FOCUS ON THE "BALTIC COUNTRIES" SESSION – STRONG AND RESILIENT TOGETHER! Overview of the production, distribution and exhibition markets in the Baltic states & future prospects.

Moderated by Dr Martin Blaney – Journalist, Screen International

Eda Koppel – Industry @Tallinn & Baltic Event Project Manager, Tallinn Black Nights Film Festival, Estonia
Miglė Morkūnaitė – Head of Theatrical Marketing and Distribution, ACME Film Baltics
Kristi Porila – Head of Cinema and Programmer, Thule Kino, Estonia
Algirdas Ramaška – CEO, Vilnius International Film Festival & Kino Pavasaris Distribution, Lithuania
Gintaras Plytnikas – CEO, Forum Cinemas Lithuania
Maris Prombergs – Director, Kino Bize, Latvia

Mathias Holtz - President, Europa Cinemas
The Network Conference's named focus is on the Baltic countries. It's a tradition to start the network conference with focus on the host nation and region. I want to thank our Lithuanian hosts contributed a lot to this session and made it possible. The Baltic states is a kind of outside perspective and what we really mean when we say the Baltic states is three countries: Lithuania, Latvia, and Estonia. Each with their own structure and their own markets and own set of challenges. On the panel we have today, we have representatives from all three countries, who are engaged in exhibition and distribution and the festival circuit.

Eda Koppel – Industry @Tallinn & Baltic Event Project Manager, Tallinn Black Nights Film Festival, Estonia
The focus on the strength and the resilience of the Baltic cinemas in Estonia, Latvia and Lithuania.

We share a rich cultural bond, with unique stories and voices, but we face challenges as well. In this panel, I would like to highlight our progress and reflect on the recent results to explore the ways we can grow stronger together. As you can see here, annual state support in the film industry has, over the past decade, grown significantly in Estonia. Estonia increased funding from 7 million in 2014 to nearly 20 million in 2024.

Lithuania's funding rose from three million in 2015 to almost 10 million in 2024 and Latvia saw an increase from 5.7 million to 8.5 million in 2024. This investment has led to co-production of more films with larger budgets and an increase of co-productions. More investments are made in other sectors of film industry, but these come with greater competition - domestic films must compete with international films, which are often supported by larger marketing budgets. Admission data has changed over the past decade: the region peaked in 2019. Lithuania set a record of 4.2 million admissions in 2018, Estonia 3.7 million in 2019, and Latvia's highest was 2.7 million in the same year with admissions per capita also hitting their highest level in 2018. It was 2.75 in Estonia which is one of the highest in Europe 1.3 in Lithuania and 1.3 in Latvia; these numbers show us the strong appetite for cinema, particularly for domestic films. The pandemic disrupted this momentum, and it remains uneven. Estonia leads the region with a 2.6 admission per capita in 2023 but none of these countries have yet returned to the peak we had in 2018/2019.

What is common in all three Baltic countries is that US films continue to dominate the market. In 2023, the US market share was more than 65% in all three countries. It was lowest in Estonia with 46%, highest in Latvia with 77%, and 66% in Lithuania. European films hold much more market share.

Estonia's market share in 2023 was 21%, almost 22%, but this year it's just 11% and similar declines are also seen in Latvia and Lithuania, which emphasizes the urgent need to boost local markets and to ensure that Baltic stories are heard and seen. Domestic films are a key part of our cultural identity.

Cinema infrastructure has also seen also significant improvements, offering world-class facilities and immerse viewing experiences. However, there are challenges in Estonia, for example, 75% of the cinemas are controlled by one company which limits the diversity of offerings independent cinemas.

Ticket prices have risen sharply in Estonia; the average ticket price increased from 4.9 in 2014 to 7.5 in 2023 and similar trends have also been seen in Latvia and Lithuania. Although it reflects improved quality it also raises a question about afford affordability. Our greatest strength is collaboration: successful co-productions showcase the power of shared resources and talent festivals like Tallinn Black Nights Film Festival, Vilnius International Film Festival, Riga International Film Festival and the others provide a central platform to promote our films.

Firstly, strengthen cross Baltic collaboration, expand distribution networks to ensure that Baltic films reach audiences across the region and beyond. Secondly, invest in marketing, prioritize campaigns that make Baltic films more visible for local audiences and support festivals as alternative platforms for showcasing and distributing films, particularly for niche and arthouse productions. I can see the future of the Baltic cinema as a collaboration. We have tools, talent, and resilience to turn today's challenges into opportunities together.

Miglė Morkūnaitė – Head of Theatrical Marketing and Distribution, ACME Film Baltics
ACME Film is one of the leading film distributors in the Baltics. We are the biggest distributor of independent films, but we also work with major studios and local producers on distributing national films. From Eda's presentation on the market, we see that Lithuania should actually end up having the highest all-time box office for the industry and Latvia should be more or less flat compared to last year, while Lithuania should grow around 7%, and Estonia should end up around -12% or so compared to last year. Given that most of the major and independent title releases are kind of similar we see that the difference in the performance of the industry directly correlates to the performance of the national films and their share. In Lithuania it is increasing, and this year it should grow from around 15% on last year. In distribution we talk mostly about box office share not admissions, so from around 15% to around 23-24%. In Latvia the share is also growing this year - it has turned around since the release of *Flow*, the popular animation which has turned around the box office trend for Latvia since September. In Estonia, as mentioned in the previous presentation, the local share has dropped significantly from 20% to around 15% and this very much correlates to the privately funded commercial films. In Lithuania we have had several big successes at the start of the year. One comedy and one documentary each did more than *Barbie* and *Oppenheimer* in the first quarter. In the first quarter, 43% of the total box office of the industry was generated by three commercial films, which equals almost every second or third person going to the cinema went to see those films. We see in general the trend of comedies and comedy sequels fighting with majors in Lithuania and Latvia. In Estonia the genres are quite different. Estonians had a very strong year last year with the remakes of uh popular comedy classics and also with literary book adaptations. These worked very well last year and this year; the local privately funded productions were not as successful.

A big trend here is that independent animations still work very well across the three countries - even a mediocre quality independent animation can deliver very good results if it's dated well: dating and also the effort of the distributor in terms of promoting it. European Media support for European productions really helps us take more risks to invest in more visibility for the independent titles.*10 Lives,* which is not an EU production but UK production, became the all-time highest grossing independent animation in Lithuania - bigger than *Coco* and three times bigger than *If…* or *Little Mermaid* and it's an indie animation. we had similar results with the Ukrainian film *Mavka: The Forest Song.* It was released one week after Universal's animation and did twice the box office here. We try to find brands and media partners, media channels and influencers to barter deals and boost results.

Our office is in Lithuania, and we have small teams in Latvia and Estonia, and we collaborate a lot. We align our release plans, our estimates for films and budgets, depending on local historical performance of such films, but we also work together on marketing strategy, positioning the films, localizations and approach. Lithuania is a horror market which corresponds to the fact that the audience in Lithuania is a little bit younger. Lithuanian women love female targeted books and these kinds of book adaptations have been a huge success: *Twilight* was a phenomenon everywhere, but it was stronger in Lithuania; *Where the Crawdads Sing* was number four release in the whole industry in 2022 and *It Ends With Us,*
which we also released is bigger than *Dune 2*, bigger than *Deadpool*. In terms of box office, we are an outlier worldwide and we see that it also correlates with the book readership and circulation. In Estonia and Latvia, it is much smaller; there are some cultural differences.

We try, in our local teams, to really dig into these cultural differences and, between countries, what's also important is negotiation power; in our case that we can negotiate with vendors on prices and work on pan Baltic partnerships. For example, media channel and pan Baltic brand partnerships with supermarket chains delivering a huge value. This kind of collaboration with brands, companies and media providers, which work across the countries, can help to boost the marketing campaigns.

Another point is around languages - we do have different languages, but the share of Russian speakers is significantly higher in Latvia and Estonia; we have dual subtitles there. We also have Russian dubbed versions for family films, and those sometimes gather around 40% or more of the box office. Family and children's animation films are dubbed into Estonian, Latvian and Lithuanian. The people here are very good at English because they're hearing English a lot (on US animations).

European Media support really helps us to have better quality dubbing and invite famous actors who can also advertise the film on their channels. At ACME Film, we also work with state funded, local productions. The state support is also very important, but the amounts are significantly different. In Estonia, it's possible to get three times more state support for distribution than in Lithuania, for example. In terms of the size of our campaigns, it can make a huge difference in what kind of activities we can organize.

I am sceptical of pan Baltic successes of local films. Lithuanian films released in Latvia and Estonia haven't had good examples historically. Festival audiences are used to watching films in the local language with subtitles, but the majority of cinema-goers are not. I would separate the festival audience from the commercial audience.

Martin Blaney: I think it was a year ago, you had a donate blood and you get a cinema ticket for *Saw X*. Can you tell us about or have you done other similar activities?

MM: Yes. With *Saw*, we started it years ago with the fifth movie or something. I think now it's the 10th movie. We started blood drives, and it works quite well in Lithuania because we are a horror territory. A lot of students do donate blood and we go to these organizations, then go to universities to take the blood and have our roll ups, our advertising for the film.

MB: So, it's both a socially responsible activity and advertising.

Kristi Porila – Head of Cinema and Programmer, Thule Kino, Estonia
I've been in distribution and cinema for 12 years. For the most part – nine years - I was in one of the leading companies and it was, somewhat easy to do distribution then. Now I've opened my own company, and the market has changed a lot. I'm also managing the cinema and distribution. A big eye opener for me was last week, with the publication of European Audiovisual Observatory numbers, which states that, in ten years, there will be 23% more European films made. But the admissions for European films are down 35%. In Estonia, there are two leading distributors at 56% and 31%. Overall, from the entire market 87%, which is a lot. It's not a bad thing, but it's about content. 75% of the Estonian market is done by Apollo multiplex cinema and they are deciding what to screen – so we are shifting farther away from smart and educational content. They often say: we screen the European films, but no one is watching them, which is true. It's only 12% of European films in Estonia screened, and it is going to be less and less. In Estonia we have 1.3 million people, but let's say it's 1 million. If, ten years ago, it was 20% of admissions for European films, it would be 200,000, and there was148 films released. So, it's like 1400 per film admissions, which is like kind of okay. But now it's 12%, so it means 120 is divided by 175 films, which are released – so, it's half less. It's 700. These are really robust numbers. There are films doing well, but it's often 100 admissions and in the market, cinemas are really in the back end of the production chain, and I feel that cinemas really do need support to support European films. But then for 13% of all the other films, there are 13 other distributors, because it's too easy to buy films now.

But why do we do it? Either we just want to earn money, or we actually want to make a difference in the world. I think we all should think about what we screen and why we do that.

We are very thankful for Estonian Film Foundation, who really came also to help us in the process of opening. But of course, on the small island, 30,000 people in the city, there is 10,000 people and we also have Apollo Cinema there, so it is very hard to survive. What we are doing in our cinema is really for our community and for the children and the schools. I really feel that, with this strong content, we can make a difference. But it is hard. And I really feel that this support we are getting from the state is too small to survive.

We talk with our audience and our demographic is a real mixture of young people. But after a certain age, once they leave school, they leave the island and come to the mainland. So that's a problem. And then later they come back when they have kids because it's good for growing up.

Algirdas Ramaška – CEO, Vilnius International Film Festival & Kino Pavasaris Distribution, Lithuania
It's hard to talk about distribution without talking about the festival: we started the distribution *because* of the festival. This is a small market and buying film rights for festivals costs a lot per screening, and we usually have small screens. So, it's very expensive. If you only have three screenings in the festival and the screenings are in 100-seat cinema, that means that 300 people can see the film. But if there is a lot of passion about the film and people would love to see, there can be more screenings – we can have more during the festival and after the festival. We can explore the rights later on and distribute this film. This is also about taking care of our audience. When a lot of festivals screen 400 films – only once or twice – I think this is a torture of the audience: they see the film, but they don't have dialogue - to talk and discuss and share their emotions. We started slowly and, through the festival, we made independent films, European films, popular. I think that the festivals play an amazing, crucial role in making these films popular and visible. Especially with the events, because usually these independent and European films are quite depressing. People are building the habit,

understanding and loving these films. That's why, after long-term work, we have an audience for these films. That's why more independent cinemas survived, thanks to wider distribution. And young people get inspired, trying to create their own films. If you educate them, you can grow the next generation of filmmakers. This is a good example from the Baltics, that in Tallinn, Estonia has a very strong festival; in Lithuania, we have a very strong festival; in Riga, there is not such a strong festival. I believe that the market shares for independent or European films also reflects the same in the numbers. If there is a strong festival that might make for a stronger industry in general.

We are trying our best to partner and be helpful; to help Riga, because we also need a strong market next to us. One of the issues, for example, if we want to buy a European title, let's say a film from the festival for distribution, we cannot buy only one country, which is maybe not normal anywhere else. But it is common to buy in bigger territories. We are even forced to buy three territories from the US, because they are smaller. And the sales agents want to save time – too many contracts, etc. So, we are forced to buy, but not all of the films are released in these countries. We are now operating in in all Baltic countries with distribution. Before, we were trying to find partners for promotion, but now we're doing it ourselves. We’ve partnered with A24 for last six titles. We thought that was going to be a really big change. It wasn’t that big for normal distribution, so we always combine it with the festival. It's like an alternative distribution. We work with national films - the best Lithuanian films that would do best in the festival. We are trying to give space to their voices and to promote their films. These films would not travel to the Baltics like other countries. We have one exception, which is the *Flow* animation from Latvia.

People don’t travel for the festival in Lithuania like they do in Wroclaw, for example, 70%. If it’s just festival screenings, we will have only three screenings, with no possibility to show it in other cities. We are small compared with other cities – London, Athens, Bucharest – there's millions of people. We don't have that, but we have to pay the same amount for films with festival fees. But we don't have this audience. We use the whole country as a city and show our films in different cities at the same time. In 2019, it was our top year before the pandemic, with 125,000 admissions in 19 cities. We were using every cinema. For two weeks (the festival is two weeks) all the cinemas were playing only independent festival films, which is I think it's amazing.

- Documentary films didn’t work with the title “documentary” and were called “real stories” and dispersed across festival sections instead of packaged as a “documentary” strand at Vilnius IFF.

EK: Black Nights Film Festival will reach around 90,000 admissions this year and our new documentary film competition programme is quite successful.

Gintaras Plytnikas – CEO, Forum Cinemas Lithuania
I'm running a multiplex business in Lithuania as part of Forum Cinemas Pan Baltic. I started as a small distributor speaking French in 1997-98, buying from Paris. I started with the film *Microcosmos*, then Andrzej Wajda’s *Pan Tadeusz*, a big Polish and Lithuanian classic and then James Bond because we got UIP in 1998. All three films did the same in box office. I sold my distribution business and went into exhibition. I started from a family run cinema theatre with four screens through the Scandinavian Network then it grew into the UK and US. We joined AMC years ago, and then everything finished with Covid, when I became local again.

Cinemas didn’t have money to invest after Covid and in those 2-3 years, there was a really big shift in film habits. So, I looked at the past thirty years of data, from 1991 when we got rid of the Russian occupation. 5000 different films have been released in Lithuania, meaning 166 a year. Looking at the 100 top films released in Lithuania, they account for 25% of the entire market. What's even more interesting is that 40% of those 25% belong to dubbed animation, and 35% belongs to Lithuanian speaking films. Altogether, that's 75% - these films make the biggest impact on our numbers. If you look at Lithuanian, Latvian and Estonian top tens for every year, you'll find dubbed films because it appeals to families, and they don't want any language other than national. We also see English as a key communication tool among Westerners.

Maris Prombergs – Director, Kino Bize, Latvia
We are an arthouse cinema in Riga city centre, for the past 12 years. We recently organised boot camp training, supported by Europa Cinemas. It too place at the end of October/ beginning of November, over three days. The idea came from a comparison from the data presented by EDA, comparing the three countries. Latvia is doing worse than the other two countries. If you check attendance per capita or in relation to the population, then Estonians have twice the attendance compared to Latvia. The three countries have various similar contexts like geography, size, history, climate – so there aren't many excuses.

We want to improve our work and what can we do as a film market in general. One thing, from the perspective of a single screen arthouse cinema, is that there is a general idea about who audiences are and how to reach them. There are no policy strategies from the top – from Film Center. The main idea is to produce local films, and that's it. But with all the challenges building up in recent years, this is definitely a time when you need to have very proactive support for local companies, film studios, and cinemas. But producers, distributors, and cinemas in general have no clear idea about what the audience is. We work as we always have, and if you're lucky, something turns out well. A film like *Flow* suddenly has surprising results and everyone is happy, which keeps the topic of the other films that are not doing that well at bay. But, in the end, we have a situation where a producer would come to and say: "Just take my film in your programme, you have that audience." Okay, nice that you know our audience because we're still guessing!

There's also confusion over who does the marketing of films, especially arthouse films. If it's a local produced documentary, because you haven't been involved as a cinema in financing, production, marketing, anything – you just simply get the film. But you have to do something with the film. In the end, small arthouse cinemas have smaller numbers, and we don't have much data. It all feels expensive or just difficult and there's not much data collection or interpretation across the industry. So, we organised the boot camp to have all areas of the industry in the room. The boot camp worked very well. We have four major takeaways:

- We had most of the Baltic cinemas in one room, which never happens – to talk and bring everyone together. I hope we'll come together again.
- Also unique was that Latvian cinemas came together for three days in one room. Usually, everyone looks at each other as a competitor. There's no cinema association. As a sector, in the film market, we are weak. We don't have a voice.
- We were also in the same room with multiplexes and there's more similarities than differences. One of the multiplexes also expressed a wish to join Europa Cinemas. They don't have this community. And we can learn from them because they have a much bigger share of the market, more developed systems, and data analysis. There are things we can learn from each other.
- Sharing data, which was just one of the things that came up in a workshop led by Julien from Netherlands Movies, Film Holland. He showed us an online page where all the distributor and cinema admission data are in one place. Any distributor or cinema can go there and see everything. In the Netherlands, they have more data because of Cineville. In Latvia, we don't share it; it's confidential, it's competition. One of the multiplex's representatives asked about data protection laws. I think it's not controlled by laws but is a tradition that just hasn't been changed.

AR: One of the biggest challenges now, in our markets is the Russian influence on our markets. Especially in Lithuania, you will see a lot of Ukrainian flags. If we want to buy a film from the sales agents, they want to sell to the bigger buyer – which means a Russian buyer. They've started to buy independent European content and are not just buying Russian territories, but all of the territories around – they are buying Ukrainian rights, and Georgian rights, and Baltic rights. This is this nightmare. It happens next door and we have our values that we would never do business with the Russians, especially at this time, but now we are forced to buy a film if we want to screen a film in the festival and for distribution to buy a film from Russians because they bought our territory and somebody sold these films and sometimes these films are funded by the European Union. I know that legally it's really hard to solve but many of them sell through their London company. It's not okay. And in our market, we have distributors that are okay to work with those companies.

MP: In the Latvian market, with subtitles, it's very chaotic in terms of what we receive. As a cinema, you receive a film and know that there's definitely going to be Latvian subtitles. The tradition was to have Russian subtitles but lately it's been changing. Local Latvian producers are releasing films only with Latvian subtitles or with Latvian and English subtitles. But larger distributors would still provide films with Latvian and Russian subtitles. There's confusion and there's no common standard. The cinemas don't come together and talk about it. We still have a percentage of Russian speakers who still need Russian subtitles, but it's changing, especially because of the war happening and because audiences started questioning and writing on social media – especially to Forum Cinemas because they're the, the biggest multiplex – why are we having Russian language on the screen? They started to explain that it's because the distributors give us the films and we cannot do anything. As the big, major cinemas, they could ask, but they don't. That's the situation.

Asking for English subtitles makes sense for us. We have a local audience and an English speaking audience – the Erasmus students, the people who moved to Latvia to live. We would love to have English subs, but usually it's written in the contracts – when the sales agents sell the films to distributors – it says you can have it in your local language, and the other one you can have is Russian. Why? Why would a French company ask for us to have Russian in our films? Is it legal? Maybe one day we can have local subtitles and English subtitles which, as a cinema, would make much more sense.

EK: In Estonia it's the same problem, we still have Russian subtitles. It has two aspects. One is the emotional aspect. Yes, it would be nice to have only Estonian or English subtitles. The other aspect is that we are cutting these one third of the population out of our culture. We will stigmatize them. We are basically creating enemies for ourselves. So, there is not one good solution. But this generation who speak only Russian are getting older and older. One day, they won't go to the cinemas anymore. The younger generation of Russian speakers speak English fluently and speak more Estonian. Perhaps this problem will solve itself.