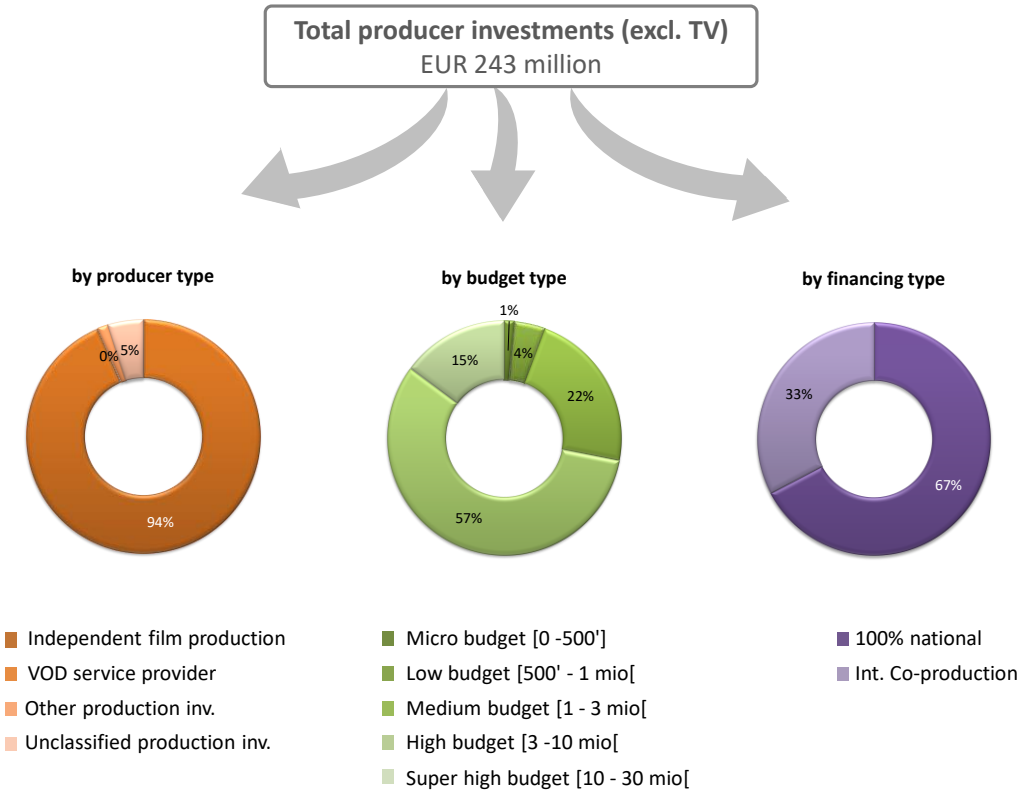
AT A GLANCE: HOW ARE PRODUCER INVESTMENTS DISTRIBUTED AMONG FILM TYPES?

- PAN-EUROPEAN PERSPECTIVE

Figure 34. Breakdown of cumulative producer investments by budget and financing type of films (2021)



Source: European Audiovisual Observatory

Table 37. Ranking of producer investments – top 5 film types (2021)

Rank	Form of producer inv. (excl. TV)	Budget type	Financing type	Amount in MEUR	% share
1	Independent film production company	High budget [3 -10 mio[	100% national	97.5	40%
2	Independent film production company	Medium budget [1 - 3 mio[	100% national	36.5	15%
3	Independent film production company	High budget [3 -10 mio[	Int. co-production	33.7	14%
4	Independent film production company	Super high budget [10 - 30 mio[	Int. co-production	19.5	8%
5	Independent film production company	Super high budget [10 - 30 mio[	100% national	13.8	6%
Other	-	-	-	41.9	17%
Total pre-sales				**242.9**	**100%**

Source: European Audiovisual Observatory

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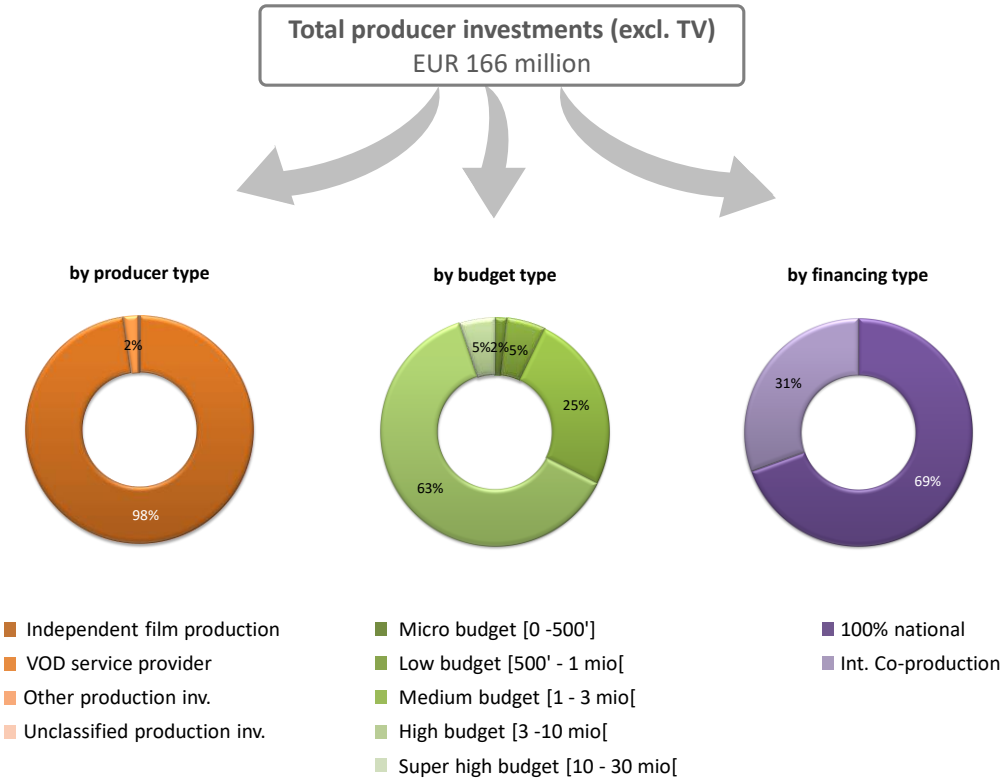
AT A GLANCE: HOW ARE PRODUCER INVESTMENTS DISTRIBUTED AMONG FILM TYPES?

- PAN-EUROPEAN PERSPECTIVE EXCLUDING FRENCH FILMS

Figure 35. Breakdown of cumulative producer investments by financing and budget type of films - excl. French films (2021)



Source: European Audiovisual Observatory

Table 38. Ranking of producer investments – top 5 film types excl. French films (2021)

Rank	Form of producer inv. (excl. TV)	Budget type	Financing type	Amount in MEUR	% share
1	Independent film production company	High budget [3 -10 mio[	100% national	74.5	45%
2	Independent film production company	Medium budget [1 - 3 mio[	100% national	29.6	18%
3	Independent film production company	High budget [3 -10 mio[	Int. co-production	28.4	17%
4	Independent film production company	Medium budget [1 - 3 mio[	Int. co-production	10.0	6%
5	Independent film production company	Super high budget [10 - 30 mio[	Int. co-production	8.4	5%
Other	-	-	-	15.1	9%
Total pre-sales				**165.9**	**100%**

Source: European Audiovisual Observatory

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4.7. Production incentives

4.7.1. Importance of production incentives as a financing source

Methodological remarks:

Production incentives refer to the cumulative amounts of certified funds coming from national production incentives. Production incentives can take many forms including cash rebates, tax rebates or tax credits targeting production (service) companies as well as tax shelters which encourage national private investments in film production. In contrast to direct public funding, incentive funding is generally calculated as a percentage share of eligible production expenditures and is refunded ex post.

In the case of cash and tax rebates and tax credits, a certain percentage share of the film's eligible local production expenditures is paid back to the producer. In contrast, tax shelters (or tax allowances) offer an incentive for private investors to make equity cash investments in film productions (either directly in production or through the acquisition of rights), allowing them to reduce their taxable income base by the amount invested. In the case of tax shelter investments, funds thus become available to the production up-front and are provided by private investors rather than fiscal authorities or the state. Given their hybrid nature as equity investments and soft money, tax shelter funds could in principle also be grouped under "private equity investments". However, in order to facilitate the analysis of fiscal incentives as a financing source, they are shown in the "Production Incentives" section.

See Appendix 7.5 for detailed definitions.

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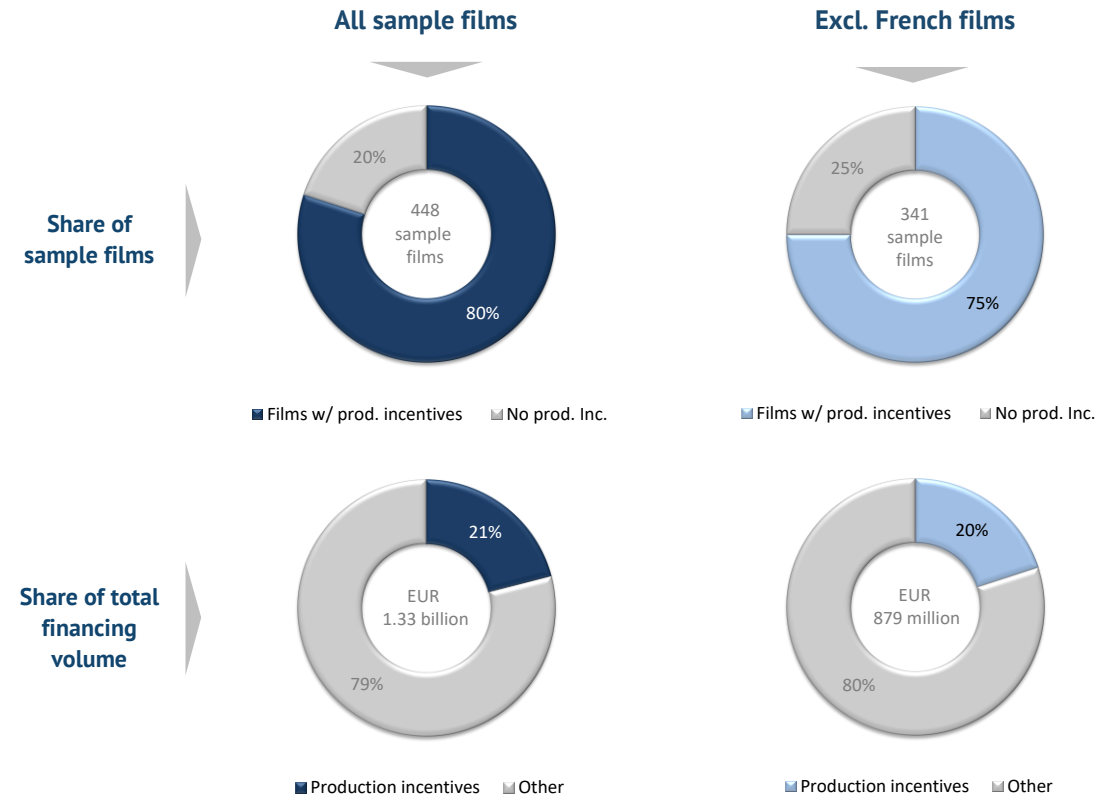
HOW IMPORTANT ARE PRODUCTION INCENTIVES?

- PAN-EUROPEAN PERSPECTIVE

Figure 36. Share of production incentives in financing of European fiction films (2021)



Source: European Audiovisual Observatory

SELECTED INSIGHTS

- A total of 80% of the 2021 sample films were partly financed through production incentives taking the form of cash rebates, tax rebates, tax credits, tax shelter investments or other production incentives. Excluding French films from the analysis, this ratio decreases somewhat to 75%.

- In total, production incentives contributed EUR 275 million to the cumulative financing volume of EUR 1.33 billion, representing 21% of the total cumulative sample funding volume (20% and EUR 172 million excl. French films). This makes production incentives the second most important financing source after direct public funding in 2021.

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HOW IMPORTANT ARE PRODUCTION INCENTIVES?

- MARKET CLUSTER PERSPECTIVE

Table 39. Production incentives by budget and market cluster (2021)

All sample films	Total sample films	Films with production incentives	% share films with prod. Incentives	Total financing volume (in MEUR)	Total prod. incentives (in MEUR)	% share production incentives
Small markets [0 - 10 mio[	39	8	21%	43.5	1.4	3%
Medium markets [10 mio - 50 mio[	141	94	67%	335.6	46.6	14%
Large markets [>50 mio]	268	256	96%	949.7	227.4	24%
Total producer investments (excl. TV)	**448**	**358**	**80%**	**1 328.8**	**275.4**	**21%**

Excluding French films	Total sample films	Films with production incentives	% share films with prod. Incentives	Total financing volume (in MEUR)	Total prod. incentives (in MEUR)	% share production incentives
Small market [0 - 10 mio[	39	8	21%	43.5	1.4	3%
Medium market [10 mio - 50 mio[	141	94	67%	335.6	46.6	14%
Large market [>50 mio]	161	154	96%	499.8	124.2	25%
Total producer investments (excl. TV)	**341**	**256**	**75%**	**878.9**	**172.2**	**20%**

Source: European Audiovisual Observatory

SELECTED INSIGHTS

- Analysis of production incentives by market cluster based on admissions volume shows that production incentives are largely available primarily in medium and large markets, and that production incentives play a comparatively limited role in financing films originating in small sample markets.
- Production incentives contributed 24% (25% excluding French films) and 14% of total financing volume in large- and medium-sized markets, respectively, compared to 3% in the small sample markets.
- The same is true for the share of the number of films benefitting from production incentives. 96% of sample films originating from large markets were partly financed by production incentives, compared to 67% of sample films in medium-sized markets compared to 21% of small-market films.

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4.7.2. Forms and national origin of production incentives

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BREAKDOWN OF PRODUCTION INCENTIVES BY INCENTIVE TYPE

- PAN-EUROPEAN PERSPECTIVE

Table 40. Breakdown of production incentives by incentive type (2021)

All sample films	Nr of films	% share of total	% share of production incentives	Amounts in MEUR	% share of total	% share of production incentives
Cash rebates	92	21%	26%	45.2	3%	16%
Tax rebates	103	23%	29%	72.6	5%	26%
Tax credits	127	28%	35%	99.9	8%	36%
Tax shelter investments	98	22%	27%	34.2	3%	12%
Other production incentives	2	0%	1%	0.7	0%	0%
Unidentified production incentives	43	10%	12%	22.8	2%	8%
Total production incenvites	**358**	**80%**	**n.a.**	**275.4**	**21%**	**100%**
Total sample films	**448**	**100%**		**1 328.8**	**100%**	

All sample films	Nr of films	% share of total	% share of production incentives	Amounts in MEUR	% share of total	% share of production incentives
Cash rebates	92	27%	36%	45.2	5%	26%
Tax rebates	22	6%	9%	11.5	1%	7%
Tax credits	126	37%	49%	99.9	11%	58%
Tax shelter investments	29	9%	11%	13.8	2%	8%
Other production incentives	2	1%	1%	0.7	0%	0%
Unidentified production incentives	2	1%	1%	1.2	0%	1%
Total production incenvites	**256**	**75%**	**n.a.**	**172.2**	**20%**	**100%**
Total sample films	**341**	**100%**		**878.9**	**100%**	

Source: European Audiovisual Observatory

SELECTED INSIGHTS

- Tax credits represented the largest type of production incentives used to finance theatrical fiction films, accounting for 36% of the total EUR 275 million in production incentives - ahead of tax rebates (26%), cash rebates (16%) and tax shelter investments (12%). 8% of total production incentives could not be allocated to a specific incentive form.
- Excluding French films, the picture changes, with tax credits representing the most significant form of production incentives, accounting for 58% of cumulative production incentives, followed by cash rebates (26%).
- The significance of individual forms of production incentives differs between countries depending on the respective schemes offered in the country.

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BREAKDOWN OF PRODUCTION INCENTIVES BY NATIONAL ORIGIN

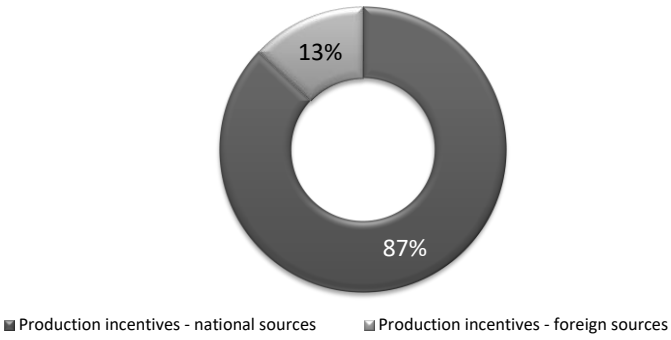
- PAN-EUROPEAN PERSPECTIVE

Table 41. Production incentives by national origin (2021)

All sample films	Nr of films	% share of total	% share of production incentives	Amounts in MEUR	% share of total	% share of production incentives
Production incentives - national sources	339	76%	95%	239.8	18%	87%
Production incentives - foreign sources	76	17%	21%	35.6	3%	13%
Total production incentives	**358**	**80%**	**100%**	**275.4**	**21%**	**100%**
Total sample films	**448**	**100%**		**1 328.8**	**100%**	

Source: European Audiovisual Observatory

Figure 37. Breakdown of cumulative financing from production incentives by national origin (2021)



Source: European Audiovisual Observatory

SELECTED INSIGHTS

- The analysis by national origin shows that 87% of cumulative production incentives were provided by the main country of origin, and 13% were obtained in minority co-financing countries.
- This is also reflected in the number of films financed with production incentives. While 76% of the sample films were partly financed by national production incentives, only 17% of the sample films had foreign production incentives in their financing mix.

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4.7.3. Distribution of production incentives by film type

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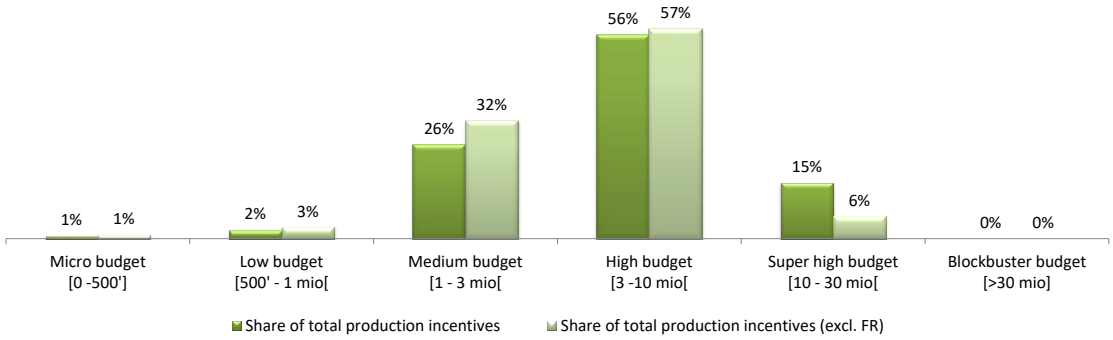
HOW ARE PRODUCTION INCENTIVES DISTRIBUTED AMONG FILM BUDGET CLUSTERS?

- PAN-EUROPEAN PERSPECTIVE

Figure 38. Distribution of production incentives across film budget types (2021)



Source: European Audiovisual Observatory

SELECTED INSIGHTS

- By far the largest share of production incentives went to the production of high-budget films (56%), while 26% went to medium-budget films and 15% went to super-high-budget films.
- Excluding France, it is still high-budget films capturing the largest share of production incentives (57%), but a higher share went to high-budget films which captured 32% of total production incentives in this sub-sample group.

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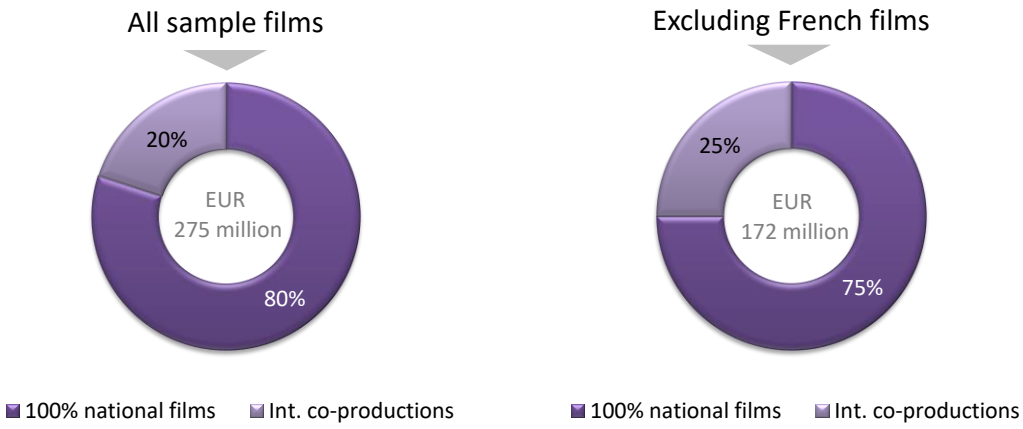
HOW ARE PRODUCTION INCENTIVES DISTRIBUTED BETWEEN 100% NATIONAL FILMS AND INTERNATIONAL CO-PRODUCTIONS?

- PAN-EUROPEAN PERSPECTIVE

Figure 39. Distribution of production incentives between 100% national films and international co-productions (2021)



Source: European Audiovisual Observatory

SELECTED INSIGHTS

- Production incentive financing appears to be over-proportionally allocated to 100% national films: representing 72% of the sample films 100% national films captured 80% of cumulative production incentives. International co-productions account for 28% of the sample films and comprised 20%.
- The situation is similar when French films are excluded: 100% national films accounted for 70% of the sample films and captured 75% of total production incentive financing while international co-productions accounted for 30% of sample films and received 25% of cumulative sample production incentives.

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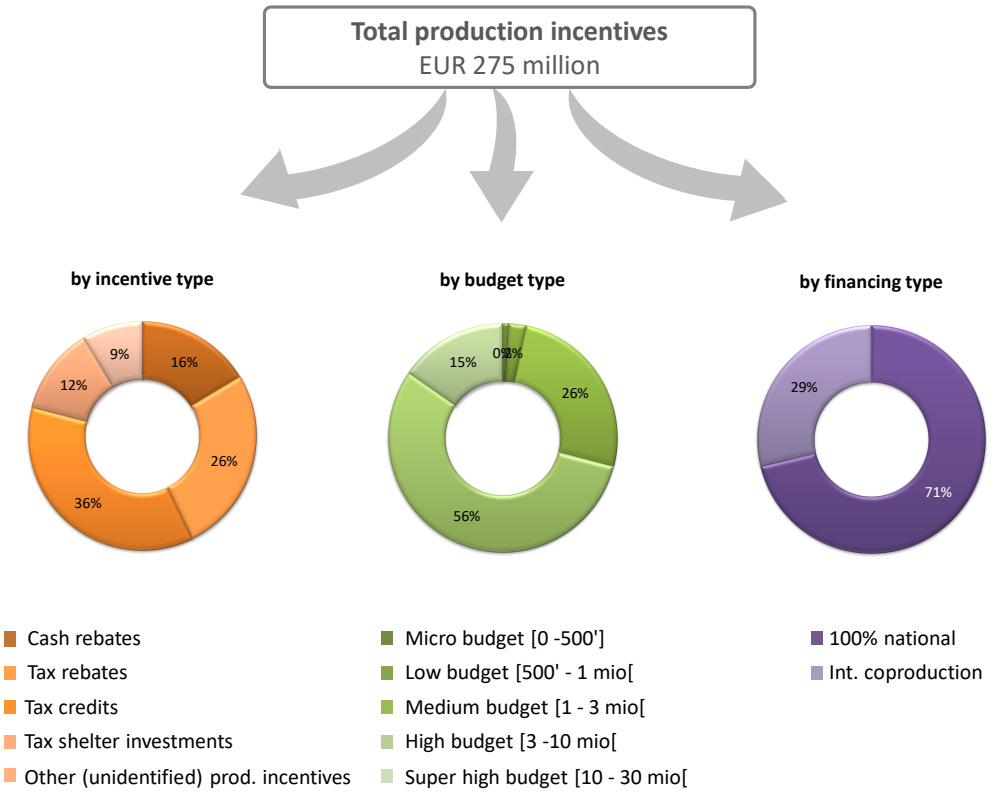
AT A GLANCE: HOW ARE PRODUCTION INCENTIVES DISTRIBUTED?

- PAN-EUROPEAN PERSPECTIVE

Figure 40. Breakdown of cumulative production incentives by form, budget and financing type of films (2021)



Source: European Audiovisual Observatory

Table 42. Ranking of production incentives – top 5 forms / film types (2021)

Rank	Form of production incentive	Budget type	Financing type	Amount in MEUR	% share
1	Tax credits (for producers)	High budget [3 -10 mio[	100% national	62.7	23%
2	Tax rebates	High budget [3 -10 mio[	100% national	33.9	12%
3	Tax credits (for producers)	Medium budget [1 - 3 mio[	100% national	22.3	8%
4	Tax rebates	Medium budget [1 - 3 mio[	100% national	13.2	5%
5	Tax rebates	Super high budget [10 - 30 mio[	100% national	11.6	4%
Other	-	-	-	131.6	48%
Total production incentives				**275.4**	**100%**

Source: European Audiovisual Observatory

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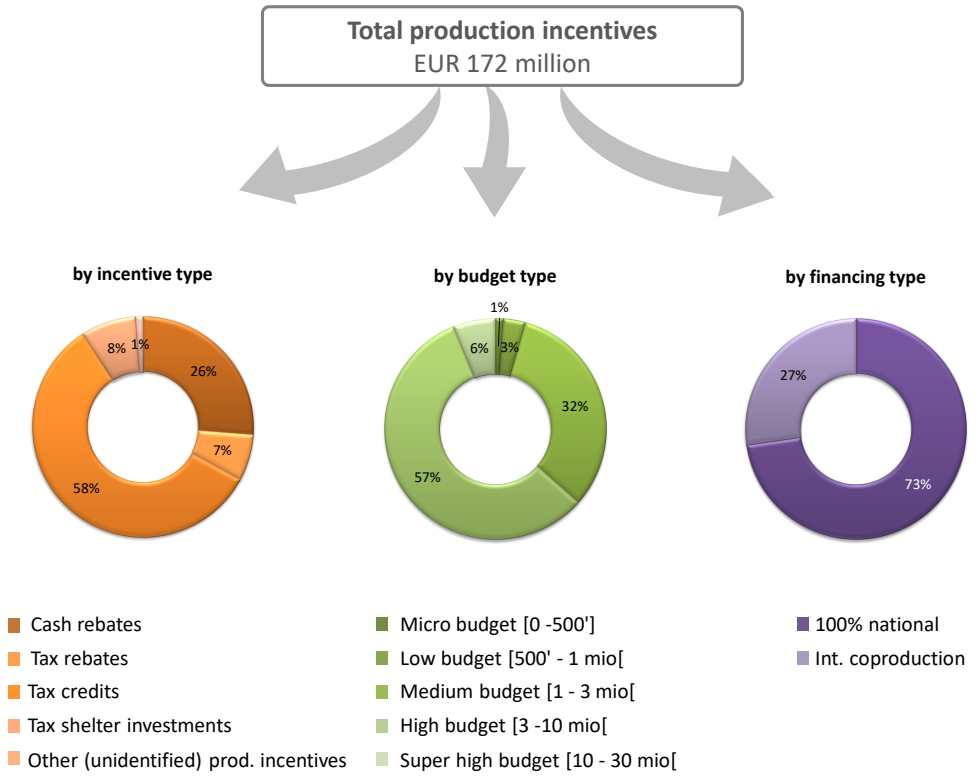
AT A GLANCE: HOW ARE PRODUCTION INCENTIVES DISTRIBUTED?

– PAN-EUROPEAN PERSPECTIVE EXCL. FRENCH FILMS

Figure 41. Breakdown of cumulative production incentives by form, budget and financing type of films - excl. French films (2021)



Source: European Audiovisual Observatory

Table 43. Ranking of production incentives – top 5 forms / film types excl. French films (2021)

Rank	Form of production incentive	Budget type	Financing type	Amount in MEUR	% share
1	Tax credits	High budget [3 -10 mio[	100% national	62.7	36%
2	Tax credits	Medium budget [1 - 3 mio[	100% national	22.3	13%
3	Cash rebates	High budget [3 -10 mio[	100% national	13.5	8%
4	Cash rebates	Medium budget [1 - 3 mio[	100% national	8.9	5%
5	Cash rebates	High budget [3 -10 mio[	Int. co-production	8.0	5%
Other	-	-	-	56.7	33%
Total production incentives (excl. FR)				**172.2**	**100%**

Source: European Audiovisual Observatory

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5 DIFFERENCES BETWEEN BUDGET CLUSTERS

5.1. In terms of financing structure

Reminder:

As financing structures are expected to differ between films with different budget sizes, indicators are also analysed here by budget cluster, according to the following categorisation scheme:

Film budget types	Budget bandwidth in EUR
Micro-budget films	< 500’
Low-budget films	[500’ to 1 million[
Medium-budget films	[1 million to 3 million[
High-budget films	[3 million to 10 million[
Super-high-budget films	[10 million to 30 million[
Blockbuster-budget films	> 30 million

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HOW DO FINANCING STRUCTURES DIFFER AMONG BUDGET CLUSTERS?
- PAN-EUROPEAN PERSPECTIVE

Table 44. Breakdown of total financing volume by source for film budget types (2021)

All sample films	Micro budget [0 -500']	Low budget [500' - 1 mio[	Medium budget [1 - 3 mio[	High budget [3 -10 mio[	Super high budget [10 - 30 mio[	Blockbuster budget [> 30 mio[	All films
Direct public funding	41%	41%	39%	22%	12%	-	26%
Production incentives	18%	13%	20%	22%	21%	-	21%
Producer inv. (excl. TV)	26%	21%	15%	19%	18%	-	18%
Broadcaster investments	3%	10%	13%	17%	26%	-	17%
Pre-sales (excl. national TV)	5%	8%	8%	16%	17%	-	13%
Private equity cash investments	1%	2%	1%	2%	1%	-	2%
Debt financing	1%	1%	2%	1%	2%	-	1%
In-kind investments	2%	2%	0%	0%	0%	-	0%
Other financing sources	3%	1%	2%	1%	2%	-	2%
Total finc. volume (in EUR)	**12 996 538**	**49 964 519**	**356 265 067**	**712 614 876**	**196 956 685**	**-**	**1 328 797 685**
Nr of films	**50**	**66**	**184**	**134**	**14**	**-**	**448**

Source: European Audiovisual Observatory

SELECTED INSIGHTS

- The smaller the budget, the more significant is **direct public funding**, generally accounting for at least 39% of the total financing volume of films with a budget of less than EUR 3 million. The share of direct public funding drops to 22% for films with a budget between EUR 3 and 10 million and to 12% for films with a budget between EUR 10 and 30 million.
- By contrast, the importance of **pre-sales** increases with budget size: from a share of 5% for micro-budget, to 8% for low- and medium-budget films, up to 16% and 17% for films with a high and super-high budget.
- The same appears to hold true for **broadcaster investments**, which increase from 3% in the case of micro-budget films, to 17% for high-budget and 26% for super-high-budget films, however, this is primarily true for French films.
- **Production incentive-related financing** is significant for all budget types but appears to be proportionally slightly more significant for the financing of **films with a budget above EUR 1 million films**, accounting for 20% to 22% of total financing of medium-, high and super-high budget films, compared 18% and 13% in case of micro- and low-budget films, respectively.
- **Similarly, producer investments** are significant for all budget types but appear to be proportionally more significant for the financing of **micro- and low-budget films**, accounting for 26% and 21% total financing, respectively . On the other hand producer investments are comparatively low for medium-budget films where they account for "only" 15% of total financing volume.

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HOW DO FINANCING STRUCTURES DIFFER AMONG BUDGET CLUSTERS?
- PAN-EUROPEAN PERSPECTIVE EXCL. FRENCH FILMS

Table 45. Breakdown of total financing volume by source for film budget – excl. French films (2021)

Excluding French films	Micro budget [0 -500']	Low budget [500' - 1 mio[	Medium budget [1 - 3 mio[	High budget [3 -10 mio[	Super high budget [10 - 30 mio[	Blockbuster budget [> 30 mio[	All films
Direct public funding	42%	44%	40%	25%	23%	-	31%
Production incentives	18%	12%	19%	21%	18%	-	20%
Producer inv. (excl. TV)	26%	20%	15%	22%	14%	-	19%
Pre-sales (excl. national TV)	5%	7%	8%	17%	17%	-	14%
Broadcaster investments	3%	9%	11%	9%	11%	-	10%
Private equity cash investments	1%	3%	2%	3%	5%	-	3%
Debt financing	1%	1%	2%	2%	6%	-	2%
Other financing sources	2%	1%	2%	1%	7%	-	2%
In-kind investments	2%	2%	0%	0%	0%	-	0%
Total financing volume (in EUR)	**10 760 133**	**45 009 858**	**286 827 225**	**475 826 859**	**60 430 862**	**-**	**878 854 937**
Nr of films	**42**	**60**	**147**	**87**	**5**	**-**	**341**

Source: European Audiovisual Observatory

SELECTED INSIGHTS

- Most of the observations relating to the analysis of the full data sample on the previous page also hold true, in essence, when French films are excluded. The only exception is the role of **broadcaster financing**, for which there is no longer a clear correlation with budget size. The sample data suggests that the correlation between broadcaster investments and budget size applies primarily to French films but not to the majority of other European sample films. Outside France, broadcaster financing was most important for medium- and super-high budget films accounting for 11% of total financing in both cases.

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5.2. In terms of role of individual financing sources

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SIGNIFICANCE OF DIRECT PUBLIC FUNDING BY BUDGET CLUSTERS

- PAN-EUROPEAN PERSPECTIVE

Table 46. Direct public funding by budget cluster (2021)

Please note that with regard to monetary values in EUR, the average amount of direct public funding is calculated as the arithmetic average (mean) of those films that received direct public funding.

All sample films	Micro budget [0 -500']	Low budget [500' - 1 mio[	Medium budget [1 - 3 mio[	High budget [3 -10 mio[	Super high budget [10 - 30 mio[	Blockbuster budget [>30 mio]	Grand Total
Total sample films	50	66	184	134	14	-	448
Films with direct public funding	39	57	172	117	10	-	395
% share	*78%*	*86%*	*93%*	*87%*	*71%*	-	*88%*
Cumulative financing volume of all films	12 996 538	49 964 519	356 265 067	712 614 876	196 956 685	-	1 328 797 685
Cumulative funds from public funding	5 358 231	20 733 945	137 252 320	156 258 950	23 662 100	-	343 265 546
% share	*41%*	*41%*	*39%*	*22%*	*12%*	-	*26%*
Avg budget of sample films	259 931	757 038	1 936 223	5 318 021	14 068 335	-	2 966 066
Avg amount of public funding (when ava	137 391	363 753	797 979	1 335 547	2 366 210	-	869 027
% share	*53%*	*48%*	*41%*	*25%*	*17%*	-	*29%*

Source: European Audiovisual Observatory

SELECTED INSIGHTS

- Nine out of 10 low- to high-budget sample films received direct public funding. In the case of micro budget films it was eight out of 10 and in the case of super-high-budget films it was seven out of 10. Bearing in mind the selection bias, the data sample thus suggests that budget size per se does not have a significant impact on access to direct public funding but not all films necessarily make use of it.
- The weight of direct public funding decreases as budget volume increases, accounting for 41% and 39% of the total financing volume of micro-, low-, and medium-budget films, respectively, compared to 22% for high-budget films and 12% for super-high-budget films.
- In absolute terms, average direct public financial support for a European live-action fiction film ranged from EUR 137 000 for micro-budget films, EUR 364 000 for low-budget films and EUR 798 000 for medium budget films, all the way up to EUR 1.3 million for high-budget films and EUR 2.4 million for super-high-budget films.

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SIGNIFICANCE OF DIRECT PUBLIC FUNDING BY BUDGET CLUSTER
- PAN-EUROPEAN PERSPECTIVE EXCL. FRENCH FILMS

Table 47. Direct public funding by budget cluster – excl. French films (2021)

Please note that with regard to monetary values in EUR, the average amount of direct public funding is calculated as the arithmetic average (mean) of those films that received direct public funding

Excluding French films	Micro budget [0 -500']	Low budget [500' - 1 mio[	Medium budget [1 - 3 mio[	High budget [3 -10 mio[	Super high budget [10 - 30 mio[	Blockbuster budget [>30 mio]	Grand Total
Total sample films	42	60	147	87	5	-	341
Films with direct public funding	34	51	137	71	5	-	298
% share	*81%*	*85%*	*93%*	*82%*	*100%*	-	*87%*
Cumulative financing volume of all films	10 760 133	45 009 858	286 827 225	475 826 859	60 430 862	-	878 854 937
Cumulative funds from public funding	4 500 959	19 590 445	115 668 268	120 869 737	13 890 059	-	274 519 467
% share	*42%*	*44%*	*40%*	*25%*	*23%*	-	*31%*
Avg budget of sample films	256 194	750 164	1 951 206	5 469 274	12 086 172	-	2 577 287
Avg amount of public funding (when ava	132 381	384 126	844 294	1 702 391	2 778 012	-	921 206
% share	*52%*	*51%*	*43%*	*31%*	*23%*	-	*36%*

Source: European Audiovisual Observatory

SELECTED INSIGHTS

- When excluding French films, eight to nine out of 10 sample films received direct public funding across all budget clusters. Bearing in mind the selection bias, the data sample thus suggests that budget size per se does not have a significant impact on access to direct public funding.
- The observation that the share of public funding tends to decrease for films with a budget over EUR 3 million is also applicable to the reduced data sample. The share of direct public funding was, however, higher for high-budget films (25% compared to 22%) and super-high-budget films (23% compared to 12%).
- In absolute terms, the average amount of direct public financial support for a European (non-French) fiction film was generally slightly higher than in the total sample, ranging from EUR 132 000 for micro-budget films, EUR 384 000 for low-budget films and EUR 844 000 for medium-budget films, up to EUR 1.7 million for high-budget and EUR 2.8 million for super-high-budget films.

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PROPORTIONAL DISTRIBUTION OF DIRECT PUBLIC FUNDING AMONG BUDGET CLUSTERS - PAN-EUROPEAN PERSPECTIVE

Table 48. Distribution of direct public funding compared to the distribution of total financing among budget clusters (2021)

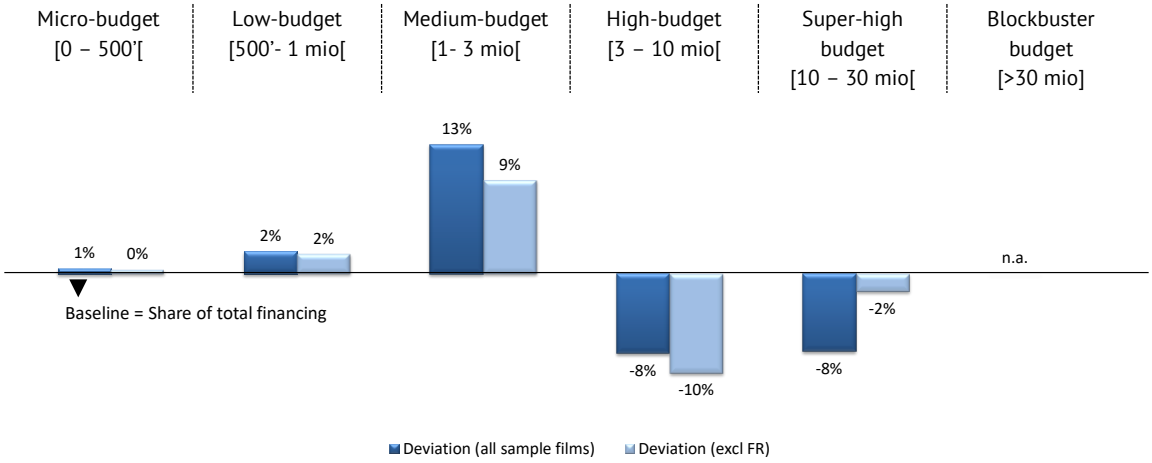
All sample films	Micro budget [0 -500']	Low budget [500' - 1 mio[	Medium budget [1 - 3 mio[	High budget [3 -10 mio[	Super high budget [10 - 30 mio[	Blockbuster budget [>30 mio]	Total in MEUR
Share of direct public funding	2%	6%	40%	46%	7%	-	343.3
Share of total financing	1%	4%	27%	54%	15%	-	1 328.8
Deviation (all sample films)	**1%**	**2%**	**13%**	**-8%**	**-8%**	**-**	**-**

Excluding French films	Micro budget [0 -500']	Low budget [500' - 1 mio[	Medium budget [1 - 3 mio[	High budget [3 -10 mio[	Super high budget [10 - 30 mio[	Blockbuster budget [>30 mio]	Total in MEUR
Share of direct public funding (excl. FR)	2%	7%	42%	44%	5%	-	274.5
Share of total financing	1%	5%	33%	54%	7%	-	878.9
Deviation (excl FR)	**0%**	**2%**	**9%**	**-10%**	**-2%**	**-**	**-**

Source: European Audiovisual Observatory

Figure 42. Over-/undershooting of direct public funding allocation by budget cluster (2021)

Deviation in percentage points between the share of direct public funding allocated to a budget cluster and the share of total financing allocated to that budget cluster. Value indicates the extent to which the proportional allocation of public funding to a specific budget cluster exceeds or falls below the corresponding allocation of cumulative total financing.



Source: European Audiovisual Observatory

SELECTED INSIGHTS

- A comparison of the distribution of direct public funding with the distribution of total financing volume among budget clusters reveals that medium-budget films are proportionally over-financed through direct public funding: capturing 27% of the total financing volume but receiving 40% of direct public funding. In contrast, high- and super-high budget films are proportionally underfinanced by direct public funding. While these observations also hold true when French films are excluded, the difference is less pronounced.

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SIGNIFICANCE OF BROADCASTER INVESTMENTS BY BUDGET CLUSTER

- PAN-EUROPEAN PERSPECTIVE

Table 49. Broadcaster investments by budget cluster (2021)

Please note that with regard to monetary values in EUR, the average amount of broadcaster investments is calculated as the arithmetic average (mean) of those films partly financed by broadcaster investments.

All sample films	Micro budget [0 -500']	Low budget [500' - 1 mio[	Medium budget [1 - 3 mio[	High budget [3 -10 mio[	Super high budget [10 - 30 mio[	Blockbuster budget [>30 mio]	Grand Total
Total sample films	50	66	184	134	14	-	448
Films with broadcaster investments	8	32	123	93	10	-	266
% share	*16%*	*48%*	*67%*	*69%*	*71%*	-	*59%*
Cumulative financing volume of all films	12 996 538	49 964 519	356 265 067	712 614 876	196 956 685	-	1 328 797 685
Cumulative funds from broadcaster inv.	353 926	4 822 787	46 226 069	120 103 792	50 994 487	-	222 501 061
% share	*3%*	*10%*	*13%*	*17%*	*26%*	-	*17%*
Avg. budget of sample films	259 931	757 038	1 936 223	5 318 021	14 068 335	-	2 966 066
Avg. amount of broadcaster inv. (when available)	44 241	150 712	375 822	1 291 439	5 099 449	-	836 470
% share	*17%*	*20%*	*19%*	*24%*	*36%*	-	*28%*

Source: European Audiovisual Observatory

SELECTED INSIGHTS

- In total, six out of 10 sample films were partly financed with broadcaster investments, in the form of co-productions and / or pre-sales of TV rights in the (co-)producing markets.
- The lower the budget the more difficult it appears to be to attract broadcaster financing: only 16% and 48% of micro and low-budget films, respectively, managed to do so. This compares to 67% of medium-, 69% of high- and 71% of super-high-budget films.
- In contrast to public funding, the significance of national broadcaster investments in the full data sample rises in tandem with budgets, accounting for 3% and 10% of the total financing volume of micro- and low-budget films, respectively, compared to 13% for medium-budget films, 17% for high-budget films and 26% for super-high-budget films. As will be shown, this correlation is, however, primarily true only in France and does not apply in most other countries.
- In absolute terms, average broadcaster investments for European fiction films ranged from EUR 44 000 for micro-budget films, EUR 151 000 for low-budget films and EUR 376 000 for medium-budget films, all the way up to EUR 1.3 million for high-budget films and EUR 5.1 million for super-high-budget films.

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SIGNIFICANCE OF BROADCASTER INVESTMENTS BY BUDGET CLUSTERS
- PAN-EUROPEAN PERSPECTIVE EXCLUDING FRENCH FILMS

Table 50. Broadcaster investments by budget clusters – excl. French films (2021)

Please note that with regard to monetary values in EUR, the average amount of broadcaster investments is calculated as the arithmetic average (mean) of those films partly financed by broadcaster investments.

Excluding French films	Micro budget [0 -500']	Low budget [500' - 1 mio[	Medium budget [1 - 3 mio[	High budget [3 -10 mio[	Super high budget [10 - 30 mio[	Blockbuster budget [>30 mio]	Grand Total
Total sample films	42	60	147	87	5	-	341
Films with broadcaster investments	6	29	95	47	2	-	179
% share	*14%*	*48%*	*65%*	*54%*	*40%*	-	*52%*
Cumulative financing volume of all films	10 760 133	45 009 858	286 827 225	475 826 859	60 430 862	-	878 854 937
Cumulative funds from broadcaster inv.	300 926	4 120 162	32 872 941	41 265 901	6 575 813	-	85 135 743
% share	*3%*	*9%*	*11%*	*9%*	*11%*	-	*10%*
Avg. budget of sample films	256 194	750 164	1 951 206	5 469 274	12 086 172	-	2 577 287
Avg. amount of broadcaster inv. (when available)	50 154	142 075	346 031	877 998	3 287 907	-	475 619
% share	*20%*	*19%*	*18%*	*16%*	*27%*	-	*18%*

Source: European Audiovisual Observatory

SELECTED INSIGHTS:

- Broadcaster financing of fiction films is, by quite a stretch, more significant in France than in most other European sample countries, so discarding French films from the analysis changes some of the observations.
- Excluding French films, the overall share of films attracting broadcaster investments is slightly lower at 52% (compared to 59% if French films are included) due to a comparatively lower share of high- and super-high-budget films partly financed by broadcasters: outside France only 54% of high-budget films (compared to 69% in the full sample) and 40% of the four super-high budget films (compared to 71% in the full sample) had broadcaster investments in the financing mix.
- The percentage share of broadcaster investments in total financing volume is more homogeneous among the different budget categories, accounting for 3% of budgets for micro-film budgets, 9% for low-budget films, 11% for medium-budget films, 9% for high-budget films and 11% for super-high budget films.
- Compared to the total sample, average broadcaster investments in a European fiction film are slightly lower.

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PROPORTIONAL DISTRIBUTION OF BROADCASTER INVESTMENTS AMONG BUDGET CLUSTERS

- PAN-EUROPEAN PERSPECTIVE

Table 51. Distribution of broadcaster investments by budget cluster compared to distribution of total financing among budget clusters (2021)

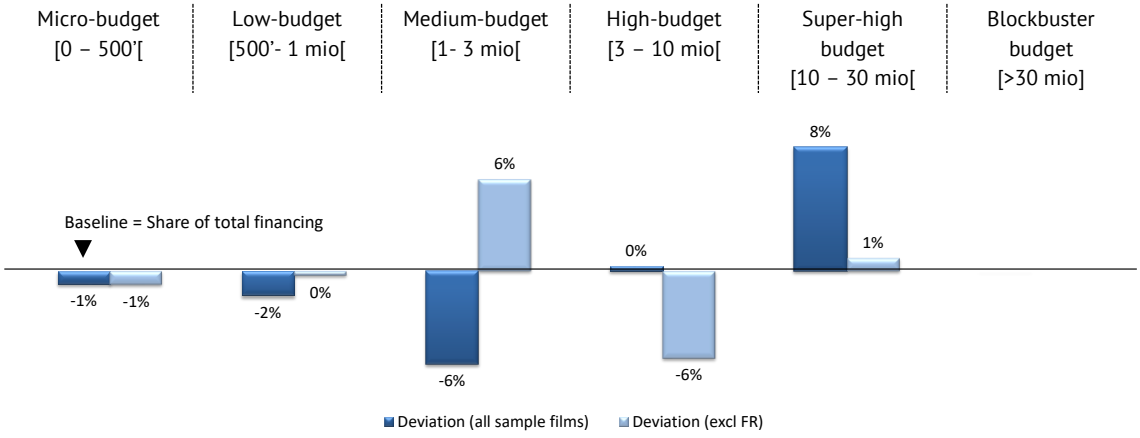
All sample films	Micro budget [0 -500']	Low budget [500' - 1 mio[	Medium budget [1 - 3 mio[	High budget [3 -10 mio[	Super high budget [10 - 30 mio[	Blockbuster budget [>30 mio]	Total in MEUR
Share of total broadcaster investments	0%	2%	21%	54%	23%	-	222.5
Share of total financing	0%	0%	0%	0%	0%	-	1 328.8
Deviation (all sample films)	**0%**	**2%**	**21%**	**54%**	**23%**	**-**	**-**

Excluding French films	Micro budget [0 -500']	Low budget [500' - 1 mio[	Medium budget [1 - 3 mio[	High budget [3 -10 mio[	Super high budget [10 - 30 mio[	Blockbuster budget [>30 mio]	Total in MEUR
Share of total broadcaster investments (excl. FR)	0%	5%	39%	48%	8%	-	85.1
Share of total financing	1%	5%	33%	54%	7%	-	878.9
Deviation (excl FR)	**-1%**	**0%**	**6%**	**-6%**	**1%**	**-**	**-**

Source: European Audiovisual Observatory

Figure 43. Over-/undershooting of broadcaster investment allocation by budget cluster (2021)

Deviation in percentage points between the share of broadcaster investments allocated to a budget cluster and the share of total financing allocated to that budget cluster. Value indicates the extent to which the proportional allocation of broadcaster investments to a specific budget cluster exceeds or falls below the corresponding allocation of cumulative total financing.



Source: European Audiovisual Observatory

SELECTED INSIGHTS

- A comparison of the distribution of total financing and broadcaster financing for the individual budget clusters reveals that the picture looks very different for the full data sample and the sampel excluding French films.
- Excluding French films medium-budget films were proportionally overfinanced and high-budget films were proportionally underfinanced by broadcaster investments.
- By contrast, medium-budget films were proportionally underfinanced and super-high-budget films were proportionally overfinanced by broadcaster investments in the total sample.

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SIGNIFICANCE OF PRE-SALES BY BUDGET CLUSTER
- PAN-EUROPEAN PERSPECTIVE

Table 52. Pre-sales by budget cluster (2021)

Please note that with regard to monetary values in EUR, the average amount of pre-sales is calculated as the arithmetic average (mean) of those films partly financed by pre-sales.

All sample films	Micro budget [0 -500']	Low budget [500' - 1 mio[	Medium budget [1 - 3 mio[	High budget [3 -10 mio[	Super high budget [10 - 30 mio[	Blockbuster budget [>30 mio]	All Films
Total sample films	50	66	184	134	14	-	448
Films with pre-sales (excl national TV)	17	27	112	97	13	-	266
% share	*34%*	*41%*	*61%*	*72%*	*93%*	-	*59%*
Cumulative financing volume of all films	12 996 538	49 964 519	356 265 067	712 614 876	196 956 685	-	1 328 797 685
Cumulative funds from pre-sales	650 244	3 845 750	28 462 201	111 433 724	33 111 175	-	177 503 094
% share	*5%*	*8%*	*8%*	*16%*	*17%*	-	*13%*
Avg budget of sample films	259 931	757 038	1 936 223	5 318 021	14 068 335	-	2 966 066
Avg amount of pre-sales (when available)	38 250	142 435	254 127	1 148 801	2 547 013	-	667 305
% share	*15%*	*19%*	*13%*	*22%*	*18%*	-	*22%*

Source: European Audiovisual Observatory

SELECTED INSIGHTS

- Pre-sales of distribution rights could be sold for six out of 10 sample films.
- The data suggest that only films with a budget above EUR 3 million, have no problem with the pre-selling of distribution rights; 72% of high-budget and 93% of super-high-budget were partly financed by pre-sales. In contrast, the lower the budget, the less likely, it appears, that a pre-sale will be secured for a film. The budgets of only 34% of micro-budget films in the data sample were partially financed via a pre-sale. This compares to 41% of low-budget films and 61% of medium-budget films.
- Pre-sales contributed only 5% to 8% of the financing of films with a budget lower than EUR 3 million; the portion rose for high- and super-high-budget films, with pre-sales accounting for 16% and 17% of total cumulative production spend, respectively.
- In absolute terms, average pre-sales for European fiction films ranged from EUR 38 000 for micro-budget films, EUR 142 000 for low-budget films and EUR 254 000 for medium-budget films, up to EUR 1.1 million for high-budget films and EUR 2.5 million for super-high-budget films.

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IMPORTANCE OF PRE-SALES BY BUDGET CLUSTERS

- PAN-EUROPEAN PERSPECTIVE EXCL. FRENCH FILMS

Table 53. Pre-sales by budget cluster – excl. French films (2021)

Please note that with regard to monetary values in EUR, the average amount of pre-sales is calculated as the arithmetic average (mean) of those films partly financed by pre-sales.

Excluding French films	Micro budget [0 -500']	Low budget [500' - 1 mio[	Medium budget [1 - 3 mio[	High budget [3 -10 mio[	Super high budget [10 - 30 mio[	Blockbuster budget [>30 mio]	All films
Total sample films	42	60	147	87	5	-	341
Films with pre-sales (excl national TV)	13	21	81	60	5	-	180
% share	*31%*	*35%*	*55%*	*69%*	*100%*	-	*53%*
Cumulative financing volume of all films	10 760 133	45 009 858	286 827 225	475 826 859	60 430 862	-	878 854 937
Cumulative funds from pre-sales	586 244	3 280 500	23 393 935	81 688 416	10 318 508	-	119 267 603
% share	*5%*	*7%*	*8%*	*17%*	*17%*	-	*14%*
Avg budget of sample films	256 194	750 164	1 951 206	5 469 274	12 086 172	-	2 577 287
Avg amount of pre-sales (when available)	45 096	156 214	288 814	1 361 474	2 063 702	-	662 598
% share	*18%*	*21%*	*15%*	*25%*	*17%*	-	*26%*

Source: European Audiovisual Observatory

SELECTED INSIGHTS

- Excluding French films doesn't fundamentally alter the analysis results but prompts one additional observation:
- Interestingly, average amounts of pre-sales for European fiction films were, in part, slightly higher when the large number of French sample films were excluded, ranging from EUR 45 000 for micro-budget films, EUR 156 000 for low-budget films and EUR 289 000 for medium-budget films, EUR 1.3 million for high-budget films and EUR 2.1 million for super-high-budget films.

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PROPORTIONAL DISTRIBUTION OF PRE-SALES AMONG BUDGET CLUSTERS
- PAN-EUROPEAN PERSPECTIVE EXCL. FRENCH FILMS

Table 54. Distribution of pre-sales compared to distribution of total financing among budget clusters (2021)

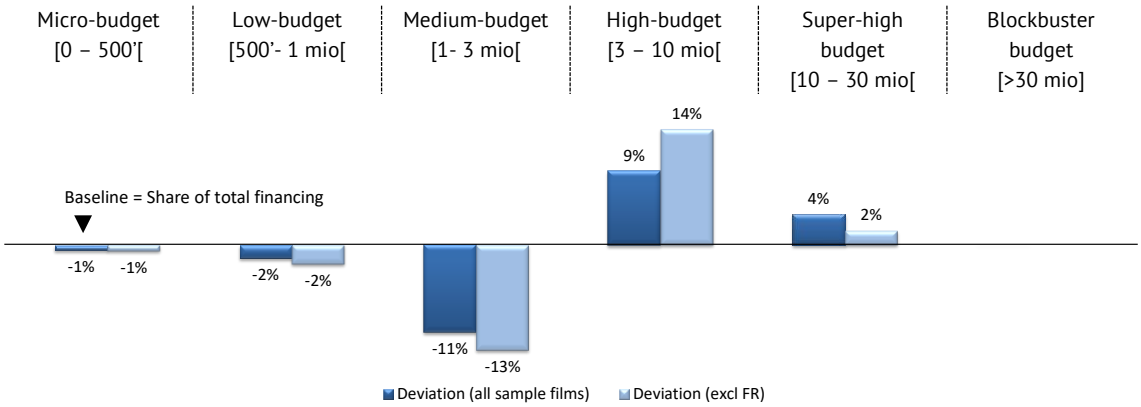
All sample films	Micro budget [0 -500']	Low budget [500' - 1 mio[	Medium budget [1 - 3 mio[	High budget [3 -10 mio[	Super high budget [10 - 30 mio[	Blockbuster budget [>30 mio]	Total in MEUR
Share of total pre-sales	0%	2%	16%	63%	19%	-	177.5
Share of total financing	1%	4%	27%	54%	15%	-	1 328.8
Deviation (all sample films)	**-1%**	**-2%**	**-11%**	**9%**	**4%**	**-**	**-**

All sample films	Micro budget [0 -500']	Low budget [500' - 1 mio[	Medium budget [1 - 3 mio[	High budget [3 -10 mio[	Super high budget [10 - 30 mio[	Blockbuster budget [>30 mio]	Total in MEUR
Share of total pre-sales (excl. FR)	0%	3%	20%	68%	9%	-	119.3
Share of total financing	1%	5%	33%	54%	7%	-	878.9
Deviation (excl FR)	**-1%**	**-2%**	**-13%**	**14%**	**2%**	**-**	**-**

Source: European Audiovisual Observatory

Figure 44. Over-/undershooting of pre-sales allocation by budget cluster (2021)

Deviation in percentage points between the share of pre-sales allocated to a budget cluster and the share of total financing allocated to that budget cluster. Value indicates the extent to which the proportional allocation of pre-sales to a specific budget cluster exceeds or falls below the corresponding allocation of cumulative total financing.



Source: European Audiovisual Observatory

SELECTED INSIGHTS

- A comparison of the distribution of total financing and pre-sales financing for the individual budget clusters reveals that films with a budget of less than EUR 3 million - and in particular medium-budget films - are proportionally under-financed through pre-sales, while proportionally more financing from pre-sales is available to high-budget and – to a lesser extent - super-high-budget films. This is true for the full data sample as well as for the reduced data sample excluding French films.

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SIGNIFICANCE OF PRODUCER INVESTMENTS BY BUDGET CLUSTER
PAN-EUROPEAN PERSPECTIVE

Table 55. Producer investments by budget cluster (2021)

Please note that with regard to monetary values in EUR, the average amount of producer investments is calculated as the arithmetic average (mean) of those films partly financed by producer investments.

All sample films	Micro budget [0 -500']	Low budget [500' - 1 mio[	Medium budget [1 - 3 mio[	High budget [3 -10 mio[	Super high budget [10 - 30 mio[	Blockbuster budget [>30 mio]	All films
Total sample films	50	66	184	134	14	-	448
Films with producer inv. (excl TV)	46	59	162	126	14	-	407
% share	*92%*	*89%*	*88%*	*94%*	*100%*	-	*91%*
Cumulative financing volume of all films	12 996 538	49 964 519	356 265 067	712 614 876	196 956 685	-	1 328 797 685
Cumulative funds from producer inv.	3 376 750	10 385 185	54 427 738	138 681 459	36 068 041	-	242 939 173
% share	*26%*	*21%*	*15%*	*19%*	*18%*	-	*18%*
Avg budget of sample films	259 931	757 038	1 936 223	5 318 021	14 068 335	-	2 966 066
Avg amount of producer inv. (when available)	73 408	176 020	335 974	1 100 646	2 576 289	-	596 902
% share	*28%*	*23%*	*17%*	*21%*	*18%*	-	*20%*

Source: European Audiovisual Observatory

SELECTED INSIGHTS

- Nine out of 10 sample films were partly financed with producer investments. This ratio was more or less comparable across all budget types.
- In 2021 producer investments were more significant for micro- and low-budget films, accounting for 26% and 21% of total financing, respectively, compared to medium-budget (15%), as well as high- and super-high-budget films (19% and 18%, respectively).
- In absolute terms, average producer investment in European theatrical fiction films ranged from EUR 73 000 for micro-budget films, EUR 176 000 for low-budget films and EUR 336 000 for medium-budget films, up to EUR 1.1 million for high-budget films and EUR 2.6 million for super-high-budget films.

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SIGNIFICANCE OF PRODUCER INVESTMENTS BY BUDGET CLUSTER
- PAN-EUROPEAN PERSPECTIVE EXCL. FRENCH FILMS

Table 56. Producer investments by budget cluster – excl. French films (2021)

Please note that with regard to monetary values in EUR, the average amount of producer investments is calculated as the arithmetic average (mean) of those films partly financed by producer investments.

Excluding French films	Micro budget [0 -500']	Low budget [500' - 1 mio[	Medium budget [1 - 3 mio[	High budget [3 -10 mio[	Super high budget [10 - 30 mio[	Blockbuster budget [>30 mio]	All films
Total sample films	42	60	147	87	5	-	341
Films with producer inv. (excl TV)	38	53	125	79	5	-	300
% share	*90%*	*88%*	*85%*	*91%*	*100%*	-	*88%*
Cumulative financing volume of all films	10 760 133	45 009 858	286 827 225	475 826 859	60 430 862	-	878 854 937
Cumulative funds from producer inv.	2 803 734	9 102 454	41 912 865	103 708 650	8 393 709	-	165 921 411
% share	*26%*	*20%*	*15%*	*22%*	*14%*	-	*19%*
Avg budget of sample films	256 194	750 164	1 951 206	5 469 274	12 086 172	-	2 577 287
Avg amount of producer inv. (when available)	73 782	171 744	335 303	1 312 768	1 678 742	-	553 071
% share	*29%*	*23%*	*17%*	*24%*	*14%*	-	*21%*

Source: European Audiovisual Observatory

SELECTED INSIGHTS

- Excluding French films does not change the main tendencies observed in the full data sample.

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PROPORTIONAL DISTRIBUTION OF PRODUCER INVESTMENTS AMONG BUDGET CLUSTERS

- PAN-EUROPEAN PERSPECTIVE

Table 57. Distribution of producer investments compared to distribution of total financing among budget clusters (2021)

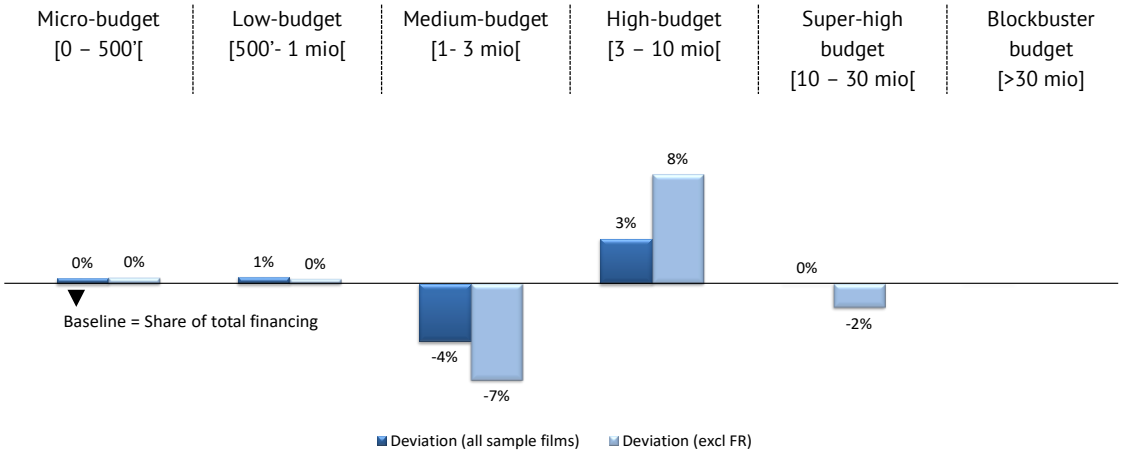
All sample films	Micro budget [0 -500']	Low budget [500' - 1 mio[	Medium budget [1 - 3 mio[	High budget [3 -10 mio[	Super high budget [10 - 30 mio[	Blockbuster budget [>30 mio]	Total in MEUR
Share of total producer investments	1%	4%	22%	57%	15%	-	242.9
Share of total financing	1%	4%	27%	54%	15%	-	1 328.8
Deviation (all sample films)	**0%**	**1%**	**-4%**	**3%**	**0%**	**-**	**-**

Excluding French films	Micro budget [0 -500']	Low budget [500' - 1 mio[	Medium budget [1 - 3 mio[	High budget [3 -10 mio[	Super high budget [10 - 30 mio[	Blockbuster budget [>30 mio]	Total in MEUR
Share of total producer investments (excl. FR)	2%	5%	25%	63%	5%	-	165.9
Share of total financing	1%	5%	33%	54%	7%	-	878.9
Deviation (excl FR)	**0%**	**0%**	**-7%**	**8%**	**-2%**	**-**	**-**

Source: European Audiovisual Observatory

Figure 45. Over-/undershooting of producer investment allocation by budget cluster (2021)

Deviation in percentage points between the share of producer investments allocated to a budget cluster and the share of total financing allocated to that budget cluster. Value indicates the extent to which the proportional allocation of producer investments to a specific budget cluster exceeds or falls below the corresponding allocation of cumulative total financing.



Source: European Audiovisual Observatory

SELECTED INSIGHTS

- A comparison of the distribution of total financing and producer investments for the individual budget clusters indicates that medium-budget films are, proportionally, under-financed through producer investments, while producers carry a proportionally somewhat higher financing share in the case of high-budget films.

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SIGNIFICANCE OF PRODUCTION INCENTIVES BY BUDGET CLUSTER
- THE PAN-EUROPEAN PERSPECTIVE

Table 58. Production incentives by budget cluster (2021)

Please note that with regard to monetary values in EUR, the average amount of production incentives is calculated as the arithmetic average (mean) of those films partly financed by production incentives.

All sample films	Micro budget [0 -500']	Low budget [500' - 1 mio[	Medium budget [1 - 3 mio[	High budget [3 -10 mio[	Super high budget [10 - 30 mio[	Blockbuster budget [>30 mio]	All films
Total sample films	50	66	184	134	14	-	448
Films with production incentives	33	37	151	124	13	-	358
% share	*66%*	*56%*	*82%*	*93%*	*93%*	-	*80%*
Cumulative financing volume of all films	12 996 538	49 964 519	356 265 067	712 614 876	196 956 685	-	1 328 797 685
Cumulative funds from production incentives	2 329 409	6 723 507	70 842 707	153 350 521	42 187 661	-	275 433 805
% share	*18%*	*13%*	*20%*	*22%*	*21%*	-	*21%*
Avg budget of sample films	259 931	757 038	1 936 223	5 318 021	14 068 335	-	2 966 066
Avg amount of prod. incentives (when availat	70 588	181 716	469 157	1 236 698	3 245 205	-	769 368
% share	*27%*	*24%*	*24%*	*23%*	*23%*	-	*26%*

Source: European Audiovisual Observatory

SELECTED INSIGHTS

- A total of 80% of the sample films were partly financed with production incentives.
- The data show that the share of films benefitting from production incentives is not as high among lower-budget films as it is among films with a budget exceeding EUR 1 million: while only 66% and 56% of micro- and low-budget films, respectively, in the data sample were partly financed by production incentives, 82% of medium-budget, 93% of high- and super-high-budget films benefitted from production incentives.
- The weight of production incentives in the financing mix appears to increase somewhat with budget size: production incentives accounted for 18% of the total financing of micro-budget films, 13% of low-budget films, 20% for medium-budget films, 2% for high-budget films and 21% for super-high-budget films.
- In absolute terms, the average value of production incentives in European theatrical fiction films ranged from EUR 71 000 for micro-budget films, EUR 182 000 for low-budget films and EUR 469 000 for medium-budget films all the way up to EUR 1.2 million for high-budget films and EUR 3.2 million for super-high-budget films.

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SIGNIFICANCE OF PRODUCTION INCENTIVES BY BUDGET CLUSTER
-PAN-EUROPEAN PERSPECTIVE EXCL. FRENCH FILMS

Table 59. Production incentives by budget cluster – excl. French films (2021)

Please note that with regard to monetary values in EUR, the average amount of production incentives is calculated as the arithmetic average (mean) of those films partly financed by production incentives.

Excluding French films	Micro budget [0 -500']	Low budget [500' - 1 mio[	Medium budget [1 - 3 mio[	High budget [3 -10 mio[	Super high budget [10 - 30 mio[	Blockbuster budget [>30 mio]	All films
Total sample films	42	60	147	87	5	-	341
Films with production incentives	27	32	116	77	4	-	256
% share	*64%*	*53%*	*79%*	*89%*	*80%*	-	*75%*
Cumulative financing volume of all films	10 760 133	45 009 858	286 827 225	475 826 859	60 430 862	-	878 854 937
Cumulative funds from production incentives	1 990 211	5 559 281	55 469 190	98 616 485	10 597 507	-	172 232 674
% share	*18%*	*12%*	*19%*	*21%*	*18%*	-	*20%*
Avg budget of sample films	256 194	750 164	1 951 206	5 469 274	12 086 172	-	2 577 287
Avg amount of prod. incentives (when availat	73 712	173 728	478 183	1 280 734	2 649 377	-	672 784
% share	*29%*	*23%*	*25%*	*23%*	*22%*	-	*26%*

Source: European Audiovisual Observatory

SELECTED INSIGHTS

- An analysis excluding French films does not change the main observations from the full data sample, even though the significance of production incentives for all budget types is slightly lower when compared to the full sample.

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PROPORTIONAL DISTRIBUTION OF PRODUCTION INCENTIVES AMONG FILM BUDGET CLUSTERS - PAN-EUROPEAN PERSPECTIVE

Table 60. Distribution of production incentives compared to distribution of total financing among budget clusters (2021)

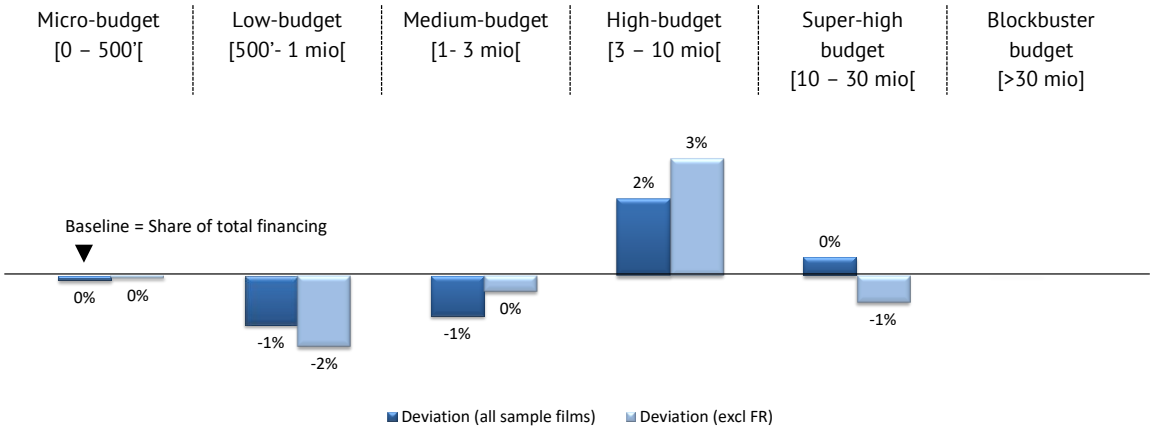
All sample films	Micro budget [0 -500']	Low budget [500' - 1 mio[	Medium budget [1 - 3 mio[	High budget [3 -10 mio[	Super high budget [10 - 30 mio[	Blockbuster budget [>30 mio]	Total in MEUR
Share of total production incentives	1%	2%	26%	56%	15%	-	275.4
Share of total financing	1%	4%	27%	54%	15%	-	1 328.8
Deviation (all sample films)	**0%**	**-1%**	**-1%**	**2%**	**0%**	**-**	**-**

Excluding French films	Micro budget [0 -500']	Low budget [500' - 1 mio[	Medium budget [1 - 3 mio[	High budget [3 -10 mio[	Super high budget [10 - 30 mio[	Blockbuster budget [>30 mio]	Total in MEUR
Share of total production incentives (excl. FR)	1%	3%	32%	57%	6%	-	172.2
Share of total financing	1%	5%	33%	54%	7%	-	878.9
Deviation (excl FR)	**0%**	**-2%**	**0%**	**3%**	**-1%**	**-**	**-**

Source: European Audiovisual Observatory

Figure 46. Over-/undershooting of production incentive allocation by budget cluster (2021)

Deviation in percentage points between the share of production incentives allocated to a budget cluster and the share of total financing allocated to that budget cluster. Value indicates the extent to which the proportional allocation of production incentives to a specific budget cluster exceeds or falls below the corresponding allocation of cumulative total financing.



Source: European Audiovisual Observatory

SELECTED INSIGHTS

- A comparison of the distribution of total financing and production incentives for the individual budget clusters shows that high-budget films were proportionally slightly over-financed through production incentives, while medium- and low-budget films were marginally underfinanced through production incentives.

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6 DIFFERENCES BETWEEN 100% NATIONAL FILMS AND INTERNATIONAL CO-PRODUCTIONS

6.1. In terms of budget

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HOW DO AVERAGE BUDGETS DIFFER BETWEEN 100% NATIONAL FILMS AND INTERNATIONAL CO-PRODUCTIONS?

- PAN-EUROPEAN PERSPECTIVE

Table 61. Average budget of European fiction films – all sample countries (2021)

	Nr. of sample films	Mean budget	Median budget
All sample films	448	MEUR 2.97	MEUR 2.12
- 100% national films	**321**	**MEUR 2.65**	**MEUR 1.84**
- Int. co-productions	**127**	**MEUR 3.76**	**MEUR 2.44**

Source: European Audiovisual Observatory

Table 62. Average budget of European fiction films – excl. France (2021)

	Nr. of sample films	Mean budget	Median budget
All sample films (excl. FR)	341	MEUR 2.58	MEUR 1.84
- 100% national films	**240**	**MEUR 2.26**	**MEUR 1.66**
- Int. co-productions	**101**	**MEUR 3.33**	**MEUR 2.35**

Source: European Audiovisual Observatory

SELECTED INSIGHTS

- Median budgets for international co-productions were higher than those of 100% national films, exceeding the latter by EUR 600°000 to EUR 680°000. This means that the median budget of a European co-production was roughly 32% higher than the median budget of a 100% national film in the case of the full data sample, and 41% higher excluding French films. This is consistent with the assumption that it is, on average, easier to raise larger amounts of financing for European co-productions than for 100% national films.
- The median budget of an international co-production in the data sample amounted to EUR 2.44 million compared to EUR 1.81 million for 100% national films. Excluding French films, the median budget amounted to EUR 2.35 million for international co-productions and dropped to EUR 1.66 million for 100% national films.
- Mean budgets were higher than median budgets for both co-productions and 100% national films, reflecting the impact of the comparatively low number of films with exceptionally high budgets.

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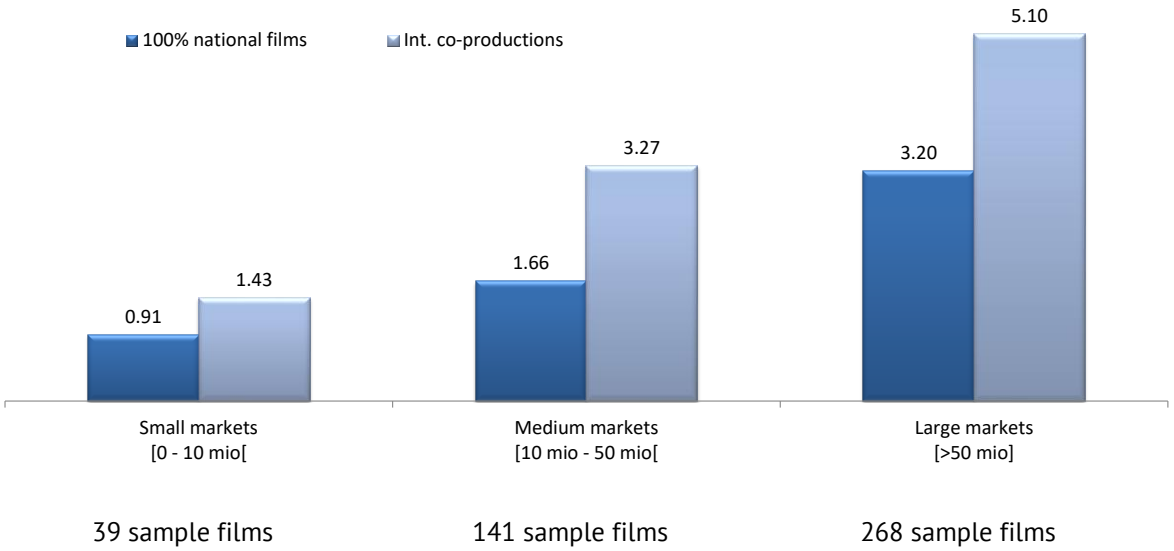
HOW DO AVERAGE BUDGETS DIFFER BETWEEN INTERNATIONAL CO-PRODUCTIONS AND 100% NATIONAL FILMS BY MARKET SIZE?

- MARKET CLUSTER PERSPECTIVE

Figure 47. Mean budgets of European fiction films – by financing type and market size (2021)

In EUR million.



Source: European Audiovisual Observatory

SELECTED INSIGHTS

- The sample data suggest that there were significant differences with regard to the amount by which the budget of international co-productions exceeded those of 100% national films in the three market clusters in 2021: the mean budget gap between international co-productions and 100% national films in small markets amounted to EUR 500°000 (57%), compared to EUR 1.6 million (96%) in medium-sized markets and EUR 1.9 million (60%) in large markets.

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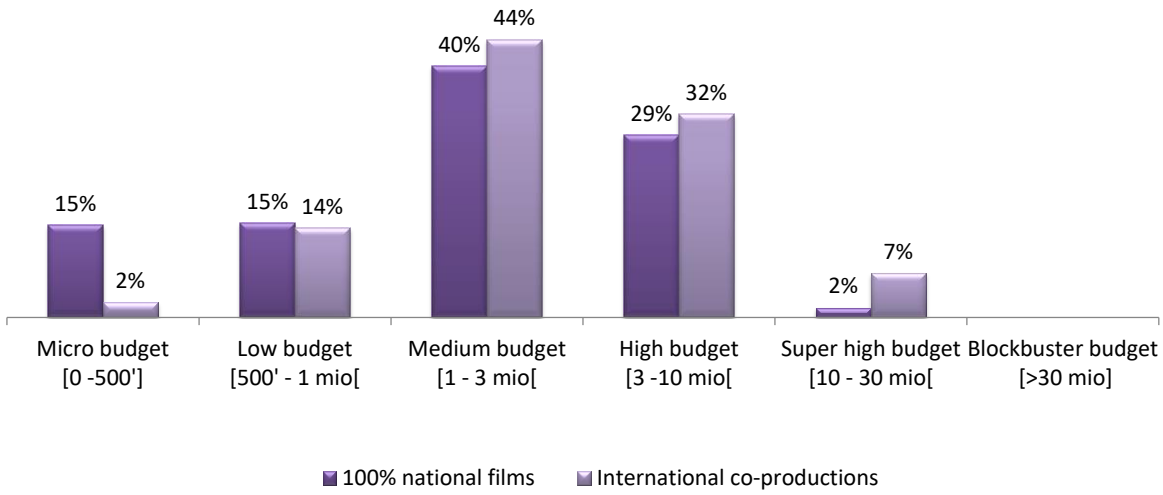
DISTRIBUTION OF SAMPLE FILMS AMONG BUDGET TYPES: DIFFERENCES BETWEEN 100% NATIONAL FILMS AND INTERNATIONAL CO-PRODUCTIONS

- PAN-EUROPEAN PERSPECTIVE

Figure 48. Breakdown of 100% national films and co-productions by budget range (2021)

In percentage of total number of 100% national films and majority co-productions in the data sample



Source: European Audiovisual Observatory

SELECTED INSIGHTS

- In line with the observation that international co-productions have higher average budgets, more European co-productions than national films fell into budget clusters exceeding EUR 1 million and fewer European co-productions than national films had micro or low budgets.
- A total of 56 (44%) of the 127 European-led international sample co-productions fell into the medium-budget category, costing between EUR 1 million and EUR 3 million, while 32% of them cost between EUR 3 million and EUR 10 million.
- By contrast, 128 (40%) of the 321 100% national sample films were produced with a medium budget and 29% of them with a high budget.

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6.2. In terms of financing structures

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HOW DO FINANCING STRUCTURES DIFFER BETWEEN 100% NATIONAL FILMS AND INTERNATIONAL CO-PRODUCTIONS?

- PAN-EUROPEAN PERSPECTIVE

Table 63. Breakdown of cumulative financing volume by source – 100% national films vs. international co-productions (2021)

Rank	Financing sources	100% national films		Int. co-productions	
		Amount in MEUR	% share	Amount in MEUR	% share
1	Direct public funding	185.6	22%	157.7	33%
2	Production incentives	196.2	23%	79.2	17%
3	Producer investments (excl. broadcaste	163.5	19%	79.4	17%
4	Brodcaster investments	152.4	18%	70.1	15%
5	Pre-sales (excl. broadcasters)	119.6	14%	57.9	12%
6	Debt financing	8.6	1%	10.5	2%
7	Private equity cash investments	13.2	2%	8.7	2%
8	Other financing sources	11.1	1%	11.4	2%
9	In-kind investments	1.6	0%	2.0	0%
	Total sample financing volume	**851.8**	**100%**	**477.0**	**100%**
	Nr. of sample films	**321**	**72%**	**127**	**28%**

Source: European Audiovisual Observatory

SELECTED INSIGHTS

- The data sample suggests significant differences between the financing structures of 100% national films and international co-productions when it comes to the role of public support.
- Direct public funding was notably much more significant for international co-productions, accounting for 33% of their total financing volume, compared to 22% in the case of 100% national films. Direct public funding, therefore, represented the by far single most important financing source of international co-productions.
- In contrast, production incentives represented the single most important financing source of 100% national films (23%) while accounting for 17% in the case of international co-productions.
- The role of producer investments, broadcaster investments and pre-sales was lower for international co-productions, as cumulative public support accounted for 50% of total financing (compared to 45% in the case of 100% national films), but their relative importance is comparable with 100% national films.

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HOW DO FINANCING STRUCTURES DIFFER BETWEEN 100% NATIONAL FILMS AND INTERNATIONAL CO-PRODUCTIONS?

- PAN-EUROPEAN PERSPECTIVE EXCL. FRENCH FILMS

Table 64. Breakdown of cumulative financing volume by source – 100% national films vs international co-productions (2021)

Rank	Financing sources	Amount in MEUR	% share	Amount in MEUR	% share
1	Direct public funding	136.7	25%	137.8	41%
2	Production incentives	125.3	23%	47.0	14%
3	Producer investments (excl. broadcaste	115.3	21%	50.7	15%
4	Pre-sales (excl. broadcasters)	83.6	15%	35.7	11%
5	Brodcaster investments	50.4	9%	34.8	10%
6	Debt financing	8.4	2%	10.5	3%
7	Private equity cash investments	13.2	2%	8.7	3%
8	Other financing sources	8.4	2%	8.9	3%
9	In-kind investments	1.6	0%	2.0	1%
	Total financing volume	**542.8**	**100%**	**336.1**	**100%**
	Nr. of sample films	**240**	**70%**	**101**	**30%**

Source: European Audiovisual Observatory

SELECTED INSIGHTS

- Comparing the differences in financing structures between 100% national films and international co-productions excluding French films mirrors in essence the observations made for the full data sample, but reflects an higher reliance on direct public funding, particularly of international co-productions.
- In contrast to the full data sample direct public funding with a share of 25% remained the single most important financing source also for 100% national films, closely followed by production incentives (23%) and producer investments (21%).

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6.3. In terms of national origin of financing

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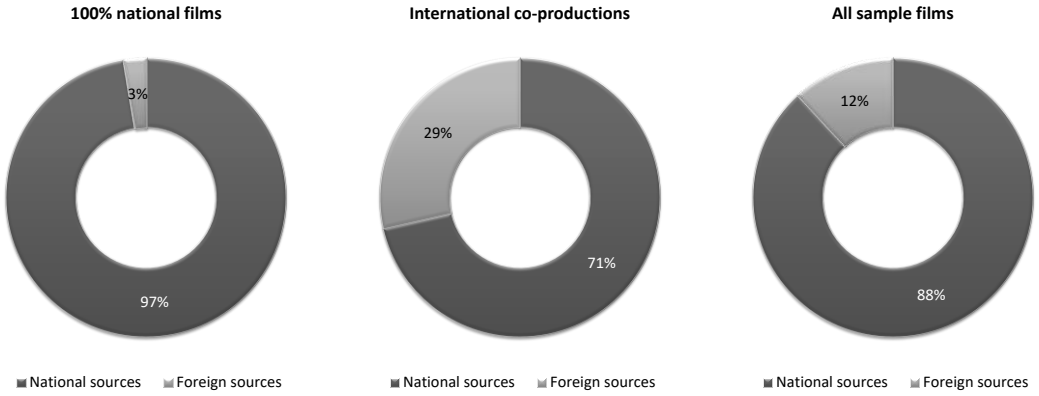
HOW IMPORTANT ARE NATIONAL AND FOREIGN FINANCING SOURCES?

- PAN-EUROPEAN PERSPECTIVE

Figure 49. Breakdown of cumulative financing volume by national and foreign source (2021)



Financing volume in MEUR	National sources	Foreign sources	Total
100% national films	829.9	21.9	851.8
International co-productions	340.9	136.1	477.0
All sample films	**1 170.8**	**158.0**	**1 328.8**

Source: European Audiovisual Observatory

SELECTED INSIGHTS

- Not surprisingly, there is a significant difference between 100% national films, which are by definition almost exclusively financed by national sources (97%), and international co-productions, for which national sources provided 71%, and foreign sources 29% of funding. The exclusion of French films doesn't alter these breakdowns in any significant manner.
- National sources are defined as sources within the country of origin. In the case of international co-productions, the country of origin is defined as the country that contributes the largest share of financing among the co-producing countries.

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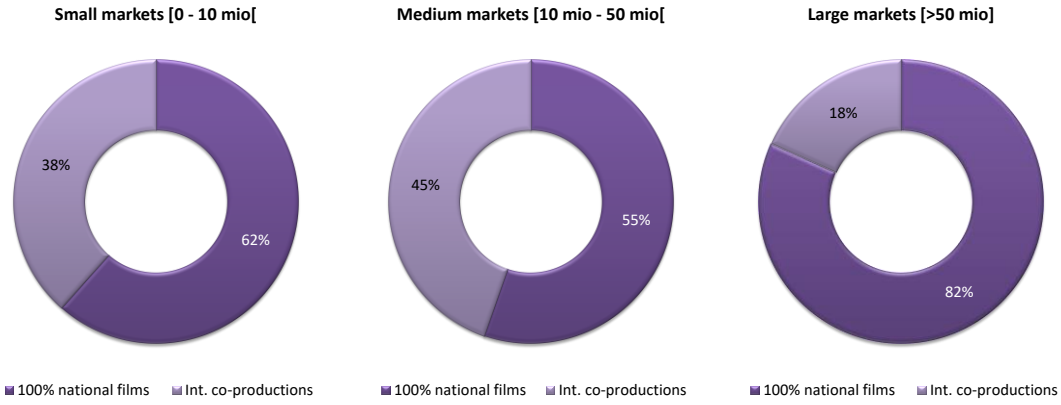
HOW IMPORTANT ARE FOREIGN FINANCING SOURCES BY FINANCING TYPE?
- MARKET CLUSTER PERSPECTIVE

Table 65. Breakdown of cumulative financing volume by national origin (2021)

	National sources	Foreign sources	Total
Small markets [0 - 10 mio[	**83%**	**17%**	**100%**
100% national	97%	3%	100%
Majority co-prod	69%	31%	100%
Medium markets [10 mio - 50 mio[	**81%**	**19%**	**100%**
100% national	97%	3%	100%
Majority co-prod	71%	29%	100%
Large markets [>50 mio]	**91%**	**9%**	**100%**
100% national	98%	2%	100%
Majority co-prod	72%	28%	100%

Source: European Audiovisual Observatory

Figure 50. Breakdown of number of sample films by financing type and market size (2021)



Source: European Audiovisual Observatory

SELECTED INSIGHTS

- The data sample suggests that films produced in small- and medium-sized European markets depend to a larger degree on foreign financing sources than films produced in large markets: while accounting for only 9% of total financing in large markets, foreign sources represented 17% and 19% of total sample financing in small and medium-sized markets, respectively.
- This could be primarily due to the comparatively high share of international co-productions in small- and medium-sized markets, where they accounted for 38% and 45% of the sample films (compared to 18% in large sample markets), respectively, and the fact that co-productions because of their very nature raise a larger share of financing from foreign sources, i.e. sources located outside the main country of origin.

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6.4. In terms of the role of individual financing sources

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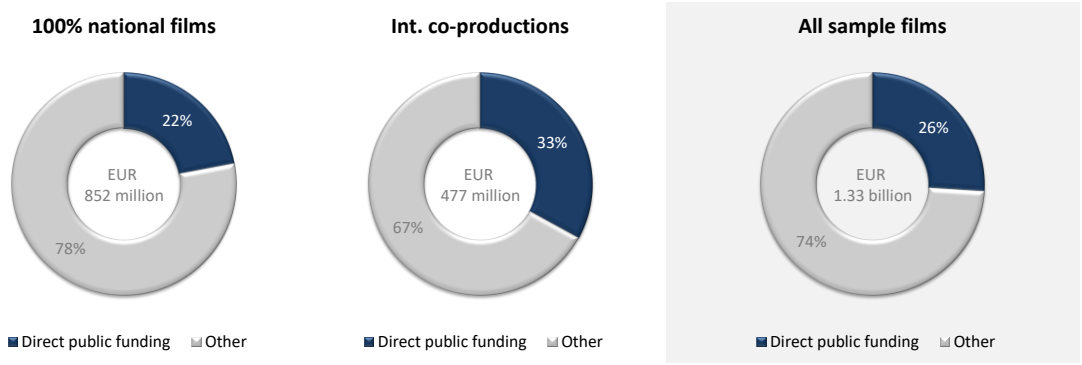
DIFFERENCES IN THE ROLE OF FINANCING SOURCES BETWEEN 100% NATIONAL FILMS AND INTERNATIONAL CO-PRODUCTIONS

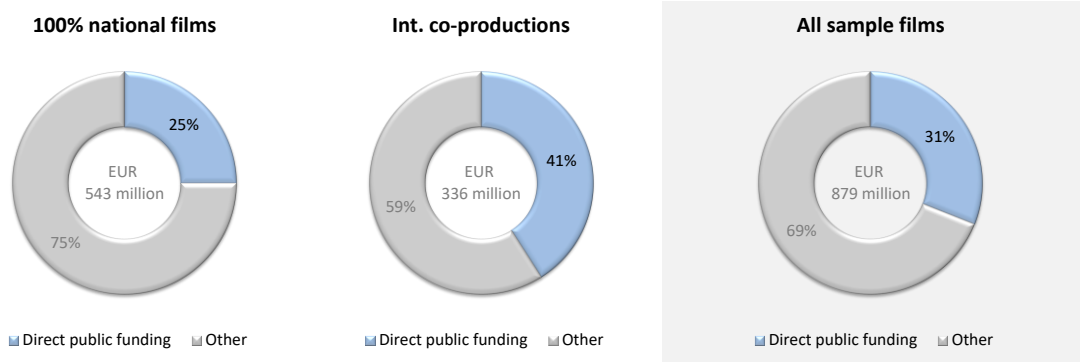
- DIRECT PUBLIC FUNDING

Figure 51. Share of direct public funding in financing volume by film type (2021)



Source: European Audiovisual Observatory

Figure 52. Share of direct public funding by film type – excl. French films (2021)



Source: European Audiovisual Observatory

SELECTED INSIGHTS

- Reminder: The selection bias of the data sample, which includes – for reasons of data availability – primarily films receiving funding from national film agencies, may result in an exaggeration of the significance of public funding as a financing source for films.
- The data sample shows a difference between 100% national films and international co-productions, with direct public funding playing a more pronounced role in financing international co-productions compared to 100% national films: public funding accounted for 33% of the total financing volume of international co-productions compared to 22% of 100% national films.
- Excluding French films, the significance of direct public funding increases to 25% of total financing for 100% national films and 41% for international co-productions.

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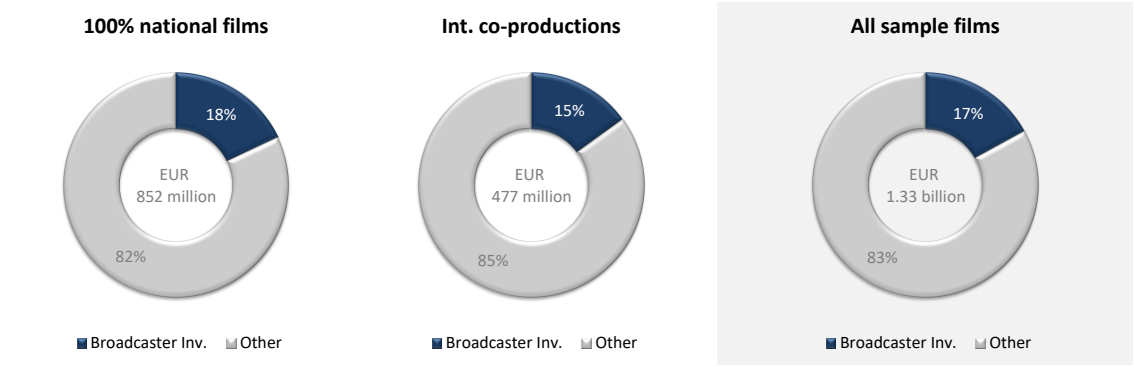
DIFFERENCES IN THE ROLE OF FINANCING SOURCES BETWEEN 100% NATIONAL FILMS AND INTERNATIONAL CO-PRODUCTIONS

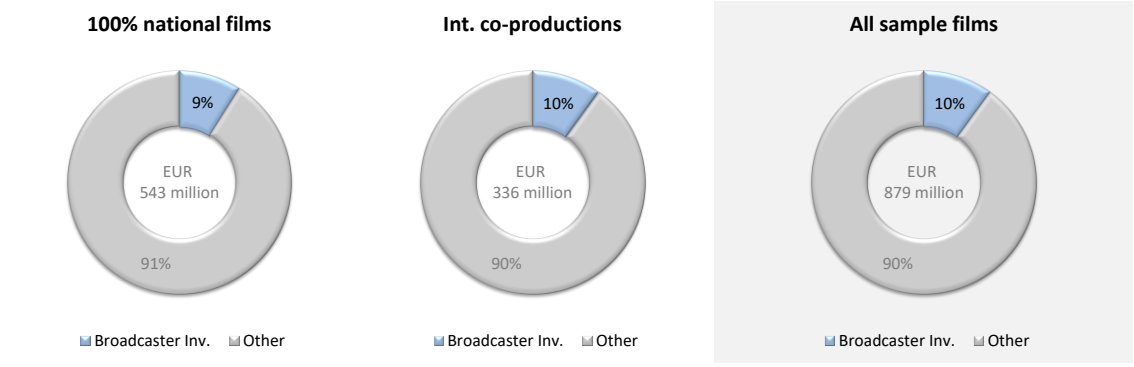
- BROADCASTER INVESTMENTS

Figure 53. Share of broadcaster investments in financing volume by film type (2021)



Source: European Audiovisual Observatory

Figure 54. Share of broadcaster investments by film type – excl. French films (2021)



Source: European Audiovisual Observatory

SELECTED INSIGHTS

- The data sample suggests that broadcaster investments were more somewhat important for 100% national films than for international co-productions accounting for 18% of total financing volume of the former compared to 15% for the latter.
- Excluding French films, however, shows no significant difference, namely a 9% share in the case of 100% national films and 10% in the case of international co-productions – suggesting that the comparative importance of broadcaster financing for 100% national films in the full data sample is linked to the importance of broadcaster financing for entirely French films.

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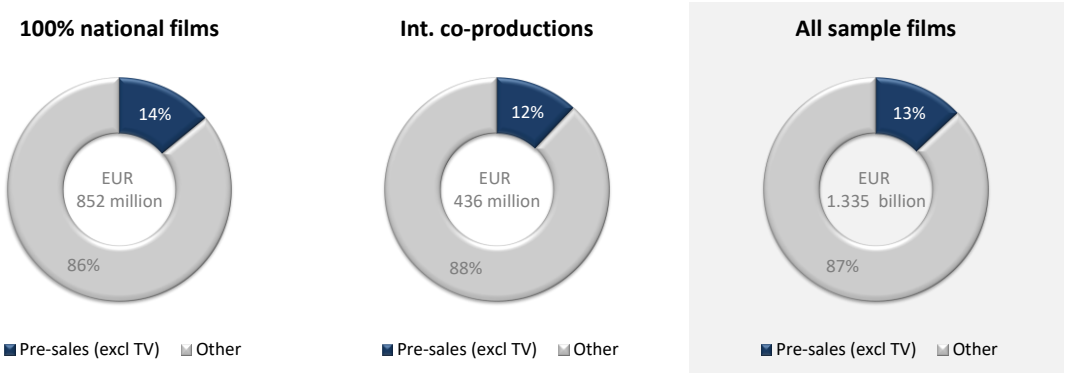
DIFFERENCES IN THE ROLE OF FINANCING SOURCES BETWEEN 100% NATIONAL FILMS AND INTERNATIONAL CO-PRODUCTIONS

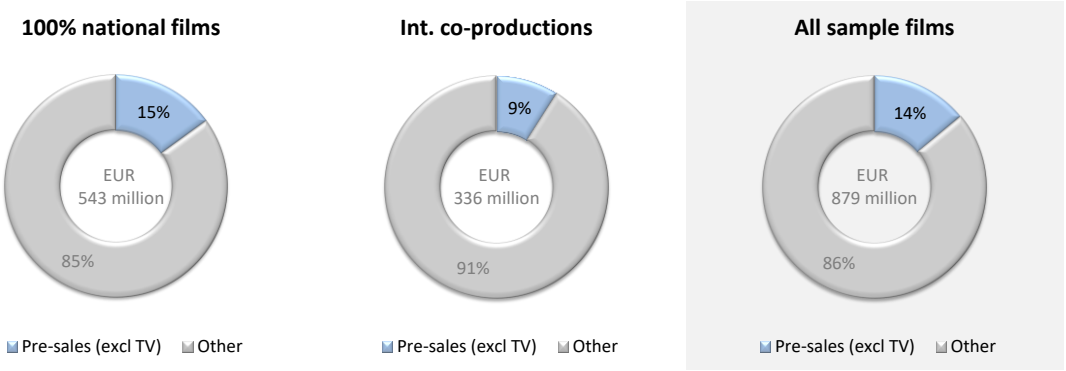
- PRE-SALES (EXCL. BROADCASTERS)

Figure 55. Share of pre-sales financing in financing volume by film type (2021)



Source: European Audiovisual Observatory

Figure 56. Share of pre-sales financing by film type - excl. French films (2021)



Source: European Audiovisual Observatory

SELECTED INSIGHTS

- The data sample suggests pre-sales were more significant for 100% national films, particularly outside of France, contributing 15% of cumulative financing (14% including French films), compared to international co-productions, for which they represented only 9% (12% including French films) of the financing mix.

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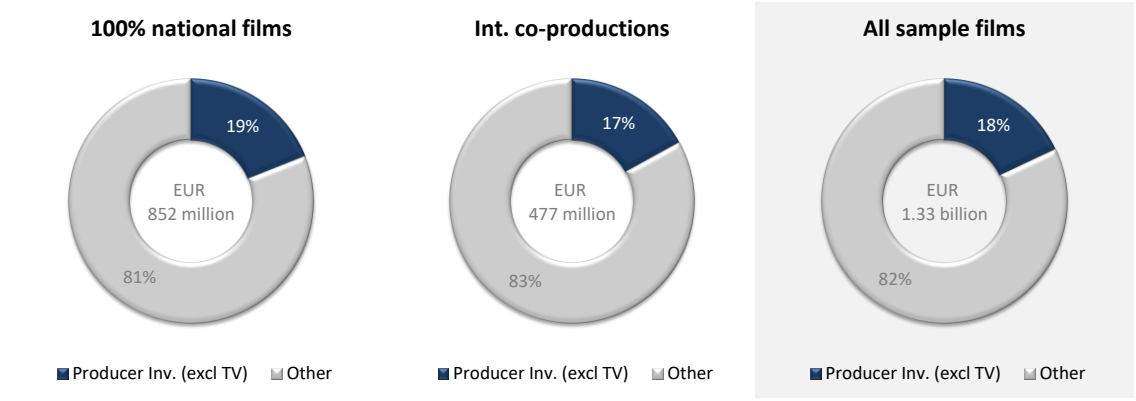
DIFFERENCES IN THE ROLE OF FINANCING SOURCES BETWEEN 100% NATIONAL FILMS AND INTERNATIONAL CO-PRODUCTIONS

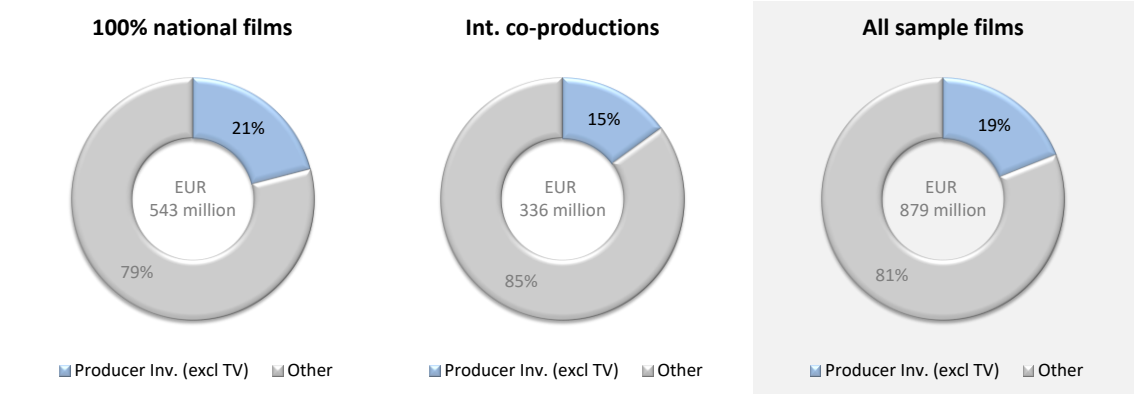
- PRODUCER INVESTMENTS EXCL. BROADCASTERS

Figure 57. Share of producer investments in financing volume by film type (2021)



Source: European Audiovisual Observatory

Figure 58. Share of producer investments in financing volume – excl. French films (2021)



Source: European Audiovisual Observatory

SELECTED INSIGHTS

- The data sample suggests that in 2021 there was a difference between the importance of producer investments for 100% national films and for international co-productions, as producer investments were more significant for 100% national films contributing 19% (21% excluding French films) of cumulative financing, compared to international co-productions, for which they represented only 17% (15% excluding French films) of the financing mix.

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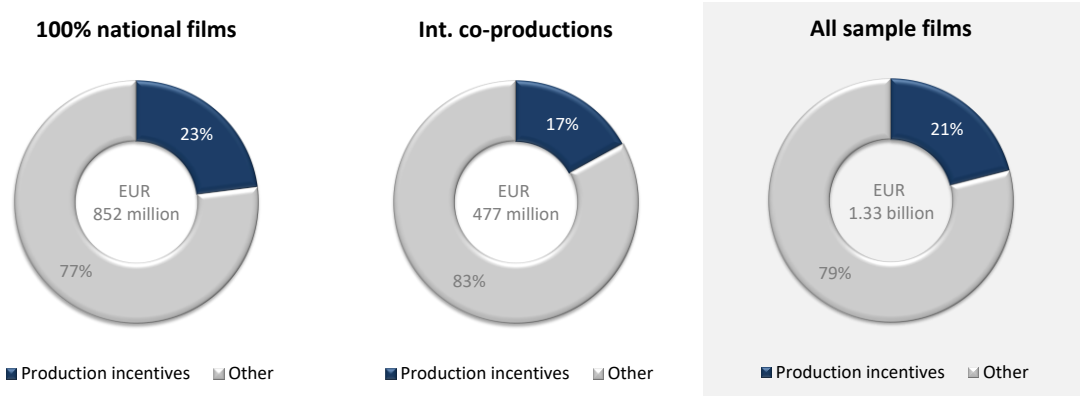
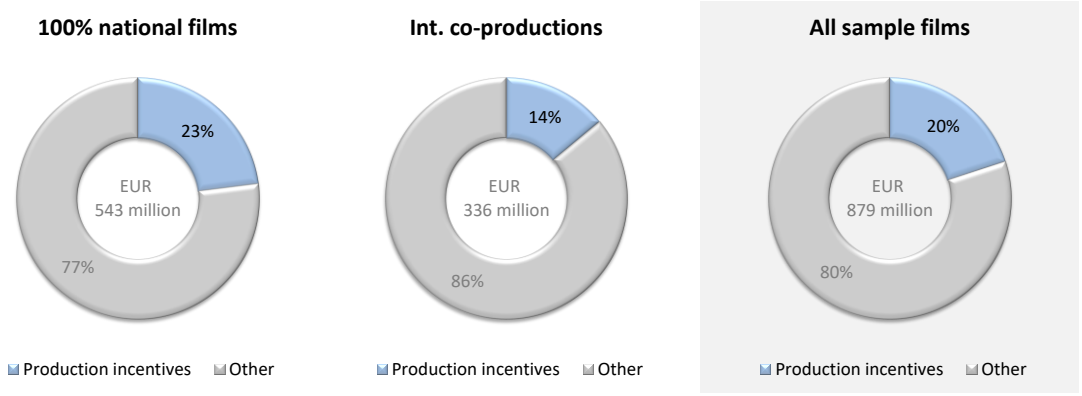
DIFFERENCES IN THE ROLE OF FINANCING SOURCES BETWEEN 100% NATIONAL FILMS AND INTERNATIONAL CO-PRODUCTIONS
- PRODUCTION INCENTIVES

Figure 59. Share of production incentives in financing volume by film type (2021)



Source: European Audiovisual Observatory

Figure 60. Share of production incentives in financing volume – excl. French films (2021)



Source: European Audiovisual Observatory

SELECTED INSIGHTS

- The 2021 data sample shows production incentives played a more important role in financing 100% national films than international co-productions: production incentives accounted for 23% of total financing of 100% national films (23% excluding French films), compared to 17% (14% excluding French films) in the case of international co-productions.

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7 APPENDIX

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7.1. Breakdown of total public support (direct public funding plus production incentives)

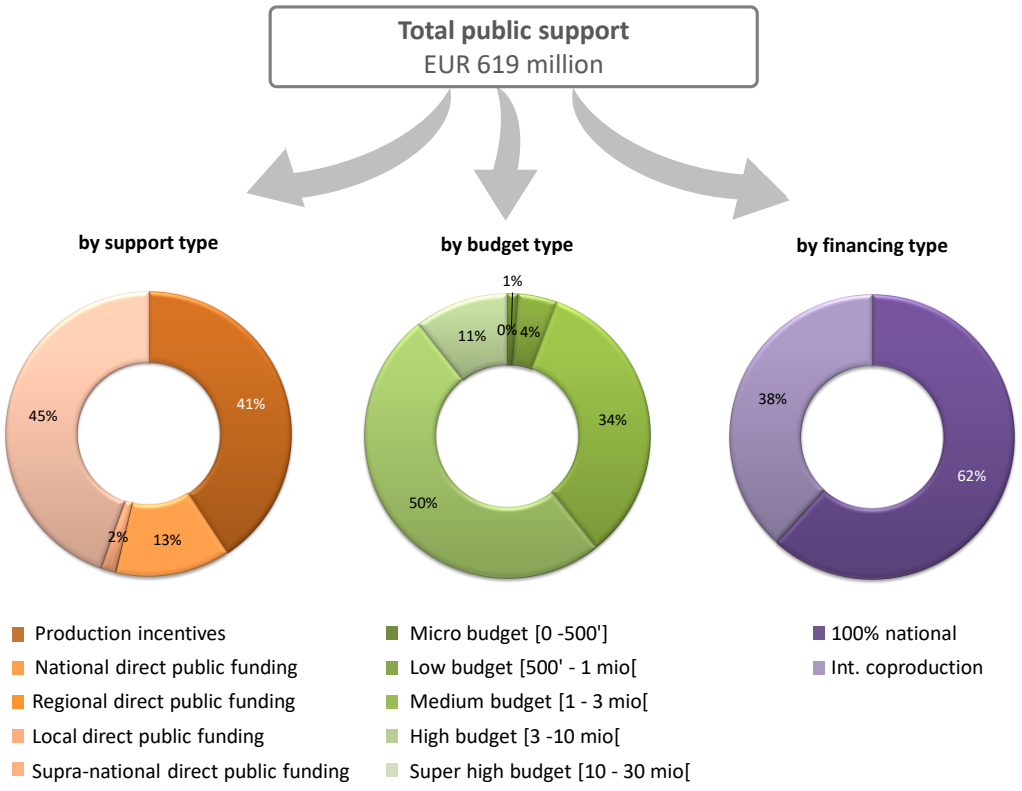
Table 66. Total public support by budget cluster (2021)

Public support refers to the sum of direct public funding and production incentives.

All sample films	Micro budget [0 -500']	Low budget [500' - 1 mio[	Medium budget [1 - 3 mio[	High budget [3 -10 mio[	Super high budget [10 - 30 mio[	Blockbuster budget [>30 mio]	All films
Total sample films	50	66	184	134	14	-	448
Films with public support	49	65	183	134	14	-	445
% share	*98%*	*98%*	*99%*	*100%*	*100%*	-	*99%*
Cumulative financing volume of all films	12 996 538	49 964 519	356 265 067	712 614 876	196 956 685	-	1 328 797 685
Cumulative funds from public support	7 687 639	27 457 452	208 095 028	309 609 471	65 849 762	-	618 699 351
% share	*59%*	*55%*	*58%*	*43%*	*33%*	-	*47%*
Avg budget of sample films	259 931	757 038	1 936 223	5 318 021	14 068 335	-	2 966 066
Avg amount of public support (when available)	156 891	422 422	1 137 131	2 310 518	4 703 554	-	1 390 336
% share	*60%*	*56%*	*59%*	*43%*	*33%*	-	*47%*

Source: European Audiovisual Observatory

Figure 61. Breakdown of total public support by form, budget and financing type of film (2021)



Source: European Audiovisual Observatory

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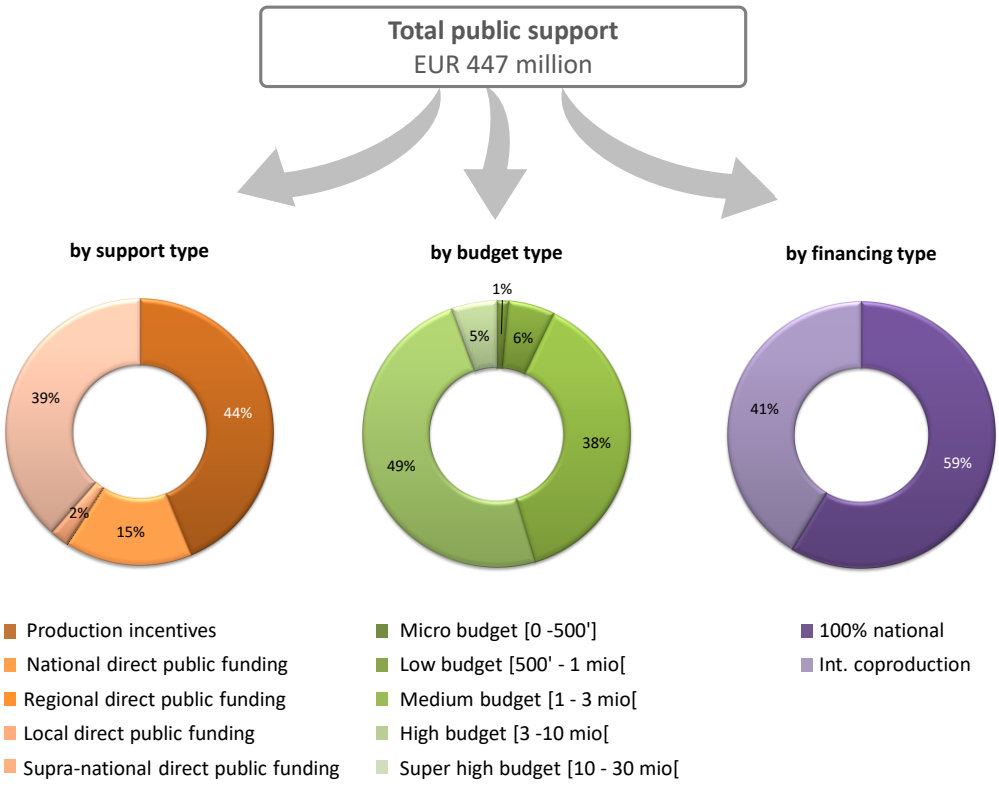
Table 67. Total public support by budget cluster – excl. France (2021)

Public support refers to the sum of direct public funding and production incentives.

Excluding French films	Micro budget [0 -500']	Low budget [500' - 1 mio[	Medium budget [1 - 3 mio[	High budget [3 -10 mio[	Super high budget [10 - 30 mio[	Blockbuster budget [>30 mio]	All films
Total sample films	42	60	147	87	5	-	341
Films with public support	42	59	146	87	5	-	339
% share	*100%*	*98%*	*99%*	*100%*	*100%*	-	*99%*
Cumulative financing volume of all films	10 760 133	45 009 858	286 827 225	475 826 859	60 430 862	-	878 854 937
Cumulative funds from public support	6 491 169	25 149 726	171 137 458	219 486 222	24 487 566	-	446 752 141
% share	*60%*	*56%*	*60%*	*46%*	*41%*	-	*51%*
Avg budget of sample films	256 194	750 164	1 951 206	5 469 274	12 086 172	-	2 577 287
Avg amount of public support (when available)	154 552	426 267	1 172 174	2 522 830	4 897 513	-	1 317 853
% share	*60%*	*57%*	*60%*	*46%*	*41%*	-	*51%*

Source: European Audiovisual Observatory

Figure 62. Breakdown of public support by form, budget and financing type of film – excl. FR (2021)



Source: European Audiovisual Observatory

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7.2. Breakdown of total pre-sales including pre-sales to broadcasters and VOD service providers

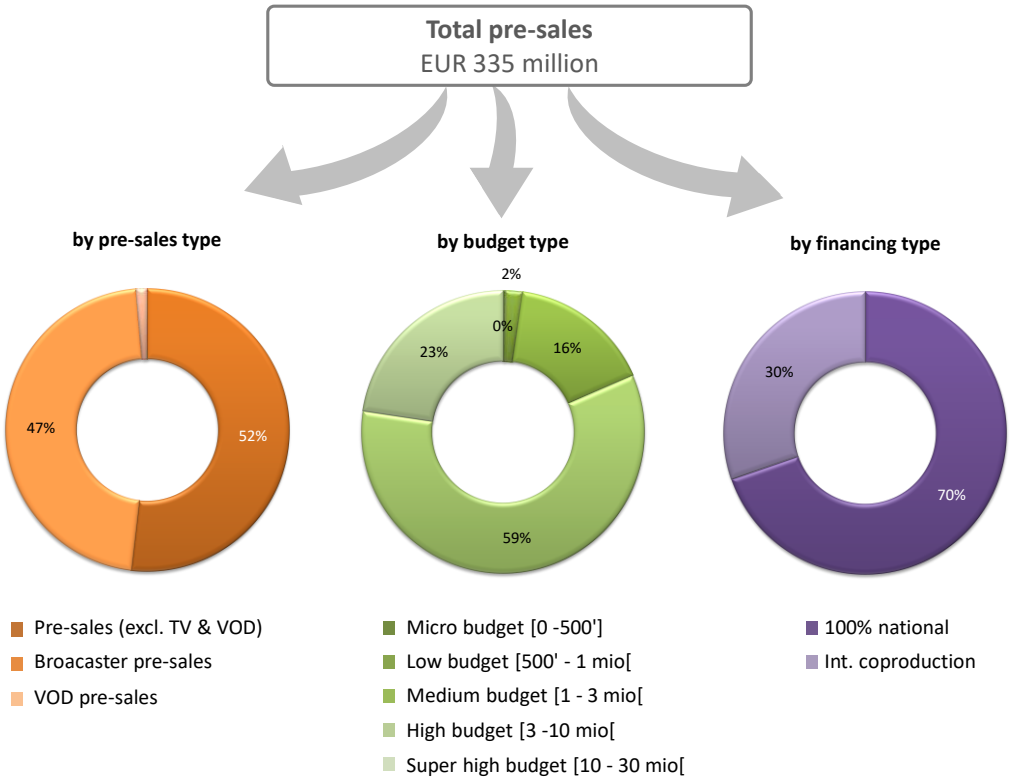
Table 68. Total pre-sales by budget cluster (2021)

Total pre-sales refers to all pre-sales including pre-sales to broadcasters.

All sample films	Micro budget [0 -500']	Low budget [500' - 1 mio[	Medium budget [1 - 3 mio[	High budget [3 -10 mio[	Super high budget [10 - 30 mio[	Blockbuster budget [>30 mio]	All films
Total sample films	50	66	184	134	14	-	448
Films with pre-sales	20	34	144	116	13	-	327
% share	*40%*	*52%*	*78%*	*87%*	*93%*	-	*73%*
Cumulative financing volume of all films	12 996 538	49 964 519	356 265 067	712 614 876	196 956 685	-	1 328 797 685
Cumulative funds from pre-sales	888 399	6 585 565	54 310 896	197 175 591	75 684 515	-	334 644 966
% share	*7%*	*13%*	*15%*	*28%*	*38%*	-	*25%*
Avg budget of sample films	259 931	757 038	1 936 223	5 318 021	14 068 335	-	2 966 066
Avg amount of pre-sales (when available)	44 420	193 693	377 159	1 699 790	5 821 886	-	1 023 379
% share	*17%*	*26%*	*19%*	*32%*	*41%*	-	*35%*

Source: European Audiovisual Observatory

Figure 63. Breakdown of total pre-sales by form, budget and financing type of film (2021)



Source: European Audiovisual Observatory

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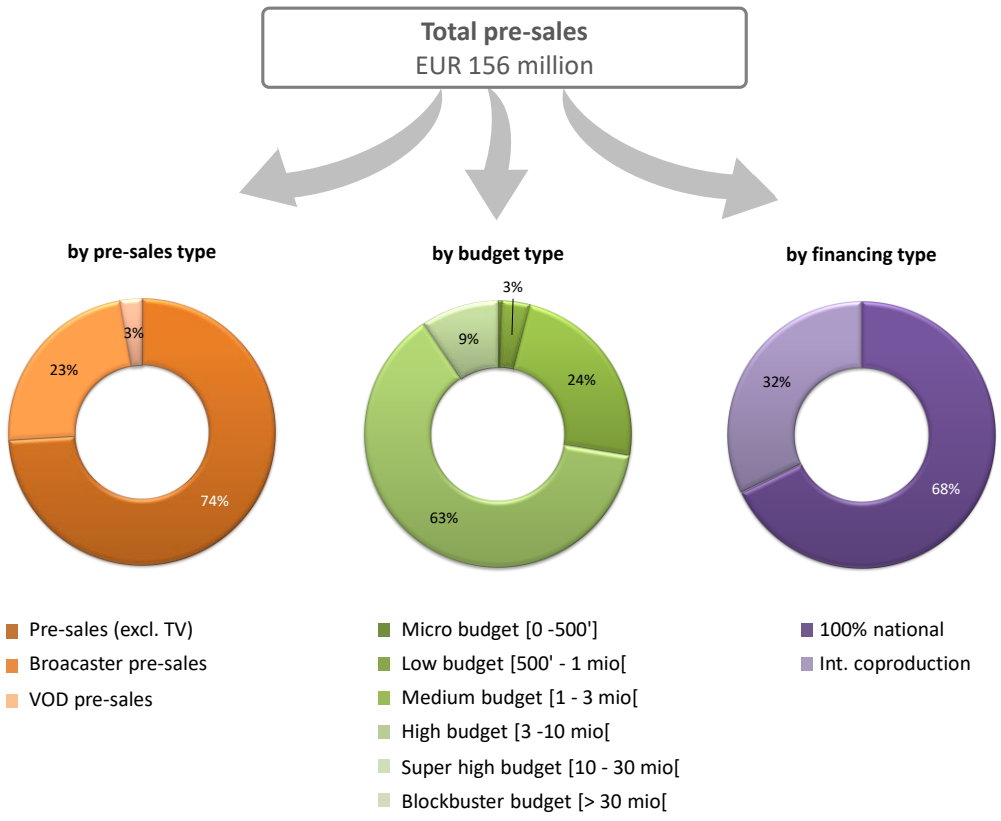
Table 69. Total pre-sales budget cluster – excl. France (2021)

Total pre-sales refers to all pre-sales including pre-sales to broadcasters.

Excluding French films	Micro budget [0 -500']	Low budget [500' - 1 mio[	Medium budget [1 - 3 mio[	High budget [3 -10 mio[	Super high budget [10 - 30 mio[	Blockbuster budget [>30 mio]	All films
Total sample films	42	60	147	87	5	-	341
Films with pre-sales	15	28	110	69	5	-	227
% share	*36%*	*47%*	*75%*	*79%*	*100%*	-	*67%*
Cumulative financing volume of all films	10 760 133	45 009 858	286 827 225	475 826 859	60 430 862	-	878 854 937
Cumulative funds from pre-sales	788 536	5 317 690	36 818 986	97 949 376	14 673 174	-	155 547 762
% share	*7%*	*12%*	*13%*	*21%*	*24%*	-	*18%*
Avg budget of sample films	256 194	750 164	1 951 206	5 469 274	12 086 172	-	2 577 287
Avg amount of pre-sales (when available)	52 569	189 917	334 718	1 419 556	2 934 635	-	685 232
% share	*21%*	*25%*	*17%*	*26%*	*24%*	-	*27%*

Source: European Audiovisual Observatory

Figure 64. Breakdown of total pre-sales by form, budget and financing type of film – excl. FR (2021)



Source: European Audiovisual Observatory

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7.3. Breakdown of total producer investments including broadcasters (co-)production investments

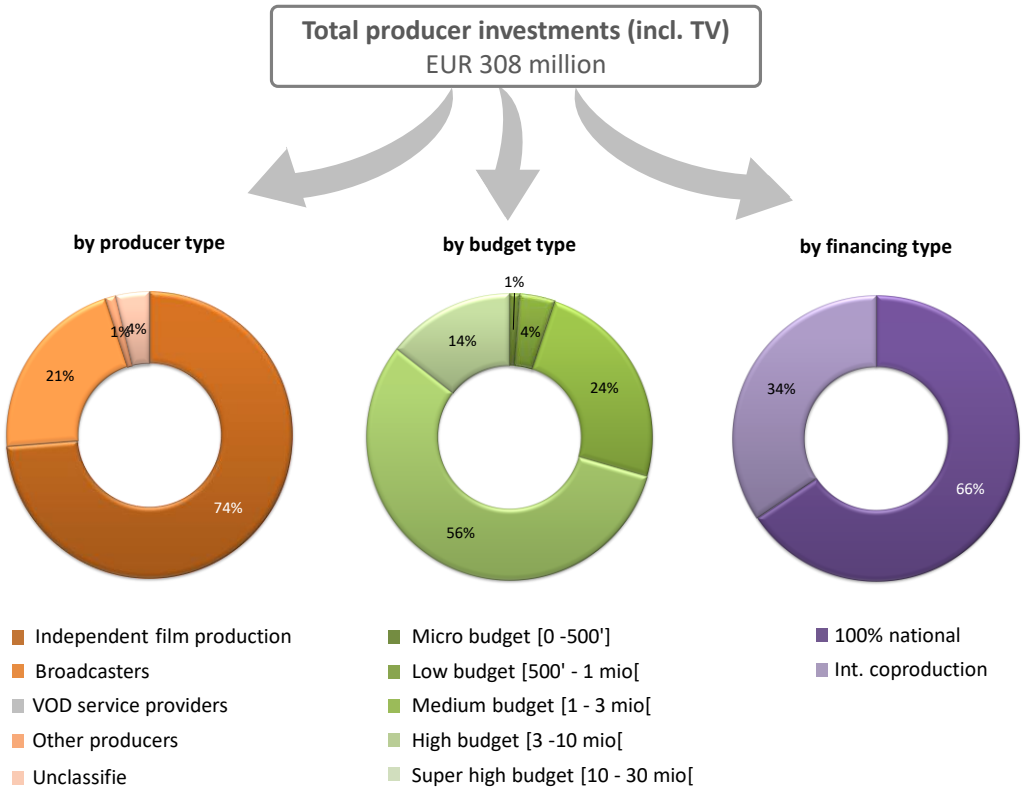
Table 70. Total producer investments by budget cluster (2021)

Total producer investments include direct (co-)production investments from broadcasters.

All sample films	Micro budget [0 -500']	Low budget [500' - 1 mio[	Medium budget [1 - 3 mio[	High budget [3 -10 mio[	Super high budget [10 - 30 mio[	Blockbuster budget [>30 mio]	All films
Total sample films	50	66	184	134	14	-	448
Films with producer inv. (incl.TV)	47	61	176	132	14	-	430
% share	*94%*	*92%*	*96%*	*99%*	*100%*	-	*96%*
Cumulative financing volume of all films	12 996 538	49 964 519	356 265 067	712 614 876	196 956 685	-	1 328 797 685
Cumulative funds from producer inv. (incl. TV)	3 492 521	12 468 158	74 805 113	173 043 383	44 489 187	-	308 298 362
% share	*27%*	*25%*	*21%*	*24%*	*23%*	-	*23%*
Avg budget of sample films	259 931	757 038	1 936 223	5 318 021	14 068 335	-	2 966 066
Avg amount of producer inv. (incl. TV) (when available)	74 309	204 396	425 029	1 310 935	3 177 799	-	716 973
% share	*29%*	*27%*	*22%*	*25%*	*23%*	-	*24%*

Source: European Audiovisual Observatory

Figure 65. Breakdown of producer investments by form, budget and financing type of film (2021)



Source: European Audiovisual Observatory

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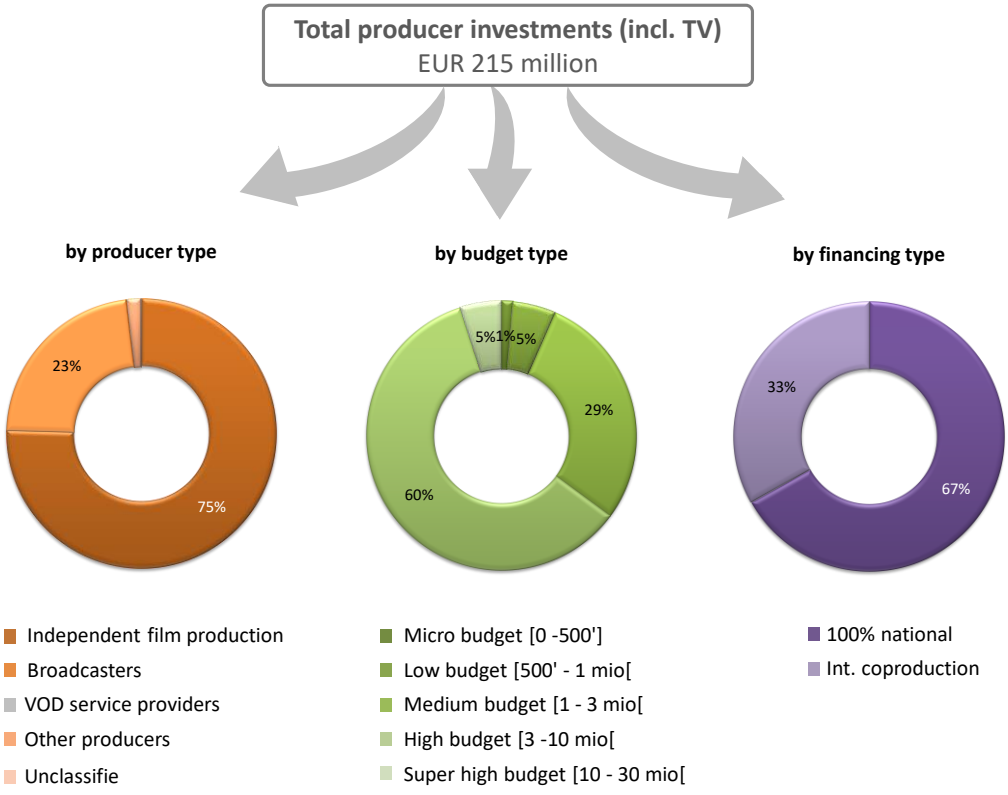
Table 71. Total producer investments by budget cluster (2021)

Total producer investments includes direct (co-)production investments from broadcasters.

Excluding French films	Micro budget [0 -500']	Low budget [500' - 1 mio[	Medium budget [1 - 3 mio[	High budget [3 -10 mio[	Super high budget [10 - 30 mio[	Blockbuster budget [>30 mio]	All films
Total sample films	42	60	147	87	5	-	341
Films with producer inv. (incl.TV)	39	55	139	85	5	-	323
% share	*93%*	*92%*	*95%*	*98%*	*100%*	-	*95%*
Cumulative financing volume of all films	10 760 133	45 009 858	286 827 225	475 826 859	60 430 862	-	878 854 937
Cumulative funds from producer inv. (incl. TV)	2 902 368	11 185 427	61 360 756	128 713 590	10 614 855	-	214 776 995
% share	*27%*	*25%*	*21%*	*27%*	*18%*	-	*24%*
Avg budget of sample films	256 194	750 164	1 951 206	5 469 274	12 086 172	-	2 577 287
Avg amount of producer inv. (incl. TV) (when available)	74 420	203 371	441 444	1 514 278	2 122 971	-	664 944
% share	*29%*	*27%*	*23%*	*28%*	*18%*	-	*26%*

Source: European Audiovisual Observatory

Figure 66. Breakdown of producer inv. by form, budget and financing type of film – excl. FR (2021)



Source: European Audiovisual Observatory

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7.4. Standard indicator list

The following indicator forms the basis for the XLS worksheet used to collect the data (see attachment).

Nr	Indicators	CHECKBOX	Film 1	Film 2	Film 3	Film 4	...
A.	FILM CHARACTERISTICS						
a)	Country of origin						
b)	Financing Type (100% national / Majority co-prod)						
c)	Genre (Fiction / Documentary / Animation)						
d)	"First work" (Yes/No)						
e)	Total budget (in EUR)						
B.	FINANCING FROM NATIONAL SOURCES (MAIN PRODUCTION COUNTRY)						
1	Direct public funding	Checkbox: Repayable / Checkbox: Non-repayable	0	0	0	0	0
1.1	National direct public funding		0	0	0	0	0
1.1.1	Selective funding						
1.1.2	Automatic funding						
1.2	Community & regional direct public funding		0	0	0	0	0
1.2.1	Selective funding						
1.2.2	Automatic funding						
1.3	Local direct public funding						
2	Production incentives		0	0	0	0	0
2.1	Cash rebates						
2.2	Tax rebates (excess paid out in cash)						
2.3	Tax credits (reduction of tax liabilities only)						
2.4	Tax shelter based investments from private investors		0	0	0	0	0
2.4.1	Investments from tax funds (e.g. SOFICA)						
2.4.2	Other tax shelter investments from individuals or corporations						
2.5	Other production incentives (e.g. VAT exemptions)						
3	Producer investments (own investments)		0	0	0	0	0
3.1	Film production companies		0	0	0	0	0
3.1.1	Lead production company		0	0	0	0	0
3.1.1.1	- Independent lead production company						
3.1.1.2	- Integrated lead production company						
3.1.2	National minority co-production companies						
3.2	Broadcasters		0	0	0	0	0
3.2.1	Public broadcasters						
3.2.2	Private broadcasters						
3.3	National VOD service providers						
3.4	Other producer investments						
4	In-kind investments						
5	Private equity cash investments						
6	National pre-sales		0	0	0	0	0
6.1	Split rights deals / Outright pre-sales (no MG)		0	0	0	0	0
6.1.1	Distributor						
6.1.2	Broadcasters		0	0	0	0	0
6.1.2.a	- Public broadcasters						
6.1.2.b	- Private broadcasters						
6.1.3	National VOD service providers						
6.1.4	Other national pre-sales						
6.2	Minimum Guarantees						
7	Debt financing		0	0	0	0	0
7.1	Institutional gap loan financing		0	0	0	0	0
7.1.1	Bank gap loans						
7.1.2	Private gap funds						
7.2	Deferments		0	0	0	0	0
7.2.1	Producer deferments						
7.2.2	Third-party deferrals						
7.3	Other						
8	Other		0	0	0	0	0
8.1	Sponsoring						
8.2	Product Placement						
8.3	Donations (e.g. through crowdfunding)						
8.4	Other						

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C. FINANCING FROM FOREIGN SOURCES										
9	**Supranational direct public funding**	Chechbox: Repayable	Checkbox: Non-repayable	**0**	**0**	**0**	**0**	**0**
9.1	**Supranational direct public funding**			**0**	**0**	**0**	**0**	**0**
9.1.1	Selective funding							
9.1.2	Automatic funding							
10	**Multi-territoriy pre-sales**			**0**	**0**	**0**	**0**	**0**
10.1	**Split rights deals / outright pre-sales (no MG)**			**0**	**0**	**0**	**0**	**0**
10.1.1	International sales agents							
10.1.2	International distributors							
10.1.3	International VOD service providers							
10.1.4	International broadcasters			0	0	0	0	0
10.1.4.a	- public broadcasters							
10.1.4.b	- private broadcasters							
10.1.5	Other pre-sales							
10.2	**Minimum Guarantees**							
C.1	**Financing funds from minority financig country 1**							
1	**Direct public funding**	Checkbox: Repayable	Checkbox: Non-repayable	**0**	**0**	**0**	**0**	**0**
1.1	**National direct public funding**			**0**	**0**	**0**	**0**	**0**
1.1.1	Selective funding							
1.1.2	Automatic funding							
1.2	**Community & regional direct public funding**			**0**	**0**	**0**	**0**	**0**
1.2.1	Selective funding							
1.2.2	Automatic funding							
1.3	**Local direct public funding**							
2	**Production incentives**			**0**	**0**	**0**	**0**	**0**
2.1	**Rebates (cash)**							
2.2	**Tax rebates (excess paid out in cash)**							
2.3	**Tax credits (reduction of tax liabilities only)**							
2.4	**Tax shelter based investments from private investors**			**0**	**0**	**0**	**0**	**0**
2.4.1	Investments from tax funds (e.g. SOFICA)							
2.4.2	Other tax shelter investments from individuals or corporations							
2.5	**Other production incentives (e.g. VAT exemptions)**							
3	**Producer investments (own investments)**			**0**	**0**	**0**	**0**	**0**
3.1	**Film production companies**			**0**	**0**	**0**	**0**	**0**
3.1.1	Lead production company			0	0	0	0	0
3.1.1.1	- Independent lead production company							
3.1.1.2	- Integrated lead production company							
3.1.2	National minority co-production companies							
3.2	**Broadcasters**			**0**	**0**	**0**	**0**	**0**
3.2.1	Public broadcasters							
3.2.2	Private broadcasters							
3.3	**National VOD service providers**							
3.4	**Other producer investments**							
4	**In-kind investments**							
5	**Private equity cash investments**							
6	**National pre-sales**			**0**	**0**	**0**	**0**	**0**
6.1	**Split rights deals / Outright pre-sales (no MG)**			**0**	**0**	**0**	**0**	**0**
6.1.1	Distributor							
6.1.2	Broadcasters			0	0	0	0	0
6.1.2.a	- Public broadcasters							
6.1.2.b	- Private broadcasters							
6.1.3	National VOD service providers							
6.1.4	Other national pre-sales							
6.2	**Minimum Guarantees**							
7	**Debt financing**			**0**	**0**	**0**	**0**	**0**
7.1	**Institutional gap loan financing**			**0**	**0**	**0**	**0**	**0**
7.1.1	Bank gap loans							
7.1.2	Private gap funds							
7.2	**Deferments**			**0**	**0**	**0**	**0**	**0**
7.2.1	Producer deferments							
7.2.2	Third-party deferrals							
7.3	**Other**							
8	**Other**			**0**	**0**	**0**	**0**	**0**
8.1	**Sponsoring**							
8.2	**Product Placement**							
8.3	**Donations (e.g. through crowdfunding)**							
8.4	**Other**							

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7.5. Key aspects of the common methodology

How to collect the raw data

In principle, all the raw data comes from the financing plans of the individual sample films: **For each film,** the financing **data must** be taken **from its financing plan** and **entered (as one column) into the agreed-upon XLS template,** which follows the standard indicator list defined below in this section. Film titles must not be shown, in order to respect confidentiality agreements. Instead **films must simply be numbered (Film 1, Film 2,** etc.).

Clearly, the categories and level of detail used in the financing plans differ from the standard indicator list defined below. One of the key challenges is thus the correct ***'translation'* of financing plans, i.e. the allocation of financing funds as displayed in the financing plan to the appropriate standardised indicator category**.

In this context, familiarity with the details of the individual projects and their support materials may be helpful, as not all required information is evident from the financing plan itself. For instance, the financing plan may indicate the names of individual financiers but not specify their category. Someone familiar with the project, in particular the project administrator, will however know immediately how to categorise the financier.

In contrast to the actual financing plan, there is no need to indicate the actual name of the financier. **Only the cumulative amounts** coming from all financiers falling into a specific **category** need to be filled in. This means financing amounts coming from two different organisations that fall into the same category need to be summed up, and only the cumulative amount is entered in the XLS template. There is no need to indicate the names or the number of financiers falling into the category.

Example:
If a film receives EUR 100 000 in production funding from Eurimages and EUR 50 000 from MEDIA for the project development, only the cumulative EUR 150 000 needs to be indicated under the indicator "Supranational Public Funding".

Ideally the **data is entered at the most detailed level** and then (automatically) summed up at each preceding higher level. However, if data is only available at the "summary level", it can be entered in the summary line (overriding the SUM formula).

Example:
If the national TV rights are pre-sold, through a split rights deal, to a Public Broadcaster paying EUR 40 000 for the rights, this would ideally be entered in category 6.1.2.a Public broadcasters. By default, the EUR 40 000 are taken into consideration when calculating split rights deals with broadcasters (6.1.2), which in turn contributes to total financing funds from split rights deals (6.1) and ultimately forms part of total pre-sales (6). If, however, the film agency only knows the total amount of pre-sales without any further breakdown, the EUR 40 000 can be directly entered under pre-sales (6).

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Detailed definition of indicators

The following section contains the definitions of all indicators listed in the standard indicator list above. EFARN members agreed to base the data collection in the pilot project on these definitions. Please note that these definitions are in a sense a work in progress, as they incorporate feedback received from agencies throughout the project and will be, if necessary, adjusted.

A FINANCING FROM NATIONAL SOURCES

This section combines all funds coming from national sources, i.e. financiers with a registered residence or paying non-resident income tax in the main production country.

Main production country:
The country which provides the (relative) majority share of financing, or, phrased differently, the country from which the largest share of financing funds originates. In the case of international co-productions, this refers to the majority co-producing country.

1. Public funding

Please note: the purpose of this category is to assess the significance of direct public funding provided by the different types of public film funds to support film production.

This category combines funds granted (committed) by a public film fund to finance / support the development and production of a theatrical feature film up-front. In contrast to production incentives direct public funding is (mostly) provided up-front and is not calculated as a percentage share of eligible production expenditures to be refunded ex post.

Public film funds:

For the purposes of this analysis, public film funds are defined as public bodies that provide subsidies and grants to film projects. This definition excludes for example private institutions, funds or foundations, and publicly funded banks or other credit institutions.

Public funding can take various forms, including for example repayable loans, grants, and equity investments, and can be granted via selective or automatic schemes. For most research questions, it was not necessary to collect data for each of these categories separately, as the crucial element of public funding, namely its soft recoupment position, is common to all these forms of public funding. It is, however, important to show which amounts are being provided by supra-national, national, regional and local film-funding bodies.

Furthermore, some agencies expressed interest in collecting separate data for selective and automatic public support, as well as in distinguishing between repayable loans and non-repayable grants. The standard indicator list has consequently been widened to include a breakdown between selective and automatic support for each “geographical type” of fund, with the exception of “local funding”, which is assumed to comprise only selective schemes. For the sake of simplicity, the qualification of a specific type of support as “repayable” or “non-repayable” is indicated via a checkbox next to the indicator name (see practical example below), rather than in the form of additional indicators with dedicated rows. This approach is based on the simplifying assumption that all selective or automatic support granted is either fully repayable, at least in principle, or not repayable at all.

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Indicators		Definition
1.1	**National funds**	Cumulative funding granted by national film fund → calculated as the sum of 1.1.1 and 1.1.2 (if breakdown between selective and automatic funding is available). *National film funds:* National film funds – or film agencies – are administered by national authorities and provide support on a national level. National funds include for example the CNC in France, the BFI in the UK, or the Finnish Film Foundation in Finland.
1.1.1	Selective funding	Cumulative funding granted by national film funds at the discretion of the relevant issuing body.
1.1.2	Automatic funding	Cumulative funding provided by national film funds to which a producer has an absolute entitlement so long as they (or the firm) meet certain prescribed conditions.
1.2	**Regional funds**	Cumulative funding granted by regional or community film funds → calculated as the sum of 1.2.1 and 1.2.2 (if breakdown between selective and automatic funding is available). *Regional film funds:* Regional funds cover funding put in place by regional authorities and exist for example in BE, DK, FR, HU, IT, NO, PL, GB, SE (including for example Film London, Wallimage) *Community film funds*: Community funds exist in countries where Cantons (CH), Communities (BE, ES), Entities (BA), Länder (AT, DE) or Nations (GB) have been granted constitutional competence in the field of culture (including for example Filmfonds Wien, Zürcher Filmstiftung, Scottish Screen).
1.2.1	Selective funding	Cumulative funding granted by community or regional film funds at the discretion of the relevant issuing body.
1.2.2	Automatic funding	Cumulative funding provided by community or regional film funds to which a producer has an absolute entitlement so long as they (or the firm) meet certain prescribed conditions.
1.3	**Local funds**	Cumulative funding granted by municipal authorities and at the level of French *départmements* (including for example the Rotterdam Media Fonds). It is assumed that local funding is always of a selective character.

Practical example of how to enter public funding data:

Film 1: A German film is funded by the FFA (national funding), the Bavarian Film Fund (regional funding) and MEDIA and Eurimages (supra-national funding). The questionnaire is being filled out by the FFA based on the financing plan provided by the producer as part of its funding agreement. Clearly, the FFA knows whether its own funding is selective or automatic and whether it needs to be repaid or not. It is hence in a position to enter the corresponding amounts in the dedicated indicator line: in the example given, the FFA provided EUR 200 in non-repayable automatic funding. This amount is entered in line 1.1.1 and the "non-repayable box" is checked next to the indicator "automatic funding".

The EUR 50 provided by the Bavarian Film Fund (regional funding) are repayable but the FFA does not know whether they come from an automatic or selective support scheme. In this case, the EUR 50 cannot be shown in the selective or automatic supranational funding line (1.2.1. or 1.2.1) but need to be added (manually) to the cumulative regional funding line (1.2). As all regional funding is known to be repayable in this scenario, the "repayable" checkbox can be ticked for the cumulative regional funding (1.2.).

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B. FINANCING FROM NATIONAL SOURCES									
1	Public Funding	Chechbox: Repayable	Checkbox: Non-repayable	250	0	0	0	0
1.1	National			200	0	0	0	0
1.1.1	Selective funding							
1.1.2	Automatic funding		X	200				
1.2	Regional	X		50	0	0	0	0
1.2.1	Selective funding							
1.2.2	Automatic funding							
1.3	Local							

As support granted from an organisation outside Germany, MEDIA and EURIMAGES support (supra-national funding) must be registered in section C. FINANCING FROM FOREIGN SOURCES, or more specifically in section 9. Supra-national public funding. Let's assume the FFA does not know with absolute certainty whether the EURIMAGES (EUR 100) and MEDIA (EUR 50) support is automatic or selective, nor whether it needs to be repaid or not. In this case, the EUR 50 cannot be shown in the selective or automatic supranational funding line (9.1.1 or 9.2.1) but need to be added (manually) to the cumulative supra-national funding line (9): EUR 100 (from Eurimages) + EUR 50 (from MEDIA) makes a total of EUR 150 in supra-national funding. No checkbox can be ticked for the cumulative supra-national funding (9.1), as the character of the cumulative supra-national funding is unclear.

C. FINANCING FROM FOREIGN SOURCES									
9	Supranational Public Funding	Chechbox: Repayable	Checkbox: Non-repayable	150	0	0	0	0
9.1	Supranational public funding			150	0	0	0	0
9.1.1	Selective funding							
9.1.2	Automatic funding							

2. Production incentives

Please note: the purpose of this category is to contribute to assessing the impact of production incentives on the financing of European films. It is not meant to assess the success of production incentive schemes as such, as most of these schemes are designed to attract foreign film productions and boost the national film (service) industry.

This category combines certified funds coming from national production incentives. Production incentives can take many forms including cash rebates, tax rebates or tax credits targeting production (service) companies as well as tax shelters which encourage national private investments in film production. In contrast to direct public funding, incentive funding is generally calculated as a percentage share of eligible production expenditures and is refunded ex post.

Production incentives vs. direct public funding:

While it is sometimes not easy to draw the line between direct public funding and incentive funding, the timing and calculation of the funding can be used as pragmatic distinction criteria: direct public funding is (mostly) provided up-front while incentive funding refunds incurred expenditures ex post. Direct public funding is granted in dedicated absolute amounts while incentive funding is calculated as a percentage share of eligible local expenditures. From a more qualitative angle, one might argue that these two forms of public support are based on different goals: while direct public funding is targeted at national films with the aim of promoting the production of qualitatively strong films, incentive funding is also (indeed sometimes primarily) targeted at international films with the aim of maximising local economic effects.

Forms of production incentives:

In the case of rebates, a certain percentage share of the film's eligible local production expenditures is paid back to the producer/ applicant. Rebates can take the form of cash rebates or tax rebates. In the case of **cash rebates**, the rebate is paid out as a straight cash refund, normally after the expenditure has occurred and the accounts have been audited. Cash rebates are generally funded directly from the state

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budget but can be administered and paid out through special funding bodies or other state-owned entities. **Tax rebates** may reduce the producer's tax liability. If the producer has no taxable revenue or when there is an excess still available after the tax liabilities are cleared the tax rebate is paid out in cash. The main difference compared to cash rebates lies in the fact that tax rebate payments are not handled by demarcated film funding bodies but by tax authorities.

Like tax rebates, **tax credits** are designed to permit repayment of a percentage of qualified production expenses via a deduction of the applicant's tax liability. In contrast to tax rebates, tax credits are not refundable and are only triggered when there actually is a tax liability. Relevant tax liabilities include income tax but may also include other taxes such as VAT or social contributions. Companies without tax liability cannot therefore benefit from it. In such cases, tax credits can generally be transferred / sold to third party investors who owe a sufficiently high amount of taxes and can use the tax credit as a profit-reducing loss.

In contrast, **tax shelters (or tax allowances)** provide an incentive for private investors to make equity investments in film productions (either directly in production or through the acquisition of rights) allowing them to reduce their taxable income base by the amount invested. In the case of tax shelter investments, funds thus become available to the production up-front and are provided by private investors rather than fiscal authorities or the state. Given their hybrid nature as equity investments and soft money, tax shelter funds could in principle be grouped under "Private equity investments". However, in order to facilitate the analysis of production incentives as a financing source, they are shown in the production incentives section.

Certified funds:

Funds from cash and tax rebates as well as tax credits are generally not paid out until after the production budget is spent, but they can be discounted (cash-flowed) by the producer in order to finance the production up-front. A part of the rebate or tax credit goes to financial intermediaries rather than into the production as such. Assuming that the related financing costs are properly factored into the production budget, funding from incentives can nevertheless be indicated at face value as shown in the documentation certifying the production's right to benefit from rebates or tax credits (certified funds).

Private investors:

Private investors are all equity investors other than producers or public film funds financing the film production with cash in exchange for a share of an equity share in the film, i.e. (partial) ownership of the negative and copyrights linked to the film, and/or a share in net profits. Private Investors generally demand a premium to be recouped on top of the repayment of their investment. In contrast to producers, private investors only finance the film production but are not actively involved in the making of the film. Also, they generally take a preferential recoupment position.

Indicators		Definition (draft)
2.1	**Cash rebates**	Cumulative certified or pre-certified funds coming from cash rebates. To be indicated at face-value. *Cash rebates*: Incentive schemes that pay back a certain percentage share of a film's eligible production expenditures to the producer as a straight cash refund. The rebate payment normally occurs after the expenditure has taken place and the accounts have been audited. Rebates are generally funded directly from the state budget but can be administered and paid out through special funding bodies or other state-owned entities. Examples include the German Federal Film Fund (DFFF) or the Greek cash rebate administered by the National Centre of Audiovisual Media and Communication.

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2.2	**Tax rebates**	Cumulative certified or pre-certified funds coming from tax rebates. To be indicated at face-value, no matter whether they are transferable (and can hence be pre-sold) or not. *Tax rebates*: Incentive schemes that pay back a certain percentage share of the film's qualified production expenses in the state as a refund of local tax liabilities. The tax rebate either reduces the producer's tax liability or – if the producer has no taxable revenue or when there is an excess still available after the tax liabilities are cleared – is paid out in cash. The main difference compared to cash rebates lies in the fact that tax rebate payments are not handled by demarcated film funding bodies but by tax authorities. Tax rebates can generally be claimed only by national production (service) companies at the end of their fiscal year. Examples include the French TRIP (Crédit d'impôt international).
2.3	**Tax credits**	Cumulative certified or pre-certified funds coming from tax credits. To be indicated at face-value, no matter whether they are transferable (and can hence be pre-sold) or not. *Tax credits*: Like tax rebates, tax credits are designed to permit the repayment of a percentage of qualified production expenses via a deduction of the applicant's tax liability. In contrast to tax rebates, tax credits are not refundable and are only triggered when there actually is a tax liability. Relevant tax liabilities include income tax but may also include other taxes such as VAT or social contributions. Production companies without tax liability cannot therefore benefit from it. In such cases, tax credits can generally be transferred / sold to third party investors who owe a sufficiently high amount of taxes and can use the tax credit as a profit-reducing loss. Examples include the Irish tax credit Section 481 or the Italian Tax Credit for the Attraction of Film and Audiovisual Investments.
2.4	**Tax shelter investments**	Cumulative equity investments (either in the production or acquisition of rights) in films made by private investors, or tax funds which benefit from a tax shelter related to their film investments. In contrast to cash rebates or tax rebates / credits, tax shelter investments are provided up-front → calculated as the sum of 2.3.1 and 2.3.2. *Tax shelter*: Fiscal incentive scheme permitting private investors to reduce their taxable income by deducting their investments in qualifying film productions. Examples include the French SOFICA or the Lithuanian Film Tax Incentive. *Equity investments*: Equity (cash) investments which give investors an equity share in the film, i.e. (partial) ownership of the negative and copyrights linked to the film.
2.4.1	Tax funds	Cumulative equity investments (either in the production or acquisition of rights) in films made by tax funds, i.e. equity funds investing in film productions making use of tax shelters (e.g. the French SOFICA).
2.4.2	Other tax shelter-related equity investments	Cumulative equity investments (either in the production or acquisition of rights) in films made by private investors other than tax funds who benefit from a tax shelter related to their film investments.
2.5	**Other production incentives**	Cumulative financing coming from other production incentive schemes, e.g. schemes that offer only an exemption on certain taxes. Examples include exemptions from VAT or lodging taxes.

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3. Producer investments (own investments; national)

Please note: the purpose of this category is two-fold. By quantifying the percentage share of producers' own investments, it helps address the research question *How are European films financed?* The breakdown of (co-)producer investments by type of business activity also speaks to research questions related to broadcaster investments and 'new players' such as VOD service providers.

This category combines all production investments (own investments) from national producers, i.e. the part of the budget financed by companies or individuals regarded as producers.

Producers:

Persons, either corporate or individual, responsible for developing, packaging, and making the film. Producers ultimately own and control the copyright to the finished product. This includes both the lead producer as well as co-producers but excludes production service companies, which are only engaged by the production company to make the film on its behalf but do not invest their own equity. Producers can come from different business sectors including for example dedicated film production companies, broadcasters, or VOD service providers.

National producer:

Any producer with a registered residence or paying non-resident income tax in the country in question (in this context: the majority producing country).

Producer production investments:

Funds invested by producers in the production of the film, giving them an equity share in the film, i.e. (partial) ownership of the negative and copyrights linked to the film. This includes in-kind investments made by producers but excludes in-kind investments ("facilities for equity") made by third parties such as equipment rental companies, studios, or post-production houses, which are captured as a separate financing category. This also excludes payments made by broadcasters in exchange for TV rights (pre-sales to broadcasters). And it excludes deferments or loans made by producers – which are qualified as debt financing. Producers' equity generally comes last in the recoupment schedule.

Indicators		Definition (draft)
3.1	**Film production company**	Cumulative production investments coming from national film production companies, including both the lead production company and national co-production companies → calculated as the sum of 3.1.1 and 3.1.2. *Film production company*: Companies whose main business activity is to produce and exploit / sell exploitation rights to theatrical and / or TV films.
3.1.1	Lead production company	Cumulative production investments coming from the lead production company. Calculated as the sum of 3.1.1.1 and 3.1.1.2 *Lead production company:* Film production company ultimately responsible for producing the film and usually owning and controlling the copyright to the finished product. In the case of co-productions, this generally refers to the production company providing the largest share of investment, i.e. the majority rights-holder.
3.1.1.1	*Independent lead production company*	Cumulative production investments coming from an independent lead production company. *Independen*t p*roduction company*: In this context, the term *independent* refers to film production companies not wholly or partly owned by a broadcaster, a VOD platform, or a US studio.

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3.1.1.2	*Integrated lead production company*	Cumulative production investments coming from an integrated lead production company. *Integrated production company*: In this context, the term *integrated* refers to film production companies wholly or partly owned (with a controlling interest) by a broadcaster, a VOD platform, or a US studio, including for e.g. Studiocanal.
3.1.2	National minority co-production companies	Cumulative production investments coming from all national minority co-production companies. *Minority co-production company:* Producer contributing a minority share of producers' equity investment.
3.2	**Broadcasters**	Cumulative production investments coming from national broadcasters. If the financing plan does not allow for a split of broadcaster investments into co-production investment on the one hand and the buying of broadcasting rights on the other, we assume a 50/50 split, i.e. 50% of the total broadcaster investment to be accounted for as producer investment and 50% as a pre-sale taking the form of a split rights deal. To be calculated as the sum of 3.2.1 and 3.2.2. *Broadcaster:* Companies whose main business activity is the broadcasting of audiovisual content.
3.2.1	Public broadcasters	Cumulative production investments coming from national public broadcasters. *Public broadcasters:* TV, radio and other media outlets whose primary mission is public service. Public broadcasters are generally funded by the government, especially via annual fees.
3.2.2	Private broadcasters	Cumulative production investments coming from national private broadcasters. *Private broadcasters:* TV, radio and other electronic media outlets that provide audiovisual programming for purely commercial reasons.
3.3	**VOD service provider**	Cumulative production investments coming from national VOD service providers, i.e. VOD platforms based in the main production country. *VOD service providers:* Companies whose main business activity is the provision of VOD services.
3.4	**Other producer investments**	Cumulative production investments coming from other types of producers, possibly including distributors.

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4. In-kind investments (national)

Please note: the purpose of this category is to keep other categories 'clean' and thereby improve their comparability and explanatory power. In-kind investments in themselves are not the subject of any research question analysed in the context of this data collection.

This category combines all third-party in-kind investments, no matter where they come from, including for e.g. equipment rental companies, studios, laboratories, dubbing theatres or post-production houses. In-kind investments made by producers are captured as producer investments.

In-kind investments:

Any kind of provision of services or products free of charge or at favourable rates provided for example by equipment rental companies, studios, laboratories, dubbing theatres or post-production houses in exchange for a share of net profits or equity or deferments ("facilities for equity").

5. Private equity cash investments (national)

Please note: the purpose of this category is to quantify the extent to which European film productions successfully attract private equity investments that do not benefit from tax shelters. It is hence complementary to the "Tax shelter investments" indicator in the "Production incentives" category. Together, these two indicators show the full amount of private equity investments available to film productions. The two indicators are separated to enable insights with regard to the impact of tax shelters.

This category combines all <u>non-tax shelter-related</u> equity cash investments from national private investors, including for example private equity funds, venture capital funds, individual investors or crowd-funding campaigns.

Private investors:

Private investors are all equity investors other than producers or public film funds providing cash to the film production in exchange for a share of equity, net profits or copyrights. Private investors generally demand a premium to be recouped on top of the repayment of their investment. In contrast to producers, private investors only finance the film production but are not actively involved in the making of the film. Also, they generally take a preferential recoupment position.

National private investors:

Any private investor with a registered residence or paying non-resident income tax in the country in question (in this context: the majority producing country).

Private equity cash investments:

Complementing the tax shelter investment indicators already captured in the "Production incentives" category, this indicator refers only to equity cash investments made by private investors not benefitting from a tax shelter, i.e. unable to deduct their investment from their taxable income base.

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6. Pre-sales

Please note: the purpose of this category is two-fold. By quantifying the percentage share of pre-sales available for financing the production, it forms part of the research question *How are European films financed?* The breakdown by type of pre-sales as well as distinguishing between for example distributors and broadcasters provides important additional insights in understanding the development of pre-sales and the role of broadcasters and distributors in financing film production through the acquisition of rights.

This category combines the cumulative proceeds from two different types of pre-sales made to national exploitation companies (typically for national distribution rights): split rights seals / outright pre-sales and minimum guarantees.

Pre-sale (for financing purpose)

A sale of distribution rights (licence to distribute) that takes place at any time prior to the completion of a film production. To be considered as financing funds, receipts from pre-sales have to go into the production account[29] to be used to finance the production, rather than into the collection account[30].

Split rights deal / Outright pre-sale

In a split rights deal, a financier pays (cash) in return for specific distribution rights. In contrast to a producer equity cash investment, which creates (partial) ownership of the negative and copyrights linked to the film, the financier in a split rights deal only acquires distribution rights but does not share responsibility for actually developing, packaging and making the film. In contrast to a pre-sale based on minimum guarantees, these deals are generally structured as an outright sale in which the buying party pays the full purchase price up-front (i.e. before production is completed / started) as a one-off payment, with the producer receiving no further revenues from the subsequent exploitation of the right in question. Broadcasters pre-buying broadcasting rights rather than investing in equity fall into this category. Another example would be sales agents or distributors who purchase the distribution rights for certain territories.

Minimum guarantee (MG):

The fee a distributor agrees to pay for the licence of copyright allowing them to distribute the film exclusively in their territory in the specified formats for a specified period of time. In contrast to an outright sale, the producer will participate in all revenues generated by the distributor during the lifetime of their distribution licence according to contractually defined splits. In fact, the minimum guarantee is actually an advance against future revenues payable to the producer pursuant to the distributors' sales contract (distribution agreement).

MGs are generally only paid upon satisfactory delivery of the finished film to the distributors. A certain percentage share of the MG can however be paid as a deposit already at the time of the pre-sale. The rest of the MG can be discounted, i.e. a bank lends the producer a discounted amount of money up-front and collects the corresponding MG amount directly from the distributor when the film is delivered by the producer. The bank charges interest and fees so that the actual loan made available to the producer is lower than the contractually agreed MG. The related financing costs (interests, fees) are factored into the production budget (which needs to be financed). MGs thus need to be **indicated with the full amount** as agreed in the distribution agreement (face value).

Please note: pre-sales without any proceeds, i.e. the purchase price or an MG, going into the production account, do not contribute any funds to the production and can hence not be part of the financing plan.

[29] Production account = segregated bank account into which all the production funds are placed, and from which all production expenses are paid by the producers.
[30] Collection account = the account into which income from sales is received and from which payments to financiers and profit participants is made.

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Indicators		Definition (draft)
6.1	**Split rights deals**	Cumulative amount of financing monies coming from split rights deals, i.e. cash investments made by any national financier in return for specific distribution rights (without the status of co-producer). To be calculated as the sum of 6.1.1 to 6.1.4. *Split rights deal* In a split rights deal, a financier pays (cash) in return for specific distribution rights rather than becoming a co-producer. In contrast to pre-sales based on minimum guarantees, these deals are generally structured as an outright sale where the buying party pays the full purchase price up-front (i.e. before production is completed/started) as a one-off payment with the producer receiving no further revenues through splits from the subsequent exploitation of the right in question. Broadcasters pre-buying broadcasting rights rather than investing in equity fall into this category. Another example would be distributors who purchase the distribution rights for certain territories.
6.1.1	w/ Distributors	Cumulative amount paid by a national distributor in return for distribution rights for the national territory. Reminder: In contrast to a pre-sale based on minimum guarantees, the distributor pays the full purchase price up-front, instead of a minimum guarantee after delivery for the finished film (see definition of split rights deal above).
6.1.2	w/ Broadcasters	Cumulative amount paid by national broadcasters pre-buying broadcasting rights for the national market. Calculated as sum of 6.1.2.1 and 6.1.2.2. If the financing plan does not allow for a split of broadcaster investments into co-production investment on the one hand and the buying of broadcasting rights on the other, we assume a 50/50 split, i.e. 50% of the total broadcaster investment accounted for as producer investment and 50% as a pre-sale taking the form of a split rights deal.
6.1.2.a	*w/ Public broadcasters*	Cumulative amount paid by national public broadcasters pre-buying broadcasting rights. *Public broadcasters (see definition under 3.2.1)*.
6.1.2.b	*w/ Private broadcasters*	Cumulative amount paid by national private broadcasters pre-buying broadcasting rights. *Private broadcasters (see definition under 3.2.2).*
6.1.3	w/ VOD service providers	Cumulative amount paid by a national VOD service provider in return for online distribution rights for the national territory (i.e. the main production country).
6.1.4	w/ Others	Cumulative amount paid by other national financiers pre-buying distribution rights for the national market.
6.2	**Minimum guarantees**	Cumulative amount of contractually agreed minimum guarantees for any single or any bundle of national distribution rights paid by a national financier / distributor. Given the fact that distribution rights can be bundled and sold in so many different combinations to one or more buyers, it does not make sense to break this indicator further down. *National distribution rights*: The rights to commercially exploit a film on the national market (in the case of co-productions: the majority producing country).

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7. Debt Financing

Please note: The purpose of this category is to quantify the extent to which European film productions have access to debt financing. It forms part of the research question *How are European films financed?* In an indirect manner, this category may provide useful insights with regard to the question of whether loan guarantees are effective in increasing the availability of gap financing.

This category combines the cumulative financing funds raised through debt financing from national financiers. This includes gap financing, deferments and other debt.

Debt:

Money that is actually owed (in contrast to equity), including for example loans and deferred payments for goods and services. Debt financing generally comes with **fees and interest rates, takes priority** recoupment positions (i.e. gets paid back before any equity financiers) and generally does not involve any back-end participation (share in net profits).

Gap financing:

Loans provided to finance the gap between a film's budget and other financing raised. Gap financing is provided against the projected sales estimates[31] relating to unsold territories. This specifically excludes loans discounting rebates, tax credits, tax shelters or pre-sales, all of which are to be taken account of in their respective separate categories. Gap financing is usually provided by banks (7.1.1) but can also be offered by specialist private gap funds (7.1.2).

Deferment:

The pre-agreed delaying of payment of all or part of a fee, often referring to the producer and / or talent being paid a proportion of their contractual fee out of receipts from distribution / exploitation of the film (either before or after break-even) rather than from the production account, thereby reducing the cash budget.

Indicators		Definition
7.1	**Gap financing**	Cumulative amount of loans provided by national financiers as gap financing → calculated as sum of 7.1.1 and 7.1.2.
7.1.1	Bank gap loans	Cumulative amount of loans issued by a bank as gap financing. Reminder: this category refers to gap loans only, i.e. it does not include bank loans discounting rebates, tax credits, tax shelters or pre-sales.
7.1.2	Private gap funds	Cumulative amount of cash provided by private gap funds. *Please note: private gap funds generally offer a hybrid between a pure gap loan and equity finance, as they often require a net profit participation. However, given the fact that they recoup in first position and charge interest rates and fees, they are considered closer in character to debt financing than equity and are hence accounted for as a debt category.*
7.2	**Deferments**	Cumulative amount of all deferments made for example by producers, cast or crew.
7.3	**Other debt**	Cumulative amount of other debt financing.

[31] Territory-by-territory estimates of sale prices of a film considered likely and / or possible by a sales agent.

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8. Other

Please note: The purpose of this category is to provide a catchment category for all other sources of financing assumed to not be of major relevance for public film policy considerations regarding film financing.

This catchment category combines the cumulative financing funds raised from all other national financing sources including for example sponsoring, product placement or donations.

Indicators		Definition
8.1	Sponsoring	Cumulative amount of cash or value of services provided by national sponsors solely in return for an on-screen credit.
8.2	Product placement	Cumulative amount of fees paid by national third parties in exchange for the inclusion of their commercial products in the film.
8.3	Donations	Cumulative amount of cash or value of services donated by national third parties. This category includes for example crowd-funding monies which do not establish any equity rights and / or net profit participation.
8.4	Other	Cumulative amount of funds provided by other national financing sources.

B FINANCING FROM FOREIGN SOURCES

Please note: The purpose of separating national from foreign financing funds is to address questions related to the significance of international co-productions and / or the dependence of national film productions on international co-financing.

This section combines all funds coming from foreign / non-national sources, i.e. financiers who do not have a registered residence and do not pay non-resident income tax in the main production country (in the case of international co-productions: the majority producing country).

9. Supra-national public funding

This category combines funds granted (committed) by supra-national film funds to support the development and production of a theatrical feature film.

Supra-national film fund:

For the purposes of this analysis, supranational film funds are defined as public (often international) bodies providing subsidies and grants to film projects originating from various (qualifying) countries. This category includes for example Eurimages, the MEDIA programme, Ibermedia and the Nordisk Film & TV Fond. For the sake of simplicity, this category also covers publicly financed 'outreach funds' based in Europe which primarily support filmmakers originating from outside Europe (including for example World Cinema Fund, ACP Films, Vision Sud-Est).

Please refer to section *1. Public funding* (provided by national funds) for a practical example of how to enter data related to selective / automatic and repayable / non-repayable funding schemes.

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Indicators		Definition
9	**Supra-national public funding**	Cumulative funding granted by supra-national film funds like Eurimages, the MEDIA programme, Ibermedia, the Nordisk Film & TV Fond, World Cinema Fund, ACP Films, Vision Sud-Est, etc.
9.1.1	Selective funding	Cumulative funding granted by supra-national film funds at the discretion of the relevant issuing body.
9.1.2	Automatic funding	Cumulative funding provided by supra-national film funds to which a producer has an absolute entitlement so long as they (or the firm) meet certain prescribed conditions.

10. Multi-territory pre-sales

Please note: the purpose of this category is to cover proceeds from pre-sales to territories other than the national market or co-producing markets. It hence complements pre-sales made for national distribution rights (Category 6) in the national market as well as in the minority co-producing countries for which financing data are available. All these categories need to be taken into consideration when addressing research questions related to pre-sales.

This category combines the cumulative proceeds from pre-sales which cover several territories and can thus not be linked exclusively to either the main country of origin or to the minority co-producing / -financing countries. Pre-sales can either take the form of split rights deals / outright pre-sales or of minimum guarantees. For the sake of simplicity, all pre-sales to sales agents are included in this category.

See 6 Pre-sales for relevant definitions.

Indicators		Definition
10.1	**Split rights deals**	Cumulative amount of financing monies coming from split rights deals, i.e. cash investments made by sales agents or any other non-national financier in return for specific international distribution rights (without co-producer status). Calculated as sum of 10.1.1 to 10.1.5. *Split rights deal → see 6.1 for definition*
10.1.1	w/ International sales agents	Cumulative amount paid by an international sales agent in return for distribution rights for worldwide or (certain) international territories.
10.1.2	w/ International distributors	Cumulative amount paid by an international (non-national) distributor in return for distribution rights for certain international (non-national) territories.
10.1.3	w/ Intl. VOD service providers	Cumulative amount paid by international VOD service providers pre-buying online distribution rights for several non-national territories.
10.1.4	w/ International broadcasters	Cumulative amount paid by non-national broadcasters pre-buying broadcasting rights for a non-national territory. Calculated as the sum of 10.1.3.1 and 10.1.3.2. If the financing plan does not allow for a split of broadcaster investments into co-production investment on the one hand and the buying of broadcasting rights on the other, we assume a 50/50 split, i.e. 50% of the total broadcaster investment accounted for as producer investment and 50% as a pre-sale taking the form of a split rights deal.

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10.1.4.a	*w/ Public broadcasters*	Cumulative amount paid by non-national public broadcasters pre-buying broadcasting rights for a non-national territory. *Public broadcasters: → see 3.2.1 for definition*
10..1.4.b	*w/ Private broadcasters*	Cumulative amount paid by non-national private broadcasters pre-buying broadcasting rights for a non-national territory. *Private broadcasters: → see 3.2.2 for definition*
10.1.5	w/ Others	Cumulative amount paid by other non-national financiers pre-buying distribution rights for one or several non-national territories.
10..2	**Minimum guarantees**	Cumulative amount of contractually agreed minimum guarantees for international distribution rights paid by non-national financiers / distributors / sales agents. *International distribution rights*: The rights to commercially exploit a film on any territory other than the national market (in the case of international co-productions, the majority producing country)

C.1 / C.2. / C.3 / etc. Financing from a foreign country 1 / 2 / 3 / etc.

All financing funds coming from any foreign financier based in a minority co-producing / -financing country, i.e. any country other than the main production country.

Foreign financier:

Any financier, i.e. any person or entity providing financing funds to the film production who does not have a registered residence and does not pay non-resident income tax in the main production country.

Minority financing country:

Any country other than the main production country that contributes financing funds to the film production. In other words, any country in which a foreign financier providing a (relative) minority share of the financing is registered.

The financing raised in any foreign country needs to be indicated separately for each minority financing country. Within each minority financing country, the financing sources must be broken down by the same indicator categories as the financing from national sources (indicator categories 1 to 8).

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