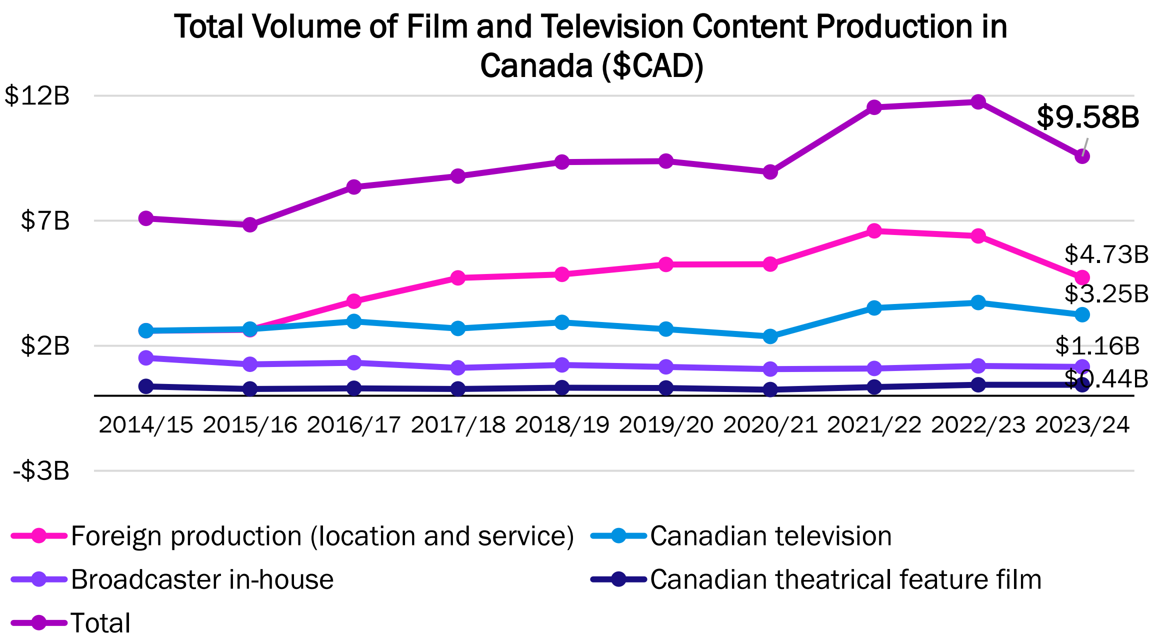
IIC 2025

Profitability & the Attention Economy - Shifting Focus to the Commercialization of Canadian Content

October 2025

Nordicity

Global Market Dynamics: Canadian Content Production



Canadian Production Industry Trends

- Total production volume fell 18.5% from 2022/23 to 2023/24
- Economic impact remains strong: 179,130 jobs and $11B to GDP.

International Market Signals

- Audience attention stretched: streamers, social media, video games.
- Scripted series commissions by streamers fell 24% YOY 2024 to 2025.
- Streamers commission lower risk content (sports & live events) with confirmed audience.
- Rise of short form content “Micro dramas” and “Verticals.”
- Netflix and Amazon spent +50% outside of North America
- The Trump administration proposes 100% tariffs on foreign-made content.

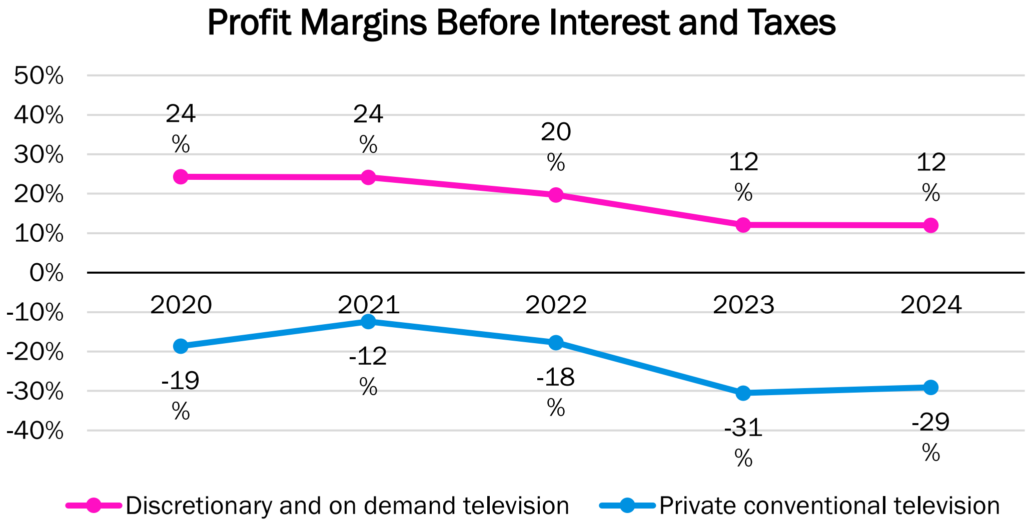
Scripted series commissions among top streamers:

-24%

from 2024 to 2025

Sources: Profile 2024; Ampere Analysis, *Global streamers’ Scripted TV commissions fell by 24% in H1 2025*

Global Market Dynamics: Canadian Broadcasting System



Canadian Government Signals

- Carney government increases funding to CBC/Radio-Canada, confirms commitment to the Online Streaming Act, and CRTC's contribution framework.

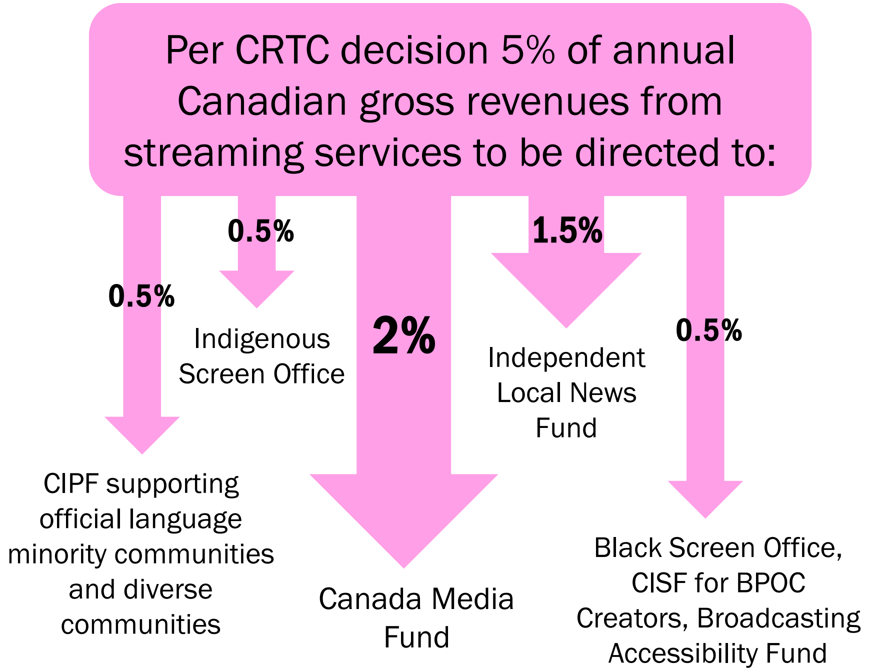
Broadcasters Under Pressure

- Canadian broadcasters remain profitable, mainly due to discretionary services.
  - TV revenues fell from $9B (2015) to $6.4B (2024); BDU subscribers dropped ~20% in less than a decade.
  - Ad dollars are shifting to digital and streaming platforms.

Regulatory Transitions

- Online Streaming Act: requires streamers to contribute 5% of Canadian revenue annually to domestic content funds. Major platforms have appealed; federal court ruling pending.

- Recent public hearings examined 'Canadian Content' definition, future of CPE/PNI requirements, and market dynamics.



Source: CRTC Communications Market Report; The Canadian Press, *Court challenge may force Online Streaming Act revisit: CRTC chairperson*; CRTC, *Broadcasting Regulatory Policy CRTC 2024-121;*

Global Market Dynamics: Regulations

European Context: Strong Policy Framework

- In EU, 15 countries have introduced financial obligation under the 'Audiovisual Media Services Directive' (AVMSD)
- Approaches and rates vary e.g., 0.15% (Germany), 25% (France).

The French Model

- The levy and direct investment has injected ~€1B into AV sector since 2021; streamers more integrated into domestic ecosystem.
- Dramas have seen biggest impact; less investment for other genres

Beyond Europe

- Australia, New Zealand, Indonesia, Thailand, and South Korea contemplating similar obligations; showing global consensus.

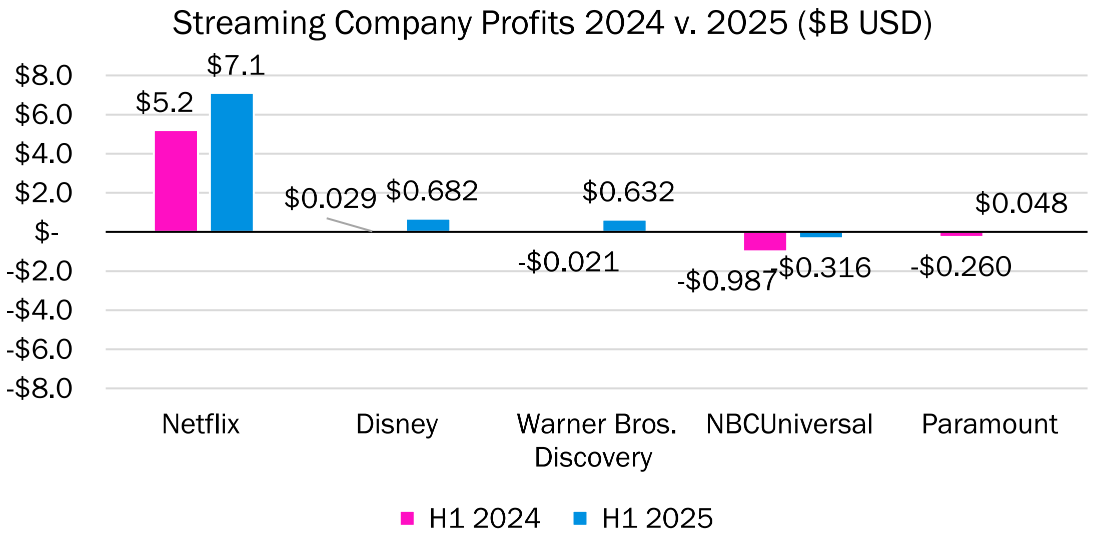
Tensions

- Trump administration criticizes foreign laws requiring U.S. streamers to contribute to local production funds.
- The MPA: wants proportionate and non-discriminatory regulations.
- Representatives across Europe see this as a threat against cultural sovereignty, soft power, and economic activity.

Source: Screen Daily, *Global film and TV industry braces for expansion of Trump trade war;* Broadcast International, *Unpacking France's evolving relationship with US streamers*

Global Market Dynamics: Streamers

- **Few lead players** – in 2024, six U.S companies accounted for roughly 51% of the total worldwide content spending.
- *'Stickiness'*—content that keeps audiences returning—is the new performance benchmark.
- Most turning some profit driven by ads, fee increases and churn management
  - A growing proportion of subscriptions are driven by movies.
- Reviving broadcast-era tactics:
  - Bundling, ad-tiers, windowing.
  - **Cross-platform carriage and co-distribution** agreements with trad. broadcasters to share content, audiences, and costs.
- **YouTube's dominance:** 2.7B users globally, reaching 98% of Canadians online; 2024 revenue **$36.1B**, nearing Netflix's **$39B**.



Total global content spending:

$248 B in 2025.

+0.4% from 2024

Sources: Variety, Nordicity research; Intelligence Platform Analysis, Luminate Film & TV, Ampere; Analysis, 2025, CMF Trends Report 2024; KPMG, *The future of content spend and business models in Media, Canada Media Fund Trends Report 2024* (Comscore Canada data); Ampere Analysis *YouTube Long-Form Expansion 2025;* Axios, *Streaming enters its profit era.*

Competition On All Fronts

For Canada, market pressures cut both ways, heightened competitiveness to attract foreign-service productions and visibility for Canadian-owned IP.

Increased Competition for Foreign Location Filming

- Canada is competitive due to low dollar, tax credits, experienced professionals, and strong production infrastructure. Toronto and Vancouver remain top locations for studios.
  - B.C. increased tax credit this year, reinforcing Canada's advantage.
- As global scripted commissions decrease, more jurisdictions are boosting incentives.
  - California: $750M film tax credit, seeing submissions rise 400%. U.S. lawmakers advocating for a federal film tax credit.

Competition for Audiences

- Audiences still crave new stories, but attention is fragmented across platforms and formats.
- The problem isn't content shortage—it's **discoverability**. Viewers struggle to find what they want.
- Platforms and creators must balance range (variety) and relevance (connection) to hold audiences.
- International success stories thrive through authentic voice and genuine audience connection.

Prime Video's The Boys, FLS filmed in Toronto

CBC's Murdoch Mysteries, strong Canadian IP

Source: ProdPro, *2025 TV & Film Outlook Report*

Understanding Audiences

Fragmented Viewing Across Platforms and Content Types

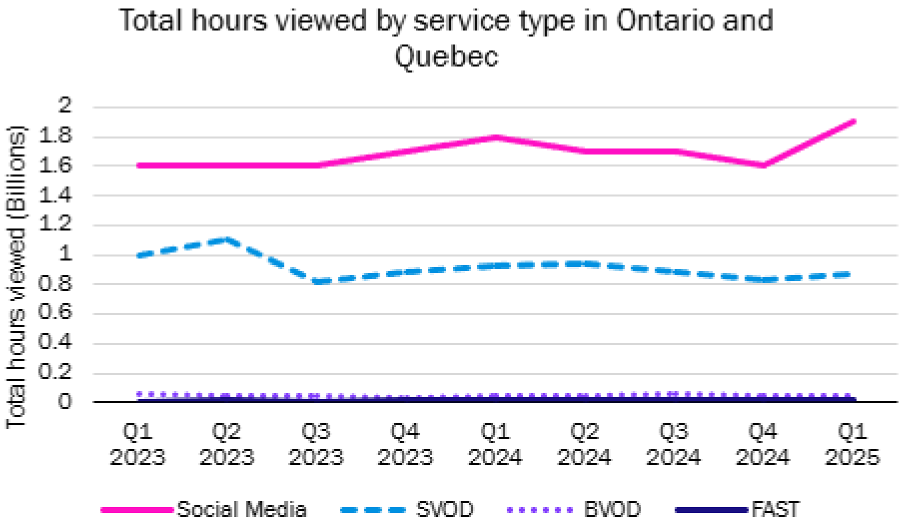
- Many screens, many platforms, many types of content.
  - Social Media (incl. YouTube) rivals SVOD, BVOD, FAST) in ON and QC.
  - 98% Canadians access YouTube monthly; it is both producer and aggregator.

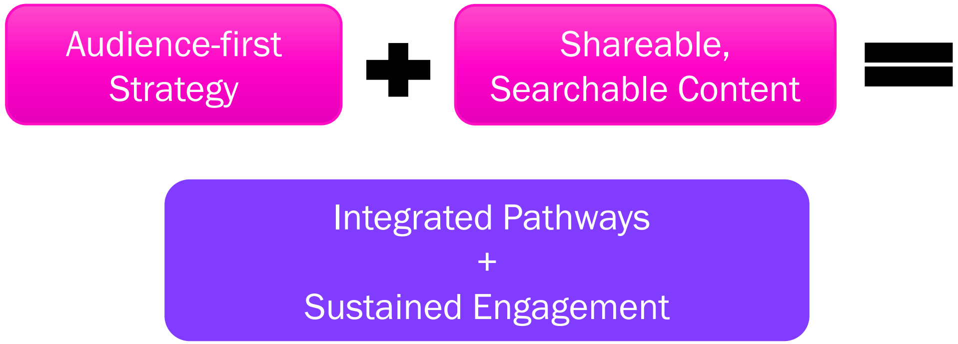
Best Bets: Live Events/Sports

- With fickle audiences, live/event-based and sports consistently drive engagement.
  - Sports streaming up 60% since 2021

Way Forward

- IP with multi-platform entry points strengthens both discoverability and longevity, as audiences follow stories and not formats.
  - Franchises and cross-media worlds (games → series → shorts → podcasts) deepen awareness and algorithmic reach.





Source: Canada Media Fund Trends Report 2024 (Comscore Canada data); Ampere Analysis *YouTube Long-Form Expansion 2025*; Magnite *Scoring Big in Sports Streaming 2025*; Statista *Sports Streaming Outlook 2024*.

Discoverability in the Attention Economy

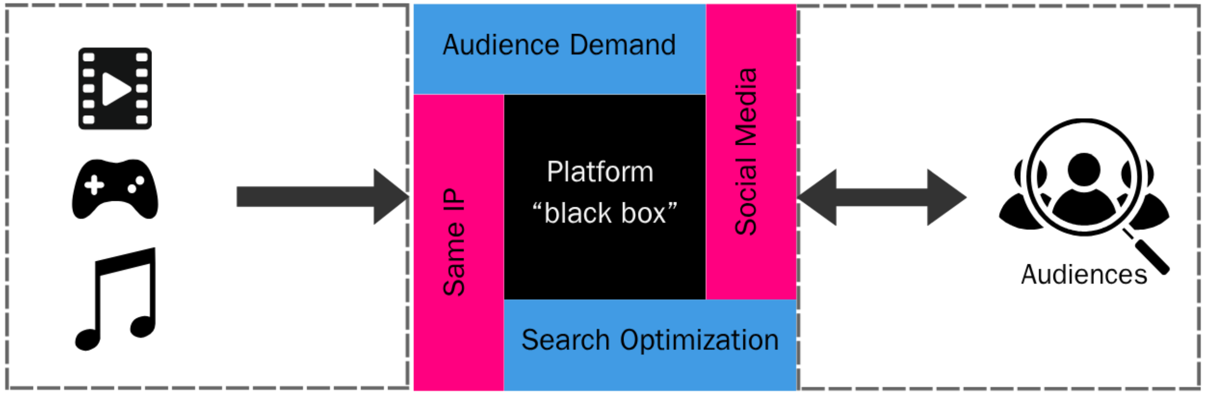
Discoverability is an output of audience development.

- Prominence & placement help, but visibility is driven by effective/authentic engagement.
- Creators can develop IP through approaches that facilitate audience participation.
- Many factors determine discoverability: *word-of-mouth, demand, SEO, recommendation systems, the zeitgeist.*

Audience interest drives prominence.

- Platform algorithms respond to audience engagement.
- To maximize visibility and algorithmic inclusion:
  - Engage audiences early and consistently
  - Cultivate sustained demand
  - Maintain strong online presence
  - Leverage relationships with existing content and IP

Discoverability as a function of audience engagement by both creators and platforms

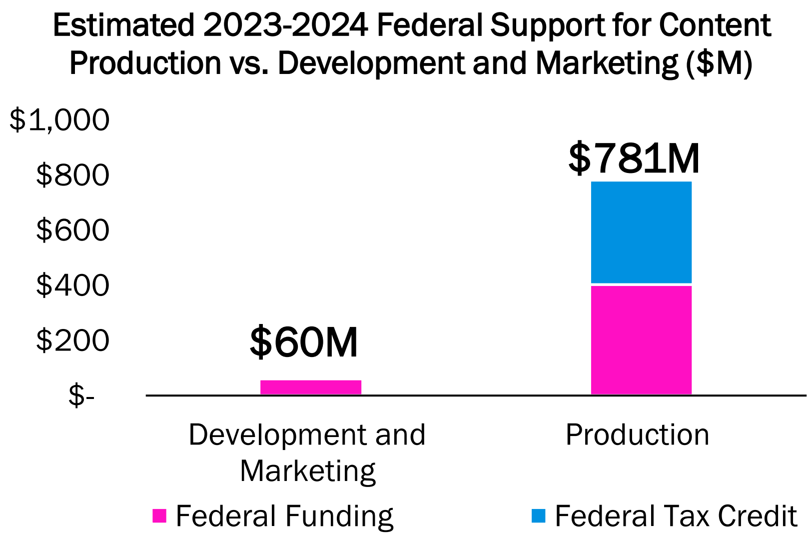


Audience engages with IP (story, character, brand , etc.) enhancing attractiveness of attached content

Audience engages with content prompting platform prominence

Shifting Investment for Global Success

- **Global shift:** Markets now prioritize profitability, retention, and proven audience value.
- **For Canada:** This is an opportunity to refocus investment on IP ownership, audiences, and discoverability.
- Shift in priorities:
  - **From volume to value**: Fewer, stronger projects with audience and market strategies.
  - **From production to lifecycle support:** Creation → marketing → engagement.
  - **From platform-driven to audience-driven ecosystems**: Enabling creators to own and grow IP across markets and formats.
- **Outcome:** Canadian IP that travels globally—converting creative output into lasting audience loyalty and export growth.



It is not about making more content, rather it's about making the right content that resonates.

Source: CMPA, Profile 2024; CMF Annual Report 2023-2024; Telefilm Annual Report 2023-2024

Developing IP and Audience Together – Commercializing Canadian Content

- Changes the conversation between global/domestic platforms and creators
- Promotes projects with a (far) greater potential for commercial success
- Enables creators to transition/carry-over audiences from project to project
- Builds sustainable companies with more long-term company value
- Supports broader Canadian cultural and economic objectives

Focusing on audience and IP development gives creators the leverage they need to maximize their commercial potential and build long-term enterprise value.

Nordicity

Nordicity is a leading international consulting firm providing public and private sector clients with social impact, economic analysis, strategy, and policy solutions across the creative and cultural industries.

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