

NFT Studios unveils business model set to disrupt traditional film financing

Cofounded by Niels Juul – a Hollywood executive producer who was behind Martin Scorsese’s films ‘The Irishman’ and ‘Silence’ – NFT Studios aims to democratise access to the film industry and bring fans closer to the production process.

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NFT Studios was set up in 2021 to pioneer new ways to develop films and has launched a new film production subsidiary, KinoDAO, which will leverage the popularity of Web3 and technologies like non-fungible tokens (NFTs), to disrupt traditional ways of film funding and open the film industry to fans. Hewie Rattray, founder of the London-based NFT studio Kudoku Studios, cofounded the business alongside Juul.

By purchasing KinoDAO’s NFTs, fans will help fund their favourite films and also be entitled to a broad range of perks, with rarer NFTs awarding more exclusive benefits.

- General admission NFT holders will receive free movie merchandise, access to the premiere in the metaverse, and entry to afterparties at film festivals such as the Cannes Film Festival, the Berlin International Film Festival and the Sundance Film Festival, among other benefits.
- In addition to the general admission perks, silver ticket holders will receive rare NFTs related to KinoDAO’s productions, have their real name included in the credits and receive a cutscene from the film shared through the InterPlanetary File System (IPFS), a blockchain-

based protocol for storing and sharing data.

- As well as having access to all the benefits of the general admission and silver tickets, gold ticket holders will have red carpet access at film premieres, have the opportunity to have a cameo appearance in a KinoDAO production, access the set and have an NFT of their choice inserted in a film as an 'Easter Egg'.

KinoDAO will start minting – the process of converting digital files into crypto collections or digital assets stored on the blockchain – its main collection in late summer. The proceeds of this main collection will be used to fund the organisation's first film production, 'A Wing and a Prayer', a new comedic drama that tells the true and moving story of Brian Milton, the first man to fly around the globe in a microlight aircraft.

Prior to this, KinoDAO will release a smaller NFT collection this month. The proceeds of this initial sale will be used to fund initiatives to educate people on how NFTs can be used to transform traditional film funding models, as well as to rally support for Web3 filmmakers.

Long-term financial sustainability is a key area of focus of KinoDAO's business model, which is why the film production subsidiary will invest a percentage of the film revenues to fund new projects.

Niels Juul said: "The rise of streaming and digital platforms has forced studios to focus on producing franchise films and their endless sequels to maintain profitability, limiting funding for independent or alternative films. Meanwhile, independent filmmakers that secure funding and place their movie in an online streaming platform often find that, unless the streaming platform is supporting them with a large marketing budget, their production will likely drown in a sea of content.

"All this has created a dire need to change traditional movie financing models which is exactly why, at NFT Studios, we're leveraging the

popularity of NFTs and other Web3 technologies to create a business model where fans are involved in every stage of the production process. Not only will this promote greater freedom for screenwriters and directors, but it will also bring fans closer to their favourite movies and actors and create an engaged community of viewers that can help raise awareness about new productions so they can have a chance to shine.”

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