

Annual Report of the German Games Industry 2023



years of game

game

The German Games
Industry Association

TUP Management
2nd Wave
Zainment
4-Real Intermedia
SOS Games
A MAZE
Acid Mines Software
Activision Blizzard Deutschland
ADVANT Beiten
Rechtsanwalts-gesellschaft
Aerosoft
Aesir Interactive
Ahoiii Entertainment
Airborn Studios
ak tronic Software & Services
Altagram
Altigi
Andarion Games
Anderie Mahagemet
AnotherWorld VR
Application Systems Heidelberg
articy Software
Assemble Entertainment
astragon Entertainment
Audiency
AudioCreatures
Awesome Prototype
AWS Amazon Web Services EMEA
SARL
Baker McKenzie Rechtsanwalts-gesellschaft mbH von Rechtsanwälten und Steuerberatern
Bandai Namco Entertainment
Germany
Barrel Roll Games
Bäumer, Berger, Nikutta
BeamNG
Bedenk Design
Benjamin Lochmann New Media /
Pixel Maniacs
BenQ Deutschland
Bigpoint
bildundtonfabrik btf - Berlin
Binary Impact
b-interaktive
Bippinbits
Birrichen Interactive
bitComposer Interactive
Black Forest Games
Black Screen Records
Blankhans
bm - gesellschaft für bildung
in medienberufen mbh -School of
Games-
Boehmert und Boehmert Anwalts-
partnerschaft
Booster.Space Events and Consulting
Bootcamp Bros.
Boxelware
Brehm und v. Moers Rechtsanwälte
BUNTSPECHT Film & Digitales
BXDXO Marketing Services
ByteRockers Games
Bytro Labs
Caipirinha Games
Capcom Entertainment
Germany
Capcy Europe
celrage
Centigrade
Chasing Carrots
Chimera Entertainment
Chronos North
CipSoft
Cloud Imperium Games Limited
CMS Häsche Sigle
ColdFire Games
Cologne Institute for Information
Systems
Com2uS Europe
ComboStrike
Crayon Games
CrazyBunch
Creative Exhibitions Promotions
Crit Crew
Crunchy Leaf Games
Crytek
Cubido Entertainment
Curvature Games
Cyber Manatee
DACS Labs
Daedalic Entertainment
DaRa Innovations

Deck 13 Interactive
Designakademie Rostock
devcom
Dico Deutschland
DigiTales Interactive
DIPLOMA Hochschule
Ditter Network
DOTW
EGOSOFT
Electronic Arts
ELEET GAMES
Elysium Game Studio
Emergo Entertainment
Encurio
Endava
ENREVO
Envision Entertainment
ESBD - eSport-Bund Deutschland
ESL Gaming
European Games Group
Evil Grog Games
Exit Games
Facebook Germany
FAKT Software
Fantastic Foe
Farbspiel Interactive
FDG Entertainment
Fein Games
Fiery Things
Filmakademie Baden-Württemberg
FISHLABS
fivefingergames
Flow Fire Games
Flying Sheep Studios
Follow - Agentur für Social Media FSM
Food for Thought Media
Force of Disruption
Freaks 4U Gaming
Funatics Software
Fusion Campus Games Kompeten-
zentrum
FusionPlay
gaertner pr
GALLAFILZ - Agentur für Kommunikati-
on und Fundraising
Game Art Brain - Creation and
Consulting
Game Farm
Game Seer Venture Partners
gamearea-HESSEN
Gamebook Studio HQ
GameDuell
GameExPro
GameFlow Studios
Gameforge
gamefab.berlin-Humboldt-Universität
GameLoft
GameGrid
Games & XR Mitteldeutschland
GAMES ACADEMY
Games Forest Club g
Games Foundation
Games Industry Network GAIN UG
games.nrw
GamesCoin Group
GameUp! Software- und Gamesforum
Rheinland-Pfalz
Gamify Now!
Gamigo Advertising
gamigo
Gaming Minds Studios
Gaming-Aid
Gamma Minus
Gentle Troll Entertainment
Gentymod Studios
Gen-Up
GIANTS Software Entertainment
Glome
Godewind
Google Germany
GoVersity
GRAEF Rechtsanwälte
Grimbart Tales
GvW Graf von Westphalen
GZM Cosplay Management
HafenCity Universität Hamburg
halbautomaten Kommunikationsdesign
Halcyon Media
Hamburg Kreativ Gesellschaft
Hammer Labs
Happy Tuesday
HAW - Hochschule für Angewandte

Wissenschaften Hamburg
Headup
High Passion Studios
Hochschule Augsburg
Hochschule Bonn-Rhein-Sieg
Hochschule Darmstadt Fachbereich
Media
Hochschule der Medien Stuttgart
Hochschule Harz
Hochschule Macromedia Campus Berlin
Hochschule Macromedia Campus
Leipzig Macromedia
Hochschule Macromedia Campus
Stuttgart
Hochschule Mittweida University of
Applied Sciences
Hochschule Neu-Ulm
HoloCafe
HOLOGATE
hololide
HTW Berlin - Hochschule für Technik
und Wirtschaft Berlin- Hochschule
IHDE und Partner Rechtsanwälte
ILOVIT
IME - Interactive Media &
Entertainment
Improbable Germany
INBEX Systems
INDIE HUB
Initium
InnoGames
inSight gg
INSTRUCT3
Intellivision Entertainment
Europe
INVR.SPACE
Ipsos
Irox Games
it Matters Games
IU Internationale Hochschule
Ivy Juice Games
Jan Wagner
JiW-Games
JMG Brands & Talents
Joindots
Jung von Matt NERD
Kai Rosenkranz
koleidoscuba
Kalypsa Media Group
Keen Games
Key17 Games
keySquare Communications
KIDS Interactive
King Art
Kitto
Klang Games
Koelnmesse
Kolibri Games
Konami Digital Entertainment
Konsole Game Labs
Konsonian Entertainment
Korion Interactive
kr3m media
Kreative Kraut
LAB132
Letsplay4Charity
Lifelight Entertainment
Limbic Entertainment
Lingooona
Linked Dimensions
Lionpaan
LITE Games
LoqetBoy
Lost The Game Studios
Lytebird Game and Audio
Mad About Pandas
marbis
Marchreiter Communications
Markt und Technik Verlag
Markus Wiemier Game Design &
Game Studios
Maschinen-Mensch
Massive Miniteam
maxsupport
Mediadesign Hochschule für Design
und Informatik
Mediakraft Networks
medianet berlinbrandenburg
Mediatrust
MEDION
MegaDev
Megagon Industries
Meister Cody

Metaboli SA
metricminds
MicrosofT.Deutschland
Midaspayer Vertriebs
Mimimi Games
MINKZ Gaming
Misc Games AS
mixed.world
Manokel
Monster Computer Technology
Mooneye
Moonlit Games
Mothership Talents
MSM.digital Communications
MYI Entertainment
Navel
Neomateria Games
Neox Studios
NERDIC
NerdStar
nesemann & grambeck Steuer-
beratungsgesellschaft
netmin games
NEW LINE Brand Communication
NeXR Technologies
NightinGames
Nimrod Rechtsanwälte
Nintendo of Europe
Nordemann Czichowski und Partner
nordmedia - Film- und Mediengesell-
schaft Niedersachsen und Bremen
Nuklear
NVIDIA
Off The Beaten Track
OneManOnMars Art and Games
Only Sound
Osborne Clarke Rechtsanwälte Steuer-
berater Partnerschaft
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Sport-Tourismus-Medien
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Pabstein Games
Paintbucket Games
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Pfeffermind Consulting
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PLAION
planetian
Playata
Pockethost
PONG.LI Studios
Pro Gamers Group
Promotion Software
Pumpernickel Studio
Quantumfrog
Quinke Networks
Radical Fish Games
rain products
Rabbit Games
Rat King Entertainment
Realmforge Studios
remote control productions
Resilient TechEd
RetroBrain R&D
Riot Games Services
Rocket Beans Entertainment
ROCKFISH Games
rokaplay
ROTX-BLAU
Rubin-Games Studios
S&G School for Games
SAE Institute
Samsung Electronics
Sandbox Interactive
Sandbox Games
Secret Item Games
Serious Brothers
SideQuest Studios
SilentFuture
Silver Seed Games
simulogics
SisyFox
Sky-E Red
Slow Bros
Snowprint Studios Germany
Soapbox Interactive
Soba Studios
Special Anvil
SOFTGAMES Mobile Entertainment

Services
Sony Interactive Entertainment
Deutschland
Soulven
Spaceflower
Spellgarden Games
SpielFabrique 360°
Spiellabor der Hochschule Furtwangen
Spoonful Games
Square Enix
SRH Hochschule Heidelberg
Sticky Stone Studio
Stiftung Digitale Spielekultur
Storyyeller
Stratosphere Games
Striked
Studio Fizbin
Studio Seufz
Studio Sterneck
Super Crowd Entertainment
Suspicious Games
Take-Two Interactive
Taylor Wessing Partnerschafts-ges-
ellschaft
TEI Rechtsanwälte Partnerschaft
Schmidt
TeamSpeak Systems
Technische Hochschule Köln - Cologne
Game Lab
Technische Universität Darmstadt,
Fachgebiet Multimedia Kommunika-
tion, Serious Games Gruppe
Telescope Game Studios
Tencent Games
the Good Evil
Thera Bytes
THREAKS
ThreeDee
Thunderful Publishing AB
Tikaro
TikTok Germany
Tiny Crocodile Studios
Tiny Roar
Tivola Games
ToLL Relations
Tom Putzki Consulting
toneworx
Toplitz Productions
Torpor Games
Totally Not Aliens
Toukana Interactive
tox* interactive
Trapped Predator
Travian Games
Treibrad Games
TriTrie Games
Trollgames
Trusted Events
Twin Drums
Twitch Interactive Germany
Ubisoft Blue Byte
Ubisoft
UKE BOSSE
UniGlow Entertainment
United Games Entertainment
University of Europe for Applied
Sciences
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Upjers
Valve
Vest Games
Virtual Reality Berlin Brandenburg
Vogel und Partner Rechtsanwälte
WalkingTree Games
Wagner Bros. Entertainment
Water
wazol
Webedia Gaming
well played bars
Werkmeister & Company
WholesDontFly
Wild River Games
WOLFGANG WALK
Wolpertinger Games
Wooga
Xsolla Berlin
XYRALITY
Yager Development
Zeitland media and games
ZeniMax Germany
Z-Software

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Dear reader,

For five years now, the games industry has been speaking with a united voice. Since it was founded, game – The German Games Industry Association – has succeeded in making the concerns of its 400+ members heard in the political arena.

The importance of the industry it represents is also reflected in the structure of my ministry: we have a special division for the games industry at the Federal Ministry for Economic Affairs and Climate Action as the competent 'games ministry' now. After all, it is important that the games industry continues to grow as society has a lot to gain from a strong games industry both

in cultural and economic terms. Games have long been recognised as drivers of innovation. Competition in the games industry spurs technical innovations such as virtual reality, artificial intelligence and 3D engines and boosts their further development. Games combine cultural expressions such as music, film, and narrative formats. They spread into other media, but also compete with them. As a result, cross-media projects are emerging that lead to spill-over effects in neighbouring sectors.

The game association and my ministry therefore share the same goal of making Germany more attractive for the industry and helping it to become an internationally relevant lead market for the development of digital games. The game association is and remains an important contact for the work towards achieving this goal.

I warmly congratulate the association on its anniversary. Let's continue to work together to further develop Germany as a location for the games industry – and let's do so with the kind of 'playful seriousness' this requires. I now wish you all a stimulating read.

Sincerely yours,
Robert Habeck



Dear reader,

While the perceived impacts of the Covid-19 pandemic steadily diminished over the course of 2022, the year was an unpredictable one for the German games industry. One of the absolute highlights of 2022 was gamescom. For the first time since 2019, the world's largest game event was held not just online, but once again on-site in Cologne. In light of the challenging conditions created by the lingering pandemic and the resulting uncertainty in the early planning phase, the outcome was all the more gratifying. In total, gamescom drew over 265,000 visitors to the Cologne trade fair grounds. The overall show programme generated more than 130 million views by the penultimate day of the event. This spectacular comeback was made

possible in particular by the exceptional dedication of the many exhibitors, partners and visitors who, as in years past, made gamescom 2022 an unforgettable experience.

The positive aspects of 2022 also included developments in the German games market. At first glance, the registered market growth of 1 per cent might not appear a great success – especially when viewed against the huge growth rates of 32 and 17 per cent, respectively, in the two previous years. Given the starting situation, however, the steady development of the German games market is surprising and encouraging in equal measure. Declining playing times after the lifting of pandemic restrictions, a high rate of inflation and the postponement of a number of major game releases had led to widespread expectations of a shrinking games market. In the USA, the UK and France, game sales in fact dropped in 2022. Against this backdrop, the stabilisation of the German games market at the ten-billion-euro mark is remarkable.

A similarly positive development could be seen in German game companies. Significant increases in the number of companies and employees in 2021 were followed by a further rise in both of these figures in 2022, with the number of game companies in the core market growing by an additional 15.5 per cent in the last twelve months and the workforce they employ by around 7 per cent. This wave of company start-ups is good news with

respect to Germany's race to catch up with the international competition as a games location, and it is a result of the improved underlying conditions for the development of games. Many of the positive impacts of the relatively new federal funding programme for the games industry have yet to show up in the statistics, as most games are the result of a multi-year development process. But the increase in both the number of companies and their employees is already demonstrating the industry's confidence in a sustained recovery, especially given that the federal government's game strategy is set to bring policy adjustments that are necessary for this upswing.

The news received by the games industry in late October 2022 thus came as a particularly bitter blow: the subsidies for 2022 and also 2023 had been exhausted, and further applications for federal funding would no longer be accepted. From one day to the next, as if caught in a time machine, the German games industry was returned to the funding conditions of 2018, before the start of the federal funding programme. This meant production costs more than 30 per cent higher than those in other games locations such as France, the UK or Canada. Fortunately, the problem was also recognised in the German Bundestag. In the adjustment session of the budget committee, total federal game funding for 2023 was increased to 70 million euros, thereby re-opening the door for further funding applications.

Because of the dynamic development of the games industry in Germany, however, the additional resources lasted for only a few months. In response, a renewed funding application stop for 2023 and 2024 was imposed at the beginning of May 2023 – again slamming on the brakes in our international race to catch up as a games location and posing many game companies in Germany with major, and in some cases existential, challenges. Thus it is urgent that the federal government further develop its game funding programme if Germany is to profit economically and culturally from the opportunities for digital innovation that it promises.

Not least with regard to this year's fifth anniversary of the unified game association, we would have wished for a more positive overall situation for game companies in Germany in 2023. Nonetheless, as in our many prior successes, the games industry will, with a unified voice, continue to make the case for internationally competitive framework conditions in Germany.

This annual report offers an overview of these and many other developments in the games industry in Germany.

I wish you enjoyable reading.

Felix Falk
Managing Director of game – The German Games Industry Association

01

Video game players in Germany

In Germany, about 6 in 10 people between 6 and 69 years of age play computer and video games. Following strong growth of around 6 per cent in the number of video game players since 2019, this development has stabilised. People who began playing computer and video games during the years of the Covid-19 pandemic have continued to enjoy them over the longer term.



About one third of the video game players are in the 50- to 69-year age group.

There is also little difference according to gender, with women making up 48 per cent of video game players in Germany, and men 52 per cent.

As has been the case in recent years, the average age rose slightly once again, to 37.9 years. In 2022 it was 37.6 and in 2021 just 37.4 years. This continuous rise in the average age can be attributed above all to the fact that many who began playing video games in the 1980s and

1990s have remained devoted gamers as they age. Most video game players in Germany are 50 or older. About one third are in the 50- to 69-year age group. And 78 per cent of German gamers are at least 18 years old. This shows that games are a well-established part of the everyday life of millions of Germans, independent of age, gender or background.

The smartphone remains the most popular gaming platform in Germany. But after rising continuously in recent years, the number of people who reach for their smartphone to play declined in 2022 for the first time, with 22.8 million video game players using it as a gaming platform, some 700,000 fewer than in the previous year. The tablet computer saw a loss in users as well: following strong growth in 2021, the number fell to 10.2 million in 2022 – a drop of

Video game players in Germany



48%
of all video game players are female



58%
of 6- to 69-year-olds play video games



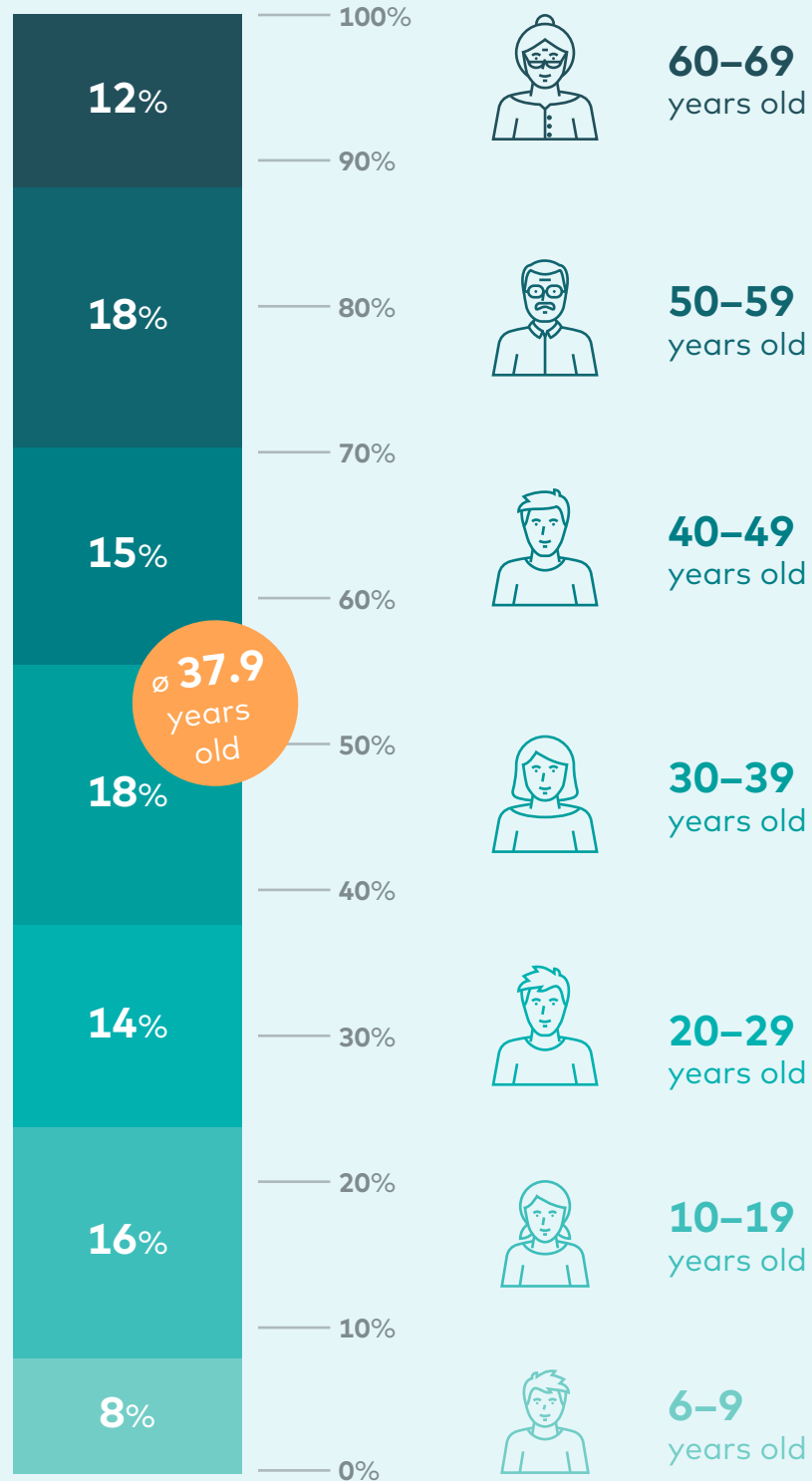
37.9
is the average age of video game players



78%
of all video game players are at least 18 years old

Source: GfK. © game 2023

How old are players in Germany?



Source: GfK. © game 2023

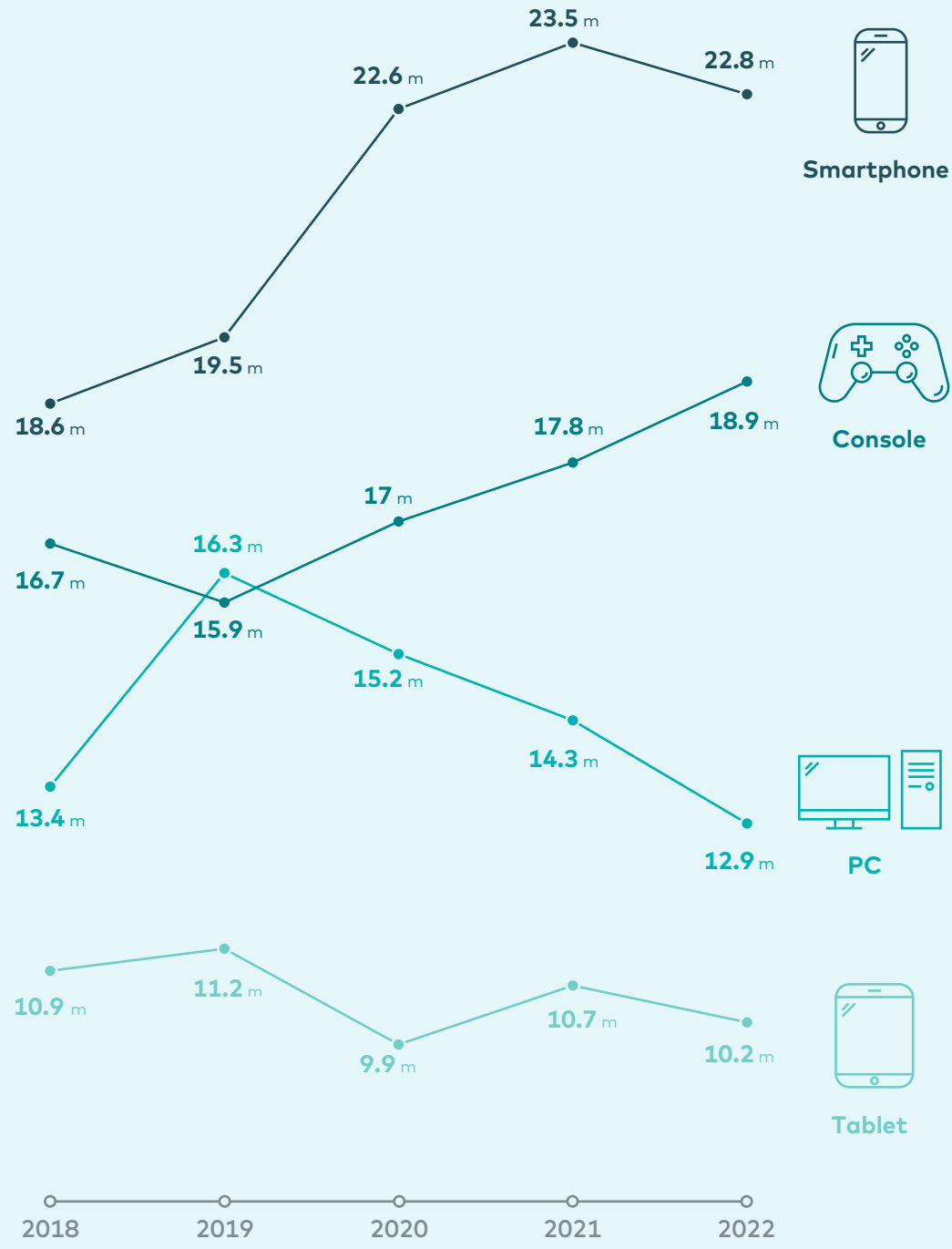
around a half million. Nonetheless, for a total of about 26.5 million Germans, mobile games remain the preferred way to play. Game consoles continue to rise in popularity, having gained a further 1.1 million new gamers in the past year and thus defended their place as the second-most-used gaming platform. A total of 18.9 million people in Germany play on consoles such as Nintendo Switch, PlayStation or Xbox. In contrast, the gaming PC again registered a clear decline in user numbers, losing about 1.4 million in 2022. There are only 12.9 million PC gamers in Germany in total.

The diverse interests of video game players in Germany are reflected in the most popular games of 2022. From sport simulations to huge open-world adventures to games for the whole family – titles from widely varying genres topped the official charts of the most-purchased 2022 publications for PC and console games in Germany. The football simulation game *EA SPORTS FIFA 23* (Electronic Arts) captured first place. The role-playing game *Pokémon Legends: Arceus* (Nintendo) for the Nintendo Switch booked a major success as well, taking second place. Third place in the German charts for 2022 was secured by the award-winning open-world game *ELDEN RING* (Bandai Namco Entertainment). Fourth place was claimed by the first-person shooter *Call of Duty: Modern Warfare II* (Activision Blizzard), and fifth place by the action-adventure game *LEGO Star Wars: The Skywalker Saga* (Warner Bros. Interactive Entertainment).



The diverse interests of video game players in Germany are reflected in the most popular games of 2022. From sport simulations to huge open-world adventures to games for the whole family.

The most widely used gaming platforms in Germany: smartphone leading, game console gaining ground



Source: GfK. © game 2023

game annual charts

Newly published PC and console games

1	EA SPORTS FIFA 23	Electronic Arts
2	Pokémon Legends: Arceus	Nintendo
3	ELDEN RING	Bandai Namco Entertainment
4	Call of Duty: Modern Warfare II	Activision Blizzard
5	LEGO Star Wars: The Skywalker Saga	Warner Bros. Interactive Entertainment
6	Gran Turismo 7	Sony Interactive Entertainment
7	Nintendo Switch Sports	Nintendo
8	Horizon Forbidden West	Sony Interactive Entertainment
9	Kirby and the Forgotten Land	Nintendo
10	God of War Ragnarök	Sony Interactive Entertainment
11	Pokémon Violet	Nintendo
12	EA SPORTS F1 22	Electronic Arts
13	Pokémon Scarlet	Nintendo
14	Splatoon 3	Nintendo
15	WWE 2K22	2K
16	Need for Speed Unbound	Electronic Arts
17	NBA 2K23	2K
18	Tiny Tina's Wonderlands	2K
19	Mario Strikers: Battle League Football	Nintendo
20	The Quarry	2K

Source: Game Sales Data (GSD), Video Games Europe
 This chart shows the new game releases in 2022 that were most often sold in Germany physically and digitally, across platforms, for PCs and game consoles. Digital sales of Nintendo titles from the Nintendo eShop are not included.

02

German market for computer and video games

Following major increases in sales revenue in both 2020 and 2021, the German games market stabilised at a high level in 2022. Whereas the Covid-19 pandemic and other factors had previously resulted in annual growth of 32 per cent and 17 per cent respectively, in 2022 sales revenue generated by games, gaming hardware and charges for online services rose by an additional 1 per cent, to 9.87 billion euros. The development of the individual market segments varied significantly. Overall, however, the German games market again led among European countries in sales revenue and ranked fifth worldwide.

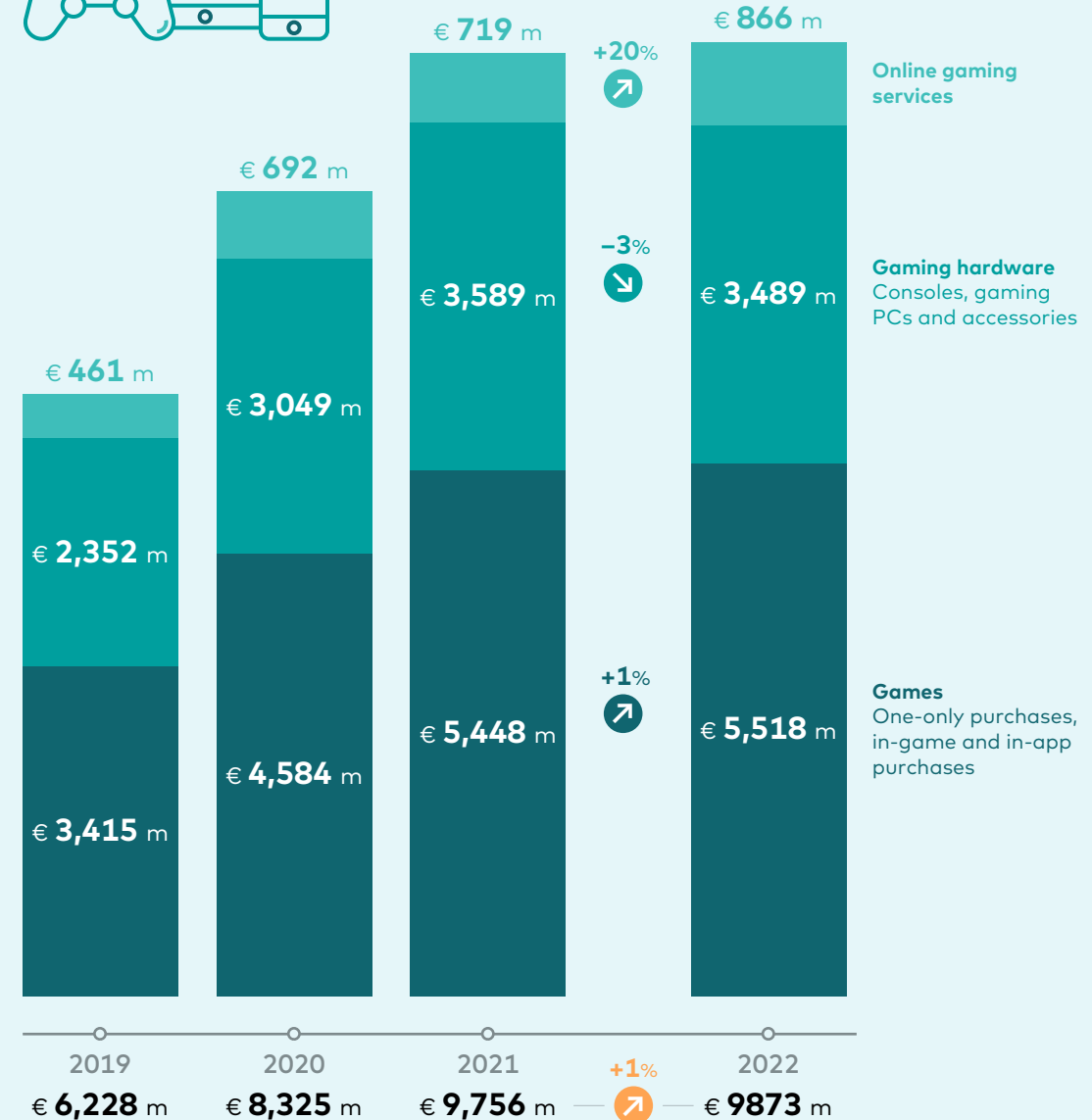


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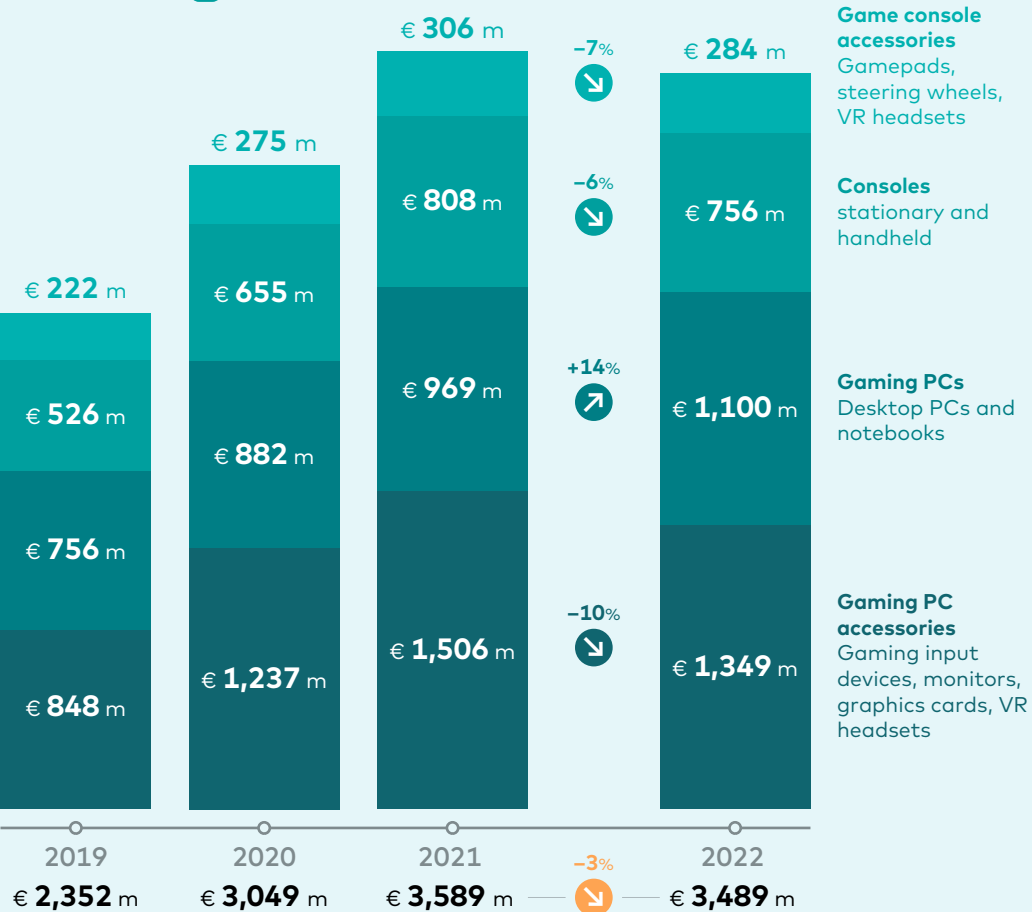
Following the strong growth over the course of the Covid-19 pandemic, and in light of special factors such as the high inflation of 2022 and numerous delays in the release of eagerly anticipated video games, a decline in sales revenue was widely expected. While declines were registered in 2022 in a number of other games markets, such as the USA, the UK and France, the German games market demonstrated surprising stability despite multiple challenges.

The German games market stabilises at a high level



Source: Calculations based on the GfK Consumer Panel (2022/2023; n = 25.000), GfK Entertainment, GfK POS Measurement and Data.ai. © game 2023

Gaming hardware market segment declines slightly in 2022



Source: Calculations based on the GfK Consumer Panel (2022/2023; n = 25.000), GfK Entertainment, GfK POS Measurement and Data.ai. © game 2023

As with the market overall, the market segment devoted to games for PCs, game consoles and mobile devices remained stable. Sales revenue figures were similar to the previous year's for computer and video games (-1 per cent to approximately 1.1 billion euros) as well as in-game and in-app purchases (+2 per cent to approximately 4.5 billion euros). The latter include, for example, season passes, additional levels, in-game items (for example skins) and subscription fees for individual online games. In total, sales revenue from games for PCs, game consoles and mobile devices grew by roughly 1 per cent to 5.5 billion euros in 2022.

Games for smartphones and tablets account for an especially large portion of sales revenue with games. One reason for the size of this submarket: the smartphone and tablet as platforms have long offered a wide selection of games for all tastes and are steadily improving in technical terms. In addition, mobile devices are more widespread in the population than are other gaming platforms. In 2020 and 2021, sales revenue with game apps showed a total increase of some 50 per cent. After the volatile development in the first two years of the Covid-19 pandemic, the market grew by a further 1 per cent in 2022, to around 2.81 billion euros, thereby stabilising at a high level.



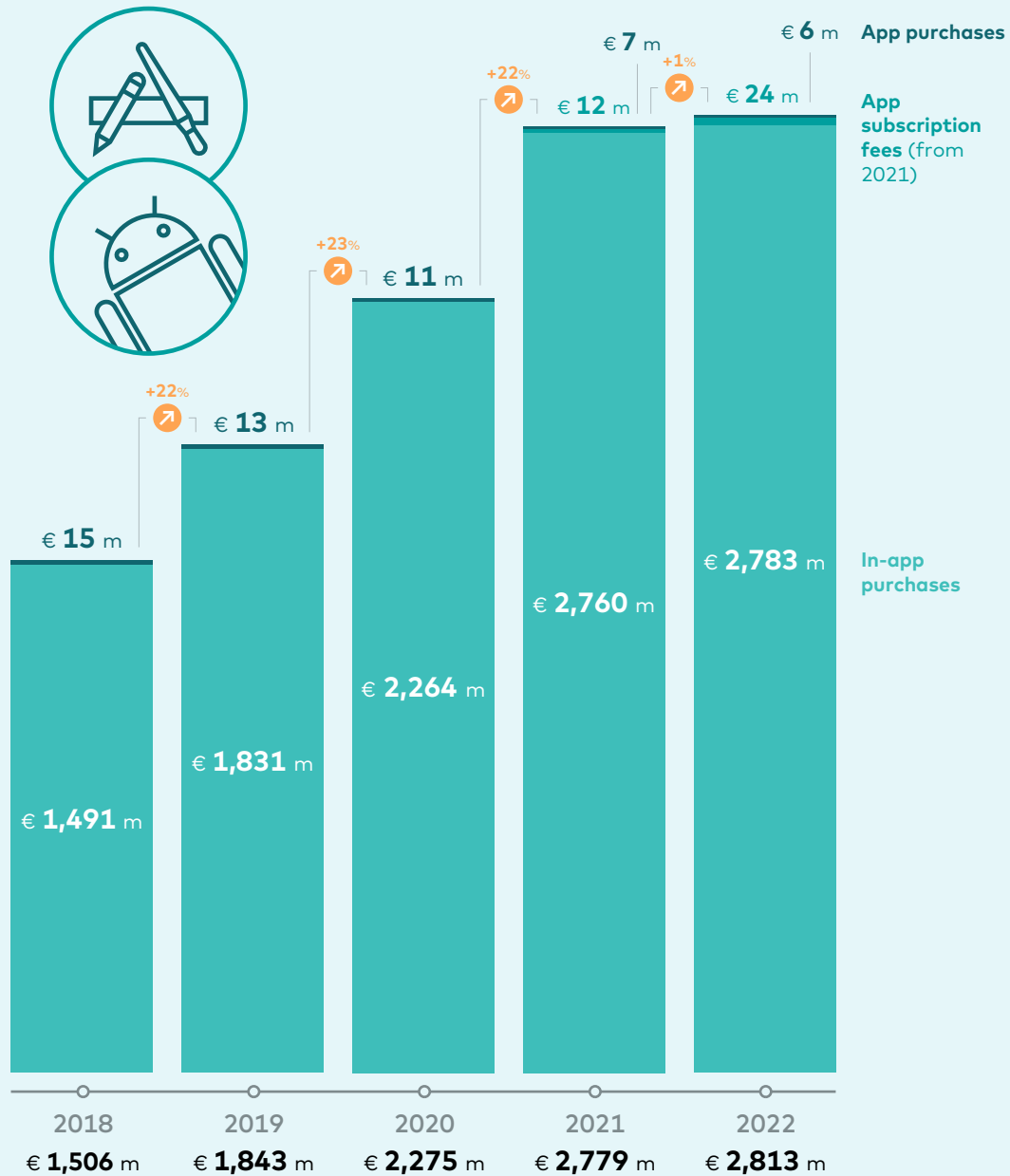
Among the various gaming platforms, smartphones and tablets take the top position with regard to sales revenue.

Among the various gaming platforms, smartphones and tablets thus take the top position with regard to sales revenue. The second-largest revenue volume – about two billion euros – is earned with games for consoles. PCs and laptops follow, at about 1.6 billion euros. What is particularly striking here is how strongly the platforms differ with regard to their respective favoured business models. In-app purchases account for around 99 per cent of sales revenue on mobile devices. Free-to-play games have dominated in this segment for several years now. The possibility of spontaneously trying out a new game seems to appeal especially to users of mobile platforms. On game consoles, on the other hand, the greatest revenue is generated through the purchase of games. Online gaming services, which are now offered on all consoles, account for just under one third of this sales revenue. On PCs and laptops, the majority – 70 per cent – of revenue can be attributed to in-game purchases, with popular multiplayer and esports titles like *Counter-Strike* or *League of Legends* clearly making a significant contribution.

Across all platforms, online gaming services as a market segment experienced another year of strong growth, with sales revenue from these services increasing by 20 per cent, to 866 million euros. The categories in this segment include fee-based subscription

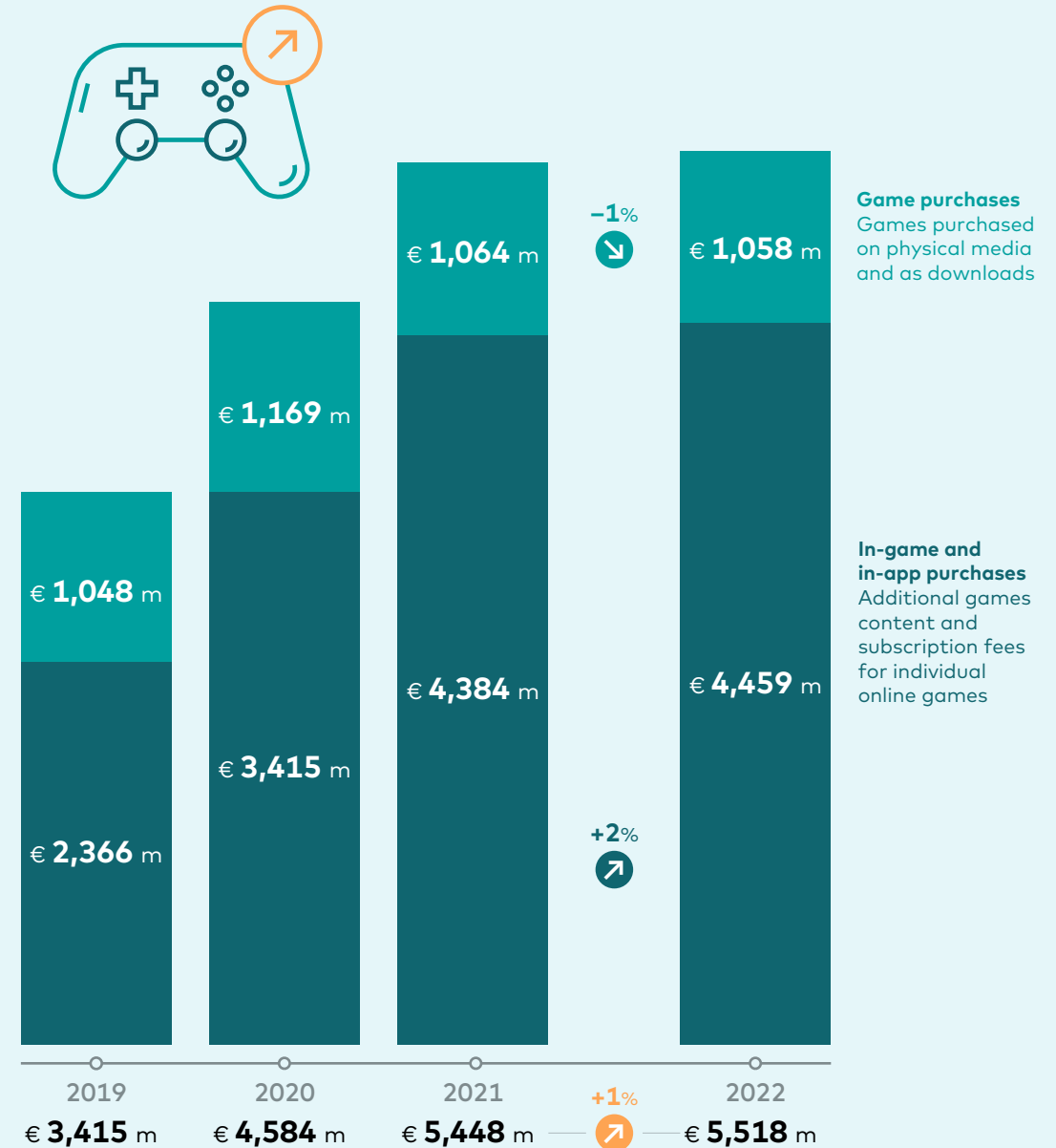
Market for game apps in Germany grows by a further per cent in 2022

Sales revenue in Germany from app and in-app purchases as well as app subscription fees



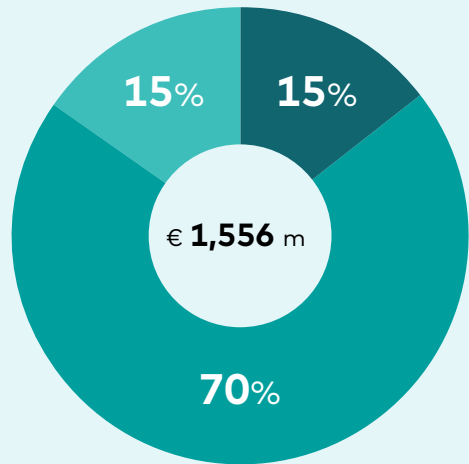
Source: data.ai and GfK. © game 2023

Sales revenue from games grew slightly compared to 2021

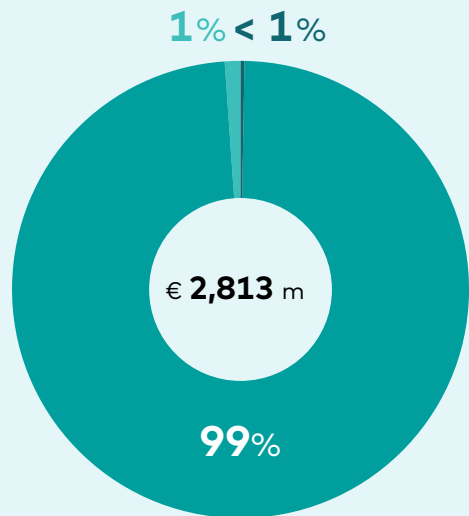


Source: Calculations based on the GfK Consumer Panel (2022/2023; n = 25.000), GfK Entertainment, GfK POS Measurement and Data.ai. © game 2023

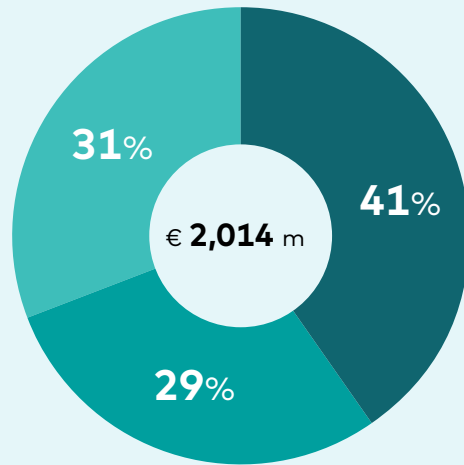
Big differences in consumer behaviour between gaming platforms



PCs and laptops



Smartphones/
tablets



Game consoles

- Game purchases
- In-game and in-app purchases
- Online gaming services

Source: calculations based on the GfK Consumer Panel (2022/2023; n = 25,000), GfK Entertainment, GfK POS Measurement and data.ai. © game 2023

services that provide access to a large selection of games, cloud-based games, online multiplayer functions and the ability to save game progress in the cloud. This market segment has enjoyed particularly dynamic growth – demonstrated not only by the large increase in sales revenue, but also by the wide range of games and services on offer. Even though some large providers discontinued certain services last year, other offerings were expanded and revamped, or even relaunched. As a result, numerous online game services have offered a range of functions for some time now – thereby rendering former distinctions between online gaming services, subscription gaming services and cloud gaming services obsolete. Examples of such services include EA Play, Nintendo Switch Online, PlayStation Plus, Ubisoft+ and Xbox Game Pass.



Buying PC and console games as downloads has become the most popular way to purchase games for many video game players in Germany.

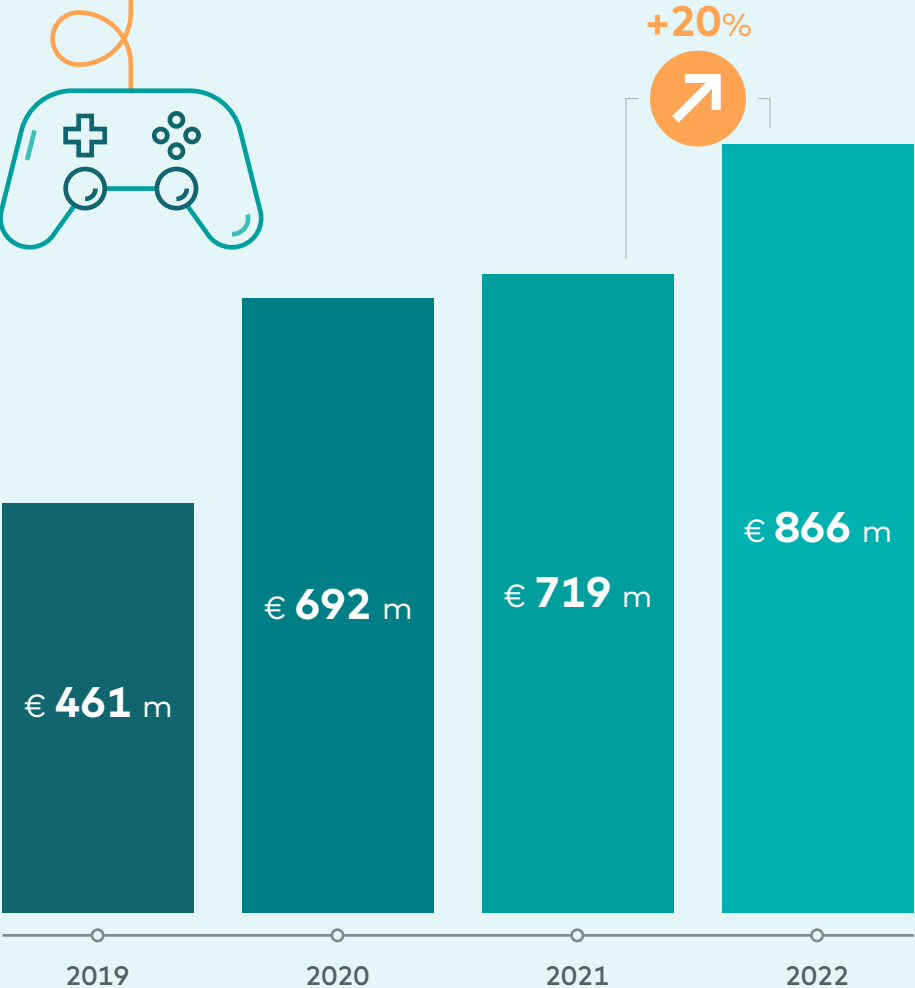
One of the most significant growth drivers in recent years has been gaming hardware, including gaming PCs, game consoles and the corresponding accessories. Following huge leaps in growth of 30 and 18 per cent in the previous two years, 2022 saw this market segment decline slightly, by around 3 per cent, to 3.5 billion euros. Reasons for this drop in revenues include the fact that game consoles like PlayStation 5 and Xbox Series X as well as the latest graphic cards were not universally available. Accordingly, like gaming PC accessories, the game console and console accessories market segments shrank. Only sales revenue with gaming PCs and laptops grew, showing an increase of 14 per cent. However, the strong growth of the previous two years also shows that many players already own the latest game hardware.

Buying PC and console games as downloads has become the most popular way to purchase games for many gamers in Germany: Germans buy 6 out of 10 video games as downloads. The share of download purchases in 2022 thus remained stable for a third consecutive year, at about 59 per cent, after a large jump in 2020, the first year of the Covid-19 pandemic. There are big differences between the gaming platforms, however: the majority of gamers in Germany obtain console games not as downloads, but rather on physical media such as discs through online or in-store purchase. In 2022, nearly 2 out of 3 console games (63 per cent) were purchased as physical copies – a share comparable to that in the two previous years. An even clearer development can be seen in PC games, which are now acquired almost exclusively as downloads. The download share of games for the PC has even shown continued growth, reaching 97 per cent in 2022 – 4 percentage points higher than in 2021.

Revenues from online gaming services experienced yet another year of strong growth



Online gaming services
 e. g. Nintendo Switch Online,
 NVIDIA GeForce NOW,
 PlayStation Plus, Xbox Game Pass



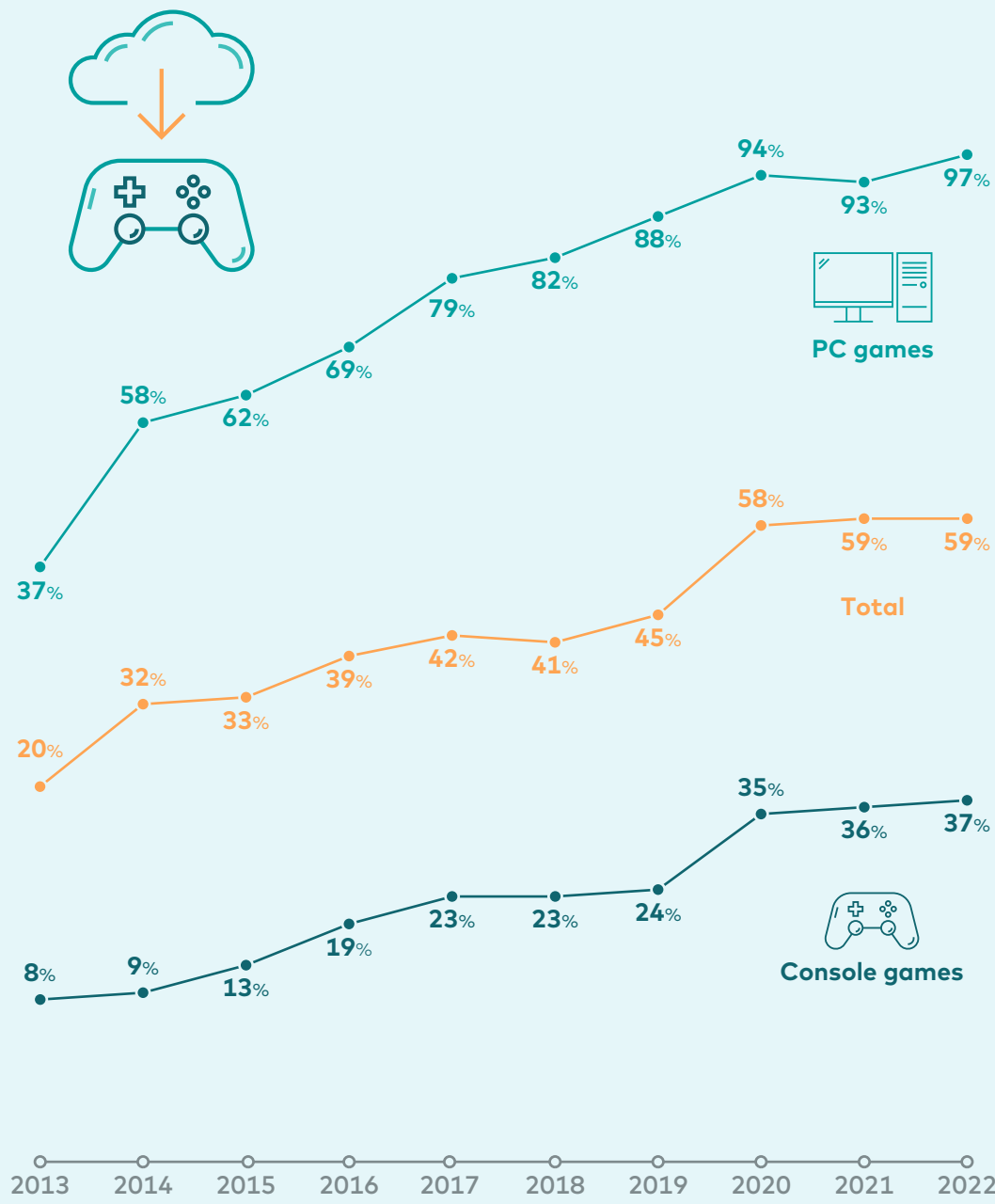
Source: Calculations based on the GfK Consumer Panel (2022/2023; n = 25.000), GfK Entertainment, GfK POS Measurement and Data.ai. © game 2023

There are significant differences in game purchases between the generations as well: younger video game players in Germany more often buy games by download, while older players prefer to purchase them on physical media. Accordingly, across all platforms, 20- to 29-year-olds acquire around 3 out of 4 of their games as downloads (72 per cent). The purchase of games on physical media, on the other hand, is especially popular among players 50 years and older: 50- to 59-year-old players obtain more than half of their games (53 per cent) as physical copies. This tendency is even more pronounced among those over 60 years old, who purchase 2 out of 3 games (65 per cent) on physical media.



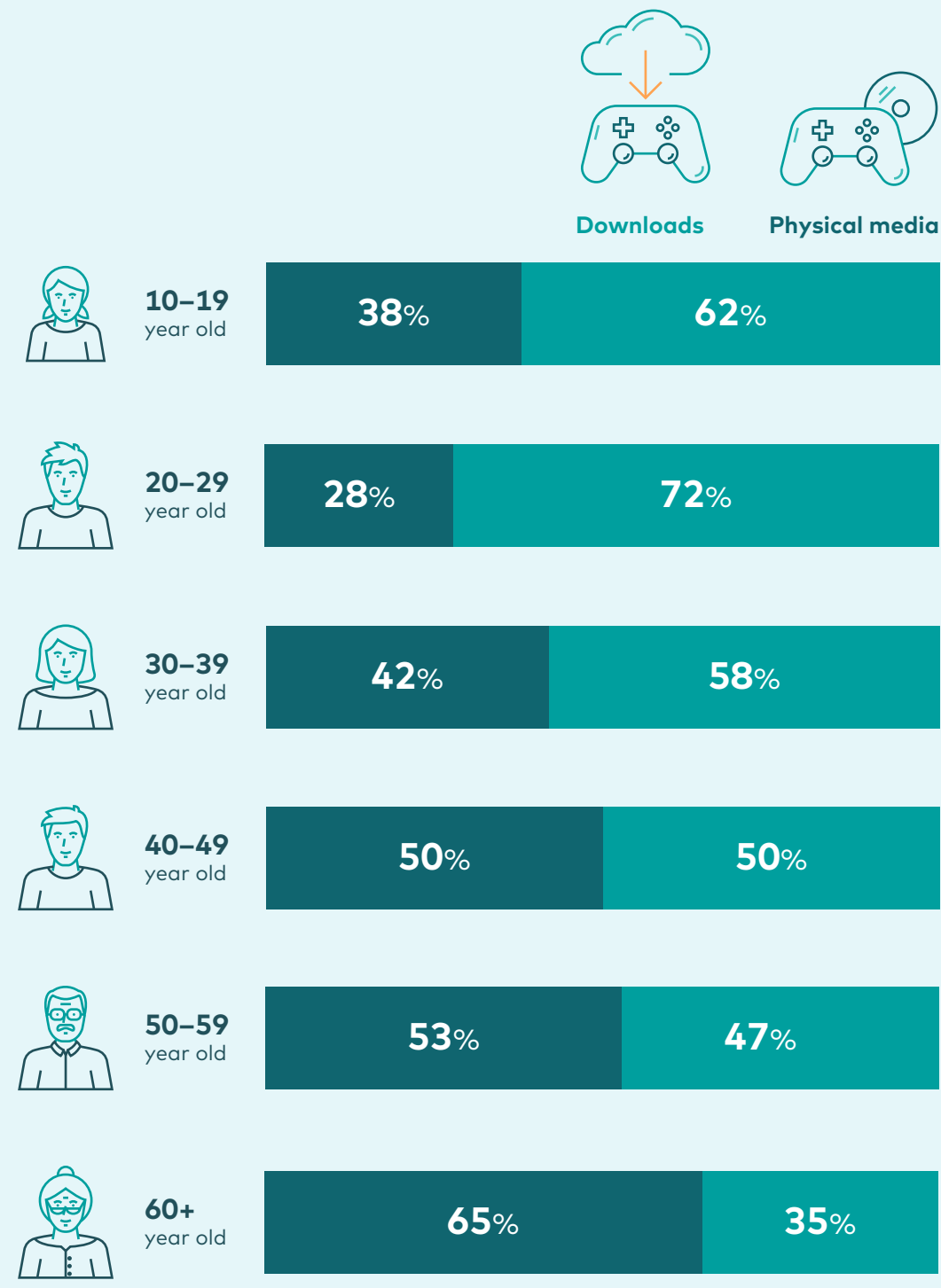
The purchase of games on physical media is especially popular among players 50 years and older: 50- to 59-year-old players obtain more than half of their games as physical copies.

6 in 10 PC and console games sold in 2022 in Germany were purchased as downloads



Source: data.ai and GfK. © game 2023

Big differences in game purchases between age groups



Source: data.ai and GfK. © game 2023

03

The games industry in Germany

Both in Germany and worldwide, the games market has shown impressive development in recent years. Never before have so many people played computer and video games. In Germany, about 6 in 10 people between 6 and 69 years of age play video games, and around the world, the number of gamers has now reached some 3 billion. On the one hand, these are very impressive figures. On the other, given a world population of about 8 billion people, they show how great the potential for further growth is.

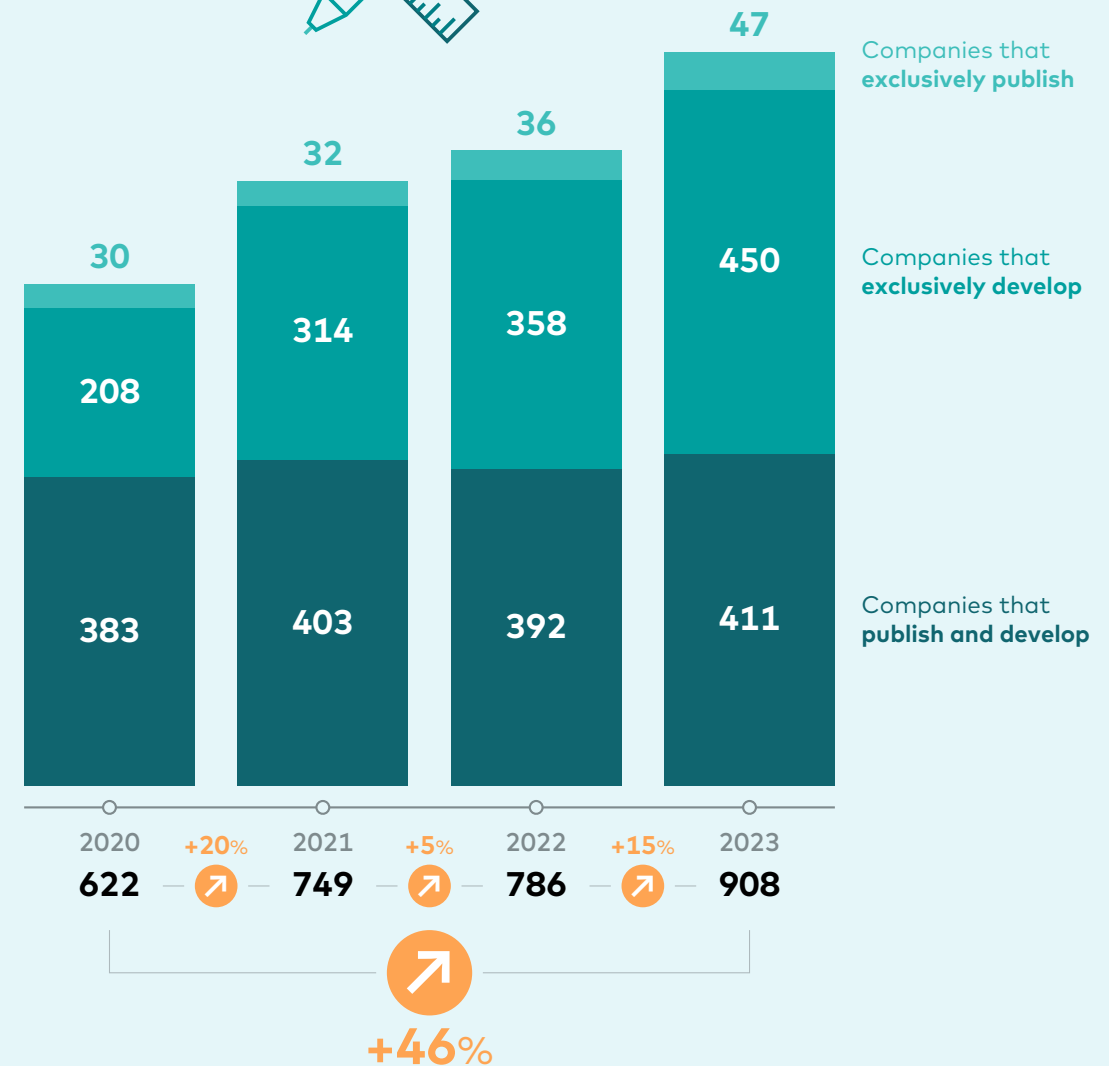
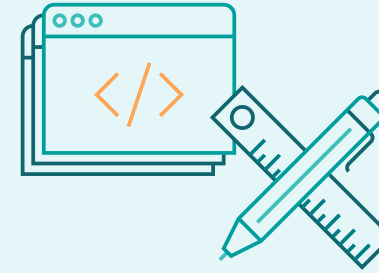


Around the world, the number of gamers has now reached over 3 billion.

That said, 2022 was an extremely variable year for the international games industry. Following the strong bursts of growth in the years of the Covid-19 pandemic, sales revenue from games decreased slightly in many markets. The USA and the UK, for instance, registered declines of 5 and 5.6 per cent respectively. The reasons for this are wide-ranging. In part because of delays in development during the pandemic, the release of many blockbuster games had to be postponed until 2023. *The Legend of Zelda: Tears of the Kingdom*, *Starfield* and *Hogwarts Legacy* are just three prominent

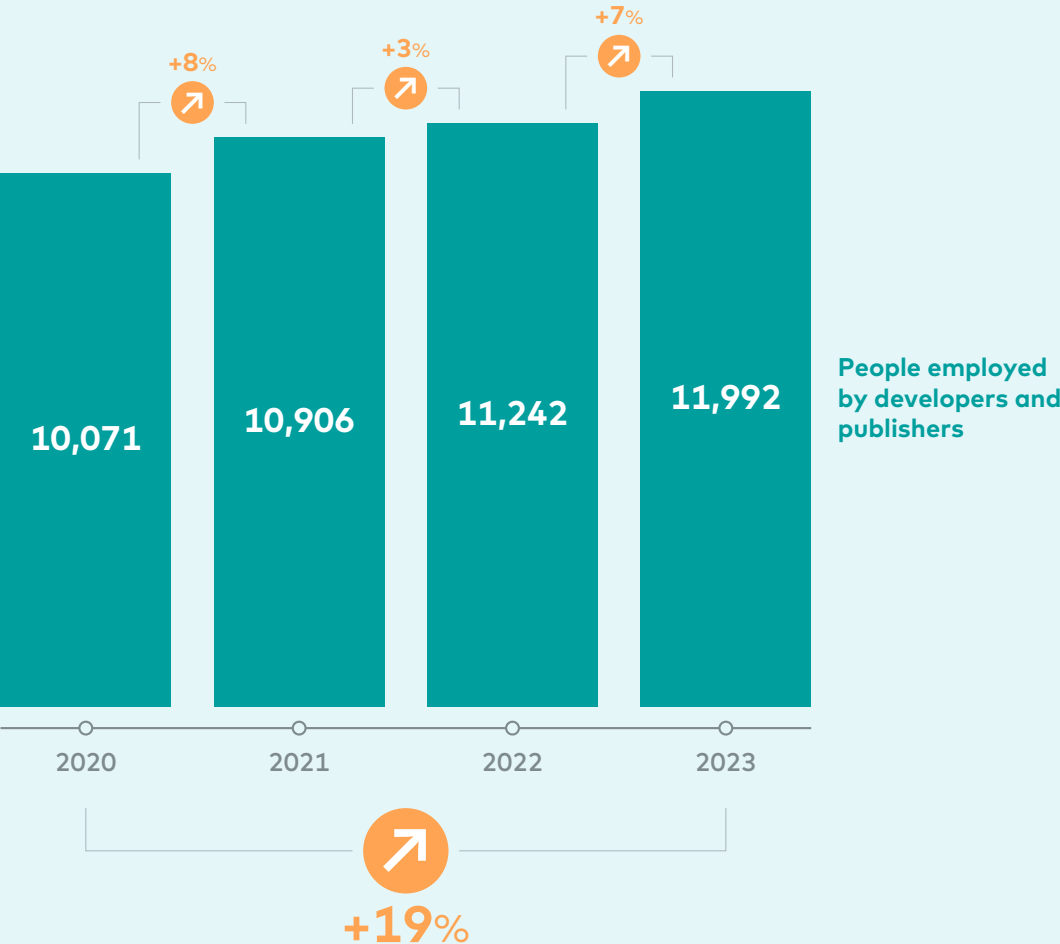
examples. Overall, after the lifting of many Covid-19 restrictions, a slight decline could also be observed in playing times. In addition to this, many countries faced a significantly more difficult economic situation due to increasing inflation driven by Russia's war of aggression against Ukraine.

Increase of more than 15 per cent in a year in number of game companies in Germany



Source: Calculations based on www.gamesmap.de data; May 2023. © game 2023

Increase in number of people employed by developers and publishers in Germany to around 12,000



Source: Calculations based on www.gamesmap.de data; May 2023. © game 2023

Despite these circumstances, the medium-term prospects for the international games market continue to be positive. The auditing firm PricewaterhouseCoopers expects the international games market to grow by an average of 7.9 percent a year to USD 312 billion by 2027. This is a clear indication that the games industry will in the future remain a fast-growing economic sector and an agile driver of innovation. The importance of this sector is underscored by developments outside the games market: from artificial intelligence to the metaverse, many of the leading current trends in the digital economy are hardly conceivable without the technologies and innovations of the games industry.

03.1 Employees and companies

We are witnessing a sustained upswing in the German games industry. After the substantial jump in the number of game companies and employees in 2021 and 2022, the development in 2023 has continued upwards. The overall number of game companies has risen by a very strong 46 per cent in the last three years, with the number of employees growing by 19 per cent. Here, initial successes of Germany's nationwide funding programme can be seen. Through the federal game funds, the framework conditions have improved so markedly that more and more young game developers are venturing the step of founding studios. At the same time, the funding support has made existing companies in Germany more attractive to international partners. Accordingly, there have been – at least until the stop in funding applications – more, and larger, German game projects underway or in the planning stage than there were previously. The ongoing increase in the number of companies and employees in the industry is a result of this.

The number of companies in Germany that develop and/or market computer and video games grew to 908 in 2022, an increase of 15.5 per cent over 2021. The majority of these companies are involved in the development of games. A total of 411 of them are active in both development and publishing, and a further 450 are engaged solely in game development. An additional 47 companies are specialised exclusively in game publishing.

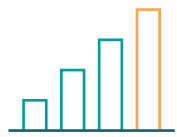


The overall number of game companies has risen by a very strong 46 per cent in the last three years, with the number of employees growing by 19 per cent.

The positive employment trend in the German games industry continues as well, with the number of employees of game development studios and publishers having risen to 11,992 – nearly 7 per cent higher than in 2022. The difference in the speed of this growth trend between the employee and company figures indicates that many smaller studios are being established; as in the previous two years, the growth rate in new start-ups is significantly

higher than that in the number of employees. Together with the extended games labour market, which includes the employees of service providers, retailers, educational establishments, the media and the public sector, the German games industry currently provides around 32,000 jobs. In contrast to many digital companies which in recent months have cut jobs, some on a large scale, many game companies have actually increased their employment rolls.

Despite this solid progress, a global look shows how far Germany still has to go to catch up with other successful game locations. Canada, for instance, with a population just under half that of Germany, has since the mid-1990s made substantial funding available to its domestic games industry, which now employs about 32,300 people, nearly three times as many as the sector in Germany. Extrapolated to apply to Germany, these figures indicate a potential of up to 60,000 jobs in the core labour market of the German games industry, or five times the actual current figure of 12,000.



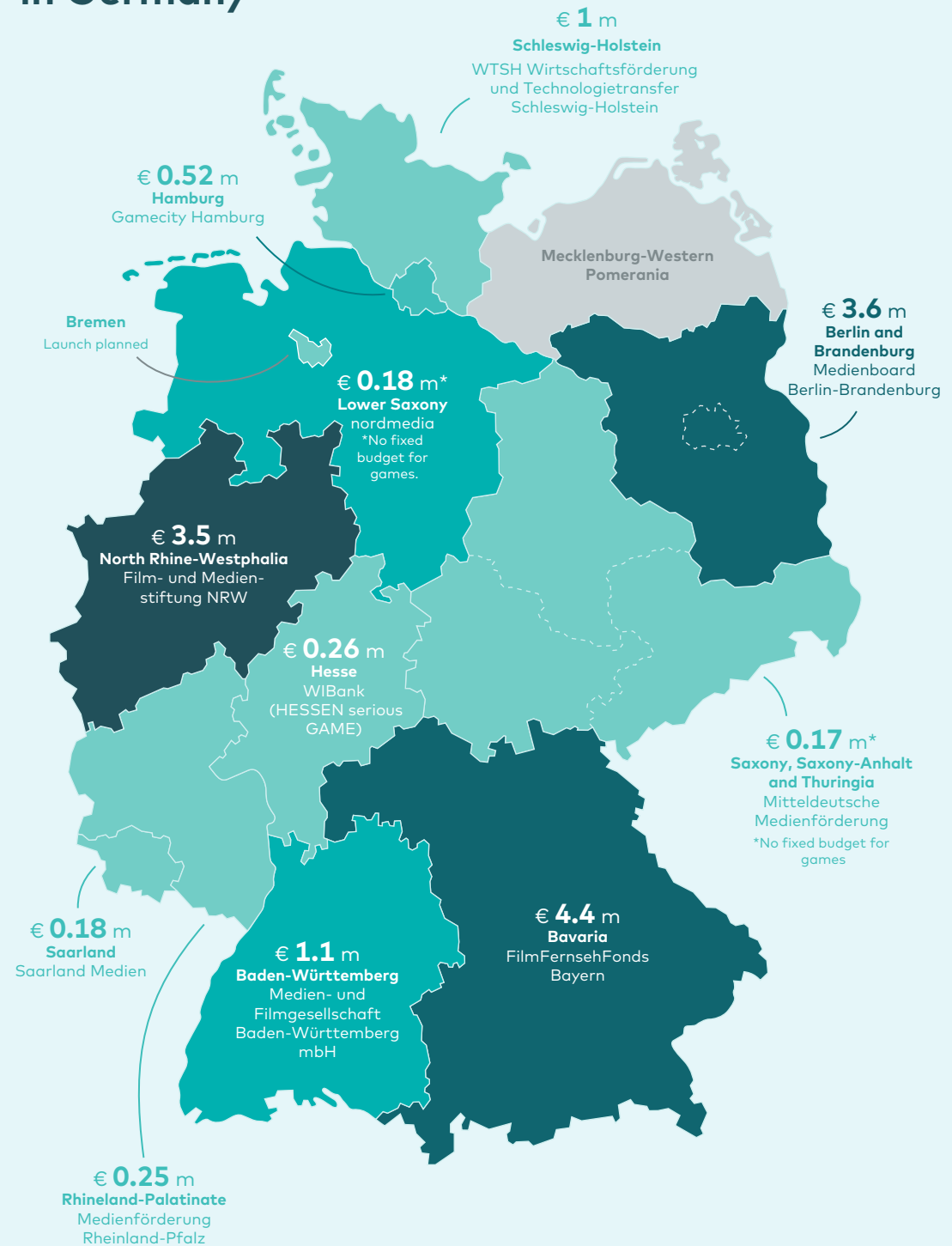
Together with the extended games labour market the German games industry currently provides around 32,000 jobs.

03.2 Games funding

The year 2022 and the first half of 2023 were eventful times for Germany's still quite young games funding programme. It is still too early to be able to draw an interim conclusion as to its success. After all, the national programme has existed only since 2019, when a pilot phase was begun with a per-company funding cap of 200,000 euros. The 380 funding applications submitted showed the game development studios' great need for federal support even then.

In late 2020, the final funding programme notified by the EU Commission went into effect, which allows funding levels of more than 200,000 euros. This simultaneously served as the starting pistol for Germany's race to catch up with the international competition and become one of the world's top locations for game production. And the initial effects can already be clearly observed, with a true spirit of optimism having arisen among game developers. This can be seen especially with a view to German game companies, the number of which rose by 26 per cent within the first two years of the federal funding programme. In the third year of the programme, further growth of 15.5 per cent was registered. In the number of employees, too, the trend since the start of the programme has been entirely in one direction: upwards. Since 2020, the number of jobs at game development studios and publishers has grown by 19 per cent. The gap yet to be closed between Germany and top international locations like Canada, France and the UK is large. The reason for this is that many countries introduced targeted funding schemes for their domestic games industries as much as 30 years ago. This brought advantages that led to numerous companies opening branches in

Regional games funding programmes in Germany



Note: There is no regional funding for computer and video games in the federal states of Mecklenburg-Vorpommern or Bremen. Last updated: July 2022. © game 2022

those locations, resulting in extremely vibrant game ecosystems. But a start has been made in creating a strong game ecosystem in Germany as well.

While successfully begun, the race to catch up unfortunately came to an abrupt halt when on 31 October 2022 – Halloween, fittingly enough – the responsible Federal Ministry for Economic Affairs and Climate Action (BMWK) announced an immediate application stop for games funding for 2022 and 2023. Overnight, this re-imposed the framework conditions that had existed up to 2018, which were hardly internationally competitive. The bottom line: producing a game in Germany was more than 30 per cent more expensive than in countries such as Canada or France. Costs for developing a game at the international level can quickly range into the tens of millions of euros; this throws into stark relief the

effect of the application stop, especially on game development studios that for months had been in the midst of planning their next project but hadn't yet submitted a funding application. These circumstances were further exacerbated in cases where international partners had already been found for an upcoming project – incentivised not least by the funding programme that had been in place. With funding applications no longer possible, such collaborations were suddenly rendered untenable. A situation rapidly arose that threatened the existence of, in particular, many small game studios.

The magnitude of the impact of the application stop on Germany as a game location was also recognised by the members of the German Bundestag. In the budget committee's adjustment session on 10 November 2022, an additional 20 million euros was allocated to the federal game funding programme. This averted the stop in applications for funding for 2023. Yet with the growth of the industry, as had been desired, the number of applications rose accordingly and the individual projects became more extensive, bringing an increase in the funds granted. As a consequence, a second funding application stop was announced in early May 2023 – and not just for 2023, but for 2024 as well.

The renewed application stop exposes the great weakness of the otherwise successful funding programme: its failure to orient funding levels automatically to the actual needs of the sector, as is practised in other countries. In combination with a lack of transparency as to the proportion of funds already distributed, this undermines the reliability and predictability of the current funding programme. To make matters worse, the second application stop within a few months was also noticed abroad. This flip-flopping further weakened Germany's international competitiveness, as it sent the signal that the location conditions here aren't reliable. It is therefore important to increase the funding to 125 million euros annually. To avoid the ongoing danger of an application

stop, however, the games funding programme must be developed beyond this. If not, Germany will fail to reap the full and sustained economic and cultural benefits of the digital innovation that a strong games industry helps to drive. In the medium term, alongside the current funding programme, a transition is called for, to a strategy of promoting game development through tax breaks. This structure is a well-established standard internationally and has been successfully implemented for many years by locations such as France, the UK and Canada. Tax deductions for game production offer a number of decisive advantages. They would introduce a predictability that is currently lacking, and the level of support would be automatically oriented to the actual need. Games funding in the form of tax deductions offers policy advantages as well. The corresponding resources wouldn't have to be appropriated specially in the budget, but would instead come in the form of reduced tax liability due to investments made – meaning that game companies would have to invest before receiving the support. Such framework conditions would lead to more investment, the creation of high-quality jobs and increased tax revenue.

In contrast to the federal government, the constituent German states have again made numerous improvements for game companies. The trend of the preceding years, in which ever more states have introduced or expanded their own funding programmes, has continued in recent months. Schleswig-Holstein, for example, has implemented a games funding programme for the first time, in which 4 million euros are to be made available to game development studios in the state by 2027. Baden-Württemberg has raised the volume of its state funding programme to the level of 1.1 million euros. Bremen's plan for game companies to be able to take part in a state funding programme in the future fills in another previous blank spot on the funding map. Meanwhile, Berlin and Brandenburg have allocated funds totalling 3.6 million euros, more than ever before. Berlin's new state government, a coalition of the political parties CDU and SPD, also plans to reinforce numerous additional areas – from the House of Games to the Computerspielemuseum and the International Computer Game Collection (ICS). The coalition agreement between the political parties CDU and Bündnis 90/Die Grünen in North Rhine-Westphalia takes a similar approach, calling for the increased use of games in schools and in vocational training, and for the further strengthening of the Fusion Campus in Düsseldorf and the esports player foundation. And Bavaria has responded to the federal funding application stop by appropriating remaining funds of 1 million euros above the existing level for the games industry from mid-2023.



To avoid the risk of further application stops, games funding must be further developed.



The trend of the preceding years, in which ever more states have introduced or expanded their own funding programmes, has continued in recent months.

The best games industry locations in Germany

Rated by companies in the games industry



1. North Rhine-Westphalia (3)
2. Hamburg (4), Berlin (2)
3. Bavaria (1)
4. Baden-Württemberg (5)
5. Brandenburg (8)
6. Lower Saxony (7)
7. Rhineland-Palatinate (9)
8. Saarland (6), Schleswig-Holstein (10)
9. Bremen (11)
10. Hesse (11)
11. Saxony-Anhalt (11)
12. Thuringia (12), Mecklenburg-Vorpommern (13), Saxony (12)



Source: Member survey (11/2022). © game 2023
Note: previous ranking from August 2021 in brackets.

Game companies closely monitor the efforts that are made by the various states with regard to the respective framework conditions. This is shown very clearly by the results of game's industry barometer. Among the states, North Rhine-Westphalia is currently perceived the most positively as a games location. With this result, Germany's most populous state climbs from third place in the 2021 survey to first place this year. Hamburg also makes a leap forward, from fourth to second place, sharing this ranking with Berlin, which holds firm in its 2021 position. Bavaria, which topped the list in 2021, achieves only third-place status this year as three other states overtake it.

03.3 Skilled workers

The shortage of skilled workers in Germany poses an ever-increasing obstacle for game companies' ongoing development. The upswing of the recent years, which has brought a sharp increase in the number of companies, has also further exacerbated the labour situation. Over the last ten years, significantly more training places have been created in the field of games, with gamecampus.de now listing around 50 educational establishments with courses of study devoted to computer and video games. Yet because industry professionals with design and, especially, technical backgrounds are highly sought after in many economic sectors, including some quite far removed from the games industry, the shortage has grown yet more acute for game companies in the last several years. One way to secure more skilled workers for Germany as a game location in the medium to long term is through a strengthening of research and teaching. This could boost efforts to train more game professionals and thereby reduce the shortage in the games industry. But an expansion of research and teaching in the game sector would also contribute to realising the federal government's strategy of developing Germany into a leading international market for game production. Such an expansion would thus sustainably strengthen Germany not just as a game location, but also as a digital location overall.



One way to secure more skilled workers for Germany as a games location in the medium to long term is through a strengthening of research and teaching.

Necessary measures for strengthening game research and teaching in Germany include, for example, establishing more professorships and courses of study, supporting research networks and developing unified standards in the accreditation of game study programmes. At many educational institutions, instruction in the field of games is still too compartmentalised, or too often merely added on to supposedly similar courses of study. It is essential that the field of games be conceived of holistically, such as through the intermeshed offerings of various degree

programmes, for example in game design, game art and game studies. An autonomous 'games university' along the lines of the Film University Babelsberg KONRAD WOLF could additionally give greater visibility to all disciplines that are important for games, as well as to Germany as a location not just for game development but also for teaching and research in the field.

Strengthening research and teaching in the field of games can't in itself meet the industry's need for skilled labour. For this reason, the recruitment of experts from abroad remains important. While this poses no serious problem with respect to citizens of other EU countries, the situation with regard to skilled workers from third countries is different. A survey of game

member companies points to a number of bureaucratic hurdles that make hiring urgently needed personnel from non-EU countries expensive and time-consuming. The situation is particularly dramatic in the area of game coding, in which 9 out of 10 game companies report difficulty in hiring qualified workers. Recruiting is also especially challenging in the areas of technical art (68 per cent), game production (61 per cent) and game design (59 per cent). That said, games companies in Germany are already very international: every fifth employee (21 per cent) of game development studios and publishers comes from outside the EU. English is spoken, either in part or exclusively, in 8 of 10 game companies. This indicates how simple the integration of skilled workers from third countries would be. Nonetheless, up to now, only 42 per cent of development studios and publishers have taken this step. Among those that thus far have not hired employees from non-EU countries, 22 per cent attributed this to the excessive expense, while 42 per cent said it was too complicated. Overall, companies complain of the many bureaucratic obstacles in the

hiring of skilled workers from third countries. These include, among other things, the non-recognition of training credentials, the long processing time for applications, fixed salary minimums and the limited help provided by administrative bodies.

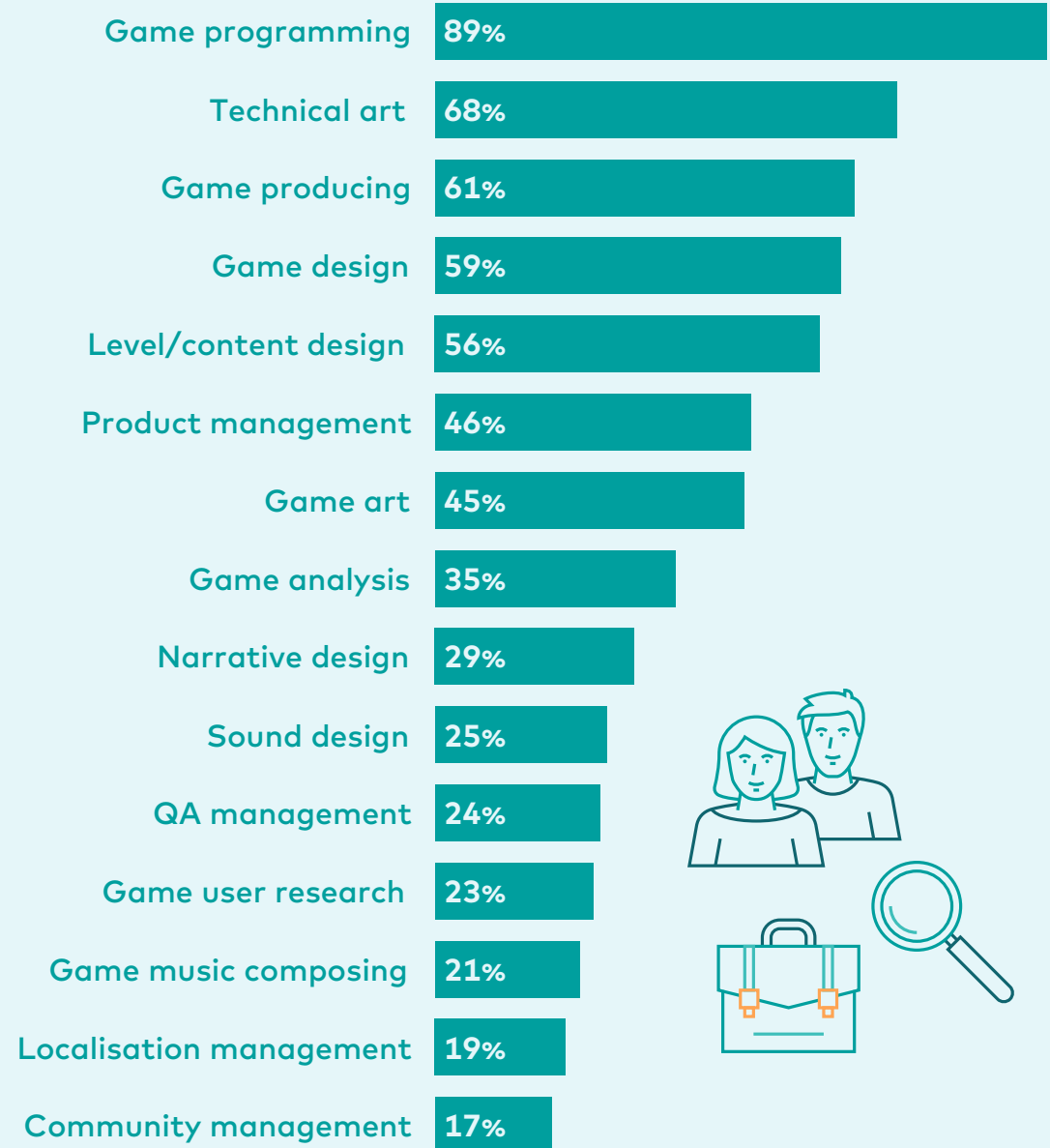
To strengthen Germany as a game location, the immigration of skilled labour from third countries must therefore be simplified. While the federal funding programme has enabled German game companies to better compete for skilled professionals that are sought after worldwide, they frequently are still disadvantaged by domestic regulations that are too complicated, time-consuming



The five demands:

1. More and better-endowed professorships, courses of study and research clusters
2. Support for educational and research networks
3. Unified standards and guidelines for accreditation of game degree programmes
4. Doctoral and postdoctoral qualifications in all game disciplines
5. Founding of a 'games university'

Skilled workers in these areas are especially hard for game companies to recruit



Source: Survey of member publishers and developers by game – The German Games Industry Association, January 2023 (n = 84).
Note: the answer categories 'rather hard' and 'very hard' were aggregated. © game 2023

Bureaucratic hurdles complicate the hiring of skilled workers from non-EU countries in the German games industry



Every fifth employee (21 per cent) at development studios and publishers comes from outside the EU

58% of German games companies have hired no employees from non-EU countries up to now

Important reasons for this are that :

42% find hiring them too complicated

22% find the related costs too high

- Non-recognition of training credentials
- Long processing times for applications
- High fixed salary minimums
- Limited help from administrative bodies

This includes, among other factors :

Source: Survey of member publishers and developers by game – The German Games Industry Association, January 2023 (n = 84). © game 2023

and expensive. Given that the needs of the games industry are similar to those of many other especially dynamic and innovative areas, it is imperative that they be taken into account in Germany's immigration act for skilled personnel.



In order to strengthen Germany as a games location, the immigration of skilled workers from non-EU countries must therefore be made easier.

03.4 The ten demands of the games industry

game - The German Games Industry Association is committed to the comprehensive improvement of the framework conditions for the games industry in

Germany. This is necessary to make Germany internationally competitive and successful as a games location. The core points of the political work are the following 10 demands:

1 Sustainably promote Germany as a games location

Games are a cultural asset, an economic factor and a guarantor of digital innovation. If Germany wants to benefit from the resulting opportunities for the economy and society, it must catch up with international competition as a games location. The federal government's games strategy is an important basis for this. The creation of internationally competitive framework conditions for games development is crucial for the future viability of Germany as a games location. The basis for this is reliable and internationally comparable games funding. The funding for this must be increased to 125 million euros in the short term. In addition, tax-breaks for the games industry must be introduced. Independently of this, games "made in Germany" and the games location as a whole need better visibility and networking here and internationally.

2 Games for better learning, at school and throughout life

Games are more than entertainment. They can have a supporting effect in almost all areas of life, they create new approaches and encourage even better performance. Our education system must use the opportunities offered by games for digital education in schools, vocational schools, universities, in further education and for lifelong learning. The development of games for teaching must be specifically supported and promoted. Media competence and programming skills are elementary for pupils in the digital age and must be a compulsory part of teaching.

3 Strengthening games in science, research, teaching and training

Research and teaching around games urgently need recognition and academic equivalence as an independent scientific discipline in the canon of established sciences. This includes more and better equipped professorships, degree programmes and research clusters, support for education and research networks, uniform accreditation standards, doctoral and post-doctoral opportunities and the establishment of a lighthouse institution "Games University" for a special international top level of games research and teaching in Germany. Such a stronger anchoring not only ensures urgently needed specialists, but also secures know-how in areas such as artificial intelligence, 3D simulation, gamification and other games technologies and concepts with which most economic sectors are already working today.

4 More commitment for games professionals

The German games industry lacks highly specialised, experienced professionals. Since they are not available in sufficient numbers in Germany, the training situation must be improved and the influx of these professionals from abroad must be facilitated. In addition to simplified access conditions and active recruiting for these professionals, a positive welcoming culture is necessary with which the international experts are also received by the authorities in this country.

5 Digital infrastructure for all

For successful games development, the numerous games companies in the entire ecosystem and the millions of video game players, Germany as a games location must have nationwide gigabit capability. This applies to high-performance broadband internet connections and a strong 5G network: Germany must quickly catch up on all highspeed networks and make a future-proof digital infrastructure accessible to all.

6 Youth protection: modern, convergent and internationally connectable.

For a modern German system for the protection of youth, the responsibilities of the federal and state governments must be fundamentally reviewed. Only in this way can we succeed in creating uniform, modern and convergent legal provisions for the protection of youth that fit the media reality of children and young people and ensure international compatibility. Many modern protection systems and technical facilities from the games industry can be a model for this.

7 Start-up support and infrastructures for games development

Games hubs, with incubation and accelerator programmes, are important entrepreneurial homes for founders and an opportunity for regional business locations. They promote exchange between games companies and cooperation with other sectors that want to profit from the potential of games development. These economic and innovative effects require strong commitment and support from the states and municipalities. At the federal level, existing programmes for start-ups must be adapted for the games industry and a separate scholarship programme must be set up.

8 Provide investment security, create value.

As a games industry, we have developed innovative business models that are primarily geared to the needs of the video game players as well as to practicability and take into account the trust of the users in our products as a decisive factor for success. New digital business models need freedom, which is why a fair balance of interests between consumer rights and entrepreneurial freedom must also be found in the digital world. The empowerment of responsible and sovereign users must take precedence over new regulation.

9 No chance for haters, trolls and pirates: Making security authorities digitally fit too

As a games industry, we stand up for diversity and tolerance every day. All video game players must resolutely work together to counter hate speech and brutal and sometimes illegal behaviour in our digital society. For effective and efficient solutions, the digital competences of the authorities must also be expanded.

10 Make Germany the best esports location

We want to make Germany the best esports location. In view of the high social, cultural and economic relevance of esports, the framework conditions must be designed in the best possible way. In particular, the valuable work of clubs offering esports must be promoted and not further disadvantaged. They must therefore be recognised as non-profit organisations in the tax code. Whether esports is a sport or not is not decisive. At the same time, there needs to be more support for young talent and events in the states and local communities so that we in Germany can participate in this international phenomenon at a world level.

04

esports player foundation

The number of people in Germany who play esports as a hobby has been rising for many years now. Today there are esports clubs, departments, university groups and organisations throughout Germany where enthusiasts can enjoy their pastime. Germany's cohort of professional esports players, who compete at the highest level and earn money doing so, is also growing.



In order to provide the best possible support for aspiring esports professionals, the world's first institution dedicated to assisting esports players, the esports player foundation, was founded in January 2020.

To ensure that today's esports professionals as well as up-and-coming talent enjoy the best possible support in the future, the world's first initiative dedicated to assisting esports players was launched in Cologne in January 2020. The mission of the esports player foundation (epf) is to provide current and future top players with a comprehensive support programme like those offered in conventional sports – something that is completely new in the esports field.

The epf aims to close this gap, because to be successful in the digital arena, competitors need years of balanced professional training. This means not only helping active esports players – from promising young talent to semi-professional and professional players – to hone their game-playing skills, but also taking responsibility for the time after their careers, or in the event that they don't succeed at the professional level. Ensuring a healthy balance between their esports careers and school, training, professional development and work is therefore a top priority.

The epf is already assuming a leading role globally in many areas. Its programme includes continuous support in the area of sports psychology, a fitness regimen, nutrition consultation and sports medicine check-ups, as well as tax and financial coaching, help with contractual matters and targeted career counselling. In each case,

the services offered are tailored to the individual player's situation and provided by a nonprofit organisation. It is a programme for esports players that has yet to be matched anywhere in the world. In addition, it teaches the values of good sportsmanship, and participants are empowered to serve as positive role models for millions of ambitious players.

The epf currently works with 200 players of the games *Counter-Strike: Global Offensive*, *League of Legends*, *Brawl Stars*, *Valorant* and *FIFA*. In the future, the foundation hopes to be able to provide comprehensive support to every talented player in every relevant esports game. As a start to this endeavour, the epf joined forces with Deutsche Kreditbank in early 2022 to establish the DKB Diamonds, a League of Legends free agent team that offers talented young players the opportunity to gather game experience and attract attention through their play in the Prime League (similar to Germany's football Bundesliga). The DKB Diamonds now play in the Prime League's second division. On the basis of their success, an academy team, the DKB Diamonds RAW, was additionally founded in early 2023. This team consists of very young players who will likewise seek to prove themselves in the Prime League.

Together with the epf, the state of North Rhine-Westphalia likewise decided to expand its activities in the area of esports and to provide targeted support to talent from NRW. The Esports Academy NRW admitted to its promotional programme 30 of the state's top esports players of the titles *FIFA*, *League of Legends* and *Brawl Stars*.

In addition to game promotion, the epf is involved in other areas of esports as well. In 2021, it joined with Deutsche Telekom and SK Gaming to launch the Equal Esports initiative, which works to achieve greater diversity and equality of opportunity in esports. But Equal Esports does more than foster talent. It also includes an Equal Esports Council consisting of experts and executives, which functions as a kind of 'supervisory board' for the initiative. The Equal Esports Festival is a further component of the initiative's activities.

The esports player foundation also publicly takes on the issue of hate speech and toxicity on the internet on a regular basis. In its campaign *Speak Up Esports*, the epf and esports protagonists weigh in against hate speech and toxicity in this sphere. Another campaign in this context is the *FIFA Fairplay Guide*. Jointly put together by Germany's most prominent *FIFA* esports players, creators and the community, it advises players on game-related behaviour for the esports title *FIFA*.



In its campaign *Speak Up Esports*, the epf and esports protagonists weigh in against hate speech and toxicity in this sphere.



Further information is available on www.esportsplayerfoundation.org/en

05

gamescom and devcom

In 2022, after two strictly digital years, gamescom finally took place again not just online but also on-site in Cologne. Hundreds of thousands of visitors on-location were joined by millions more online in celebrating the comeback of the world's largest event dedicated to games. With a new hybrid concept, an exciting programme, diverse online formats and many new offerings, gamescom once again successfully positioned itself as a 360-degree event for the entire video game community.



With the lead theme 'Games: at the heart of pop culture', gamescom 2022 drew attention to the massive cultural relevance of computer and video games.

Some 265,000 game enthusiasts from over 100 countries streamed into the gamescom halls to experience a wide range of highlights. More than 1,100 German and international game developers, publishers and other partners were present with impressive stands. Among these were 190 developers in the indie area. Visitors enjoyed the diverse programme that was held in the new event arena, including a heavy metal concert, a mobile esports tournament and show formats with game creators. On the online content hub gamescom now, millions of fans worldwide followed shows like *gamescom*:

Awesome Indies, with a diversity of independent games from around the globe, as well as gamescom studio and the live streams of partners. By the Saturday evening during gamescom, over 130 million views were counted, 12 million of which were devoted to the popular show *gamescom: Opening Night Live*, which brought exciting games-related announcements and news to the community. In the interactive online quest *gamescom EPIX*, around 126,000 players additionally completed 480,000 quests to win a

gamescom 2022 in numbers

265,000

visitors from over 100 countries
plus 25,000 trade visitors

130 m

million views worldwide
in gamescom's online formats

3,700

live streams on 1,600
different channels

1,100+

exhibitors from 53 countries
in an exhibition space totalling more than
200,000 square metres

126,000

EPIX players and
480,000 completed
quests

3,500

participants in the devcom
Developer Conference 2022

range of awards. With the lead theme 'Games: at the heart of pop culture', gamescom 2022 drew attention to the massive cultural relevance of computer and video games. This was reflected in part by the gamescom presence of brands and organisations from outside the game sector, such as the European Space Agency, DKMS and the car manufacturer MINI, which took inspiration from games and their respective communities. The exhibitors expressed complete satisfaction and, according to an event survey, over 90 per cent would recommend participation in gamescom to colleagues and other companies.

Thanks in significant part to the voluntary involvement of the community and exhibitors, no gamescom before has ever been so eco- and climate-friendly. With gamescom goes green, a project was launched in 2022 to make the world's largest game event more sustainable. It enabled companies and visitors to make donations or purchase a green ticket to support the gamescom forest near Bayreuth, which expanded to a total of 22,600 square metres

this year as a result. The cooperation between gamescom and ClimatePartner additionally made the core event completely climate-neutral, as the event's emissions of nearly 3,000 tonnes of CO2 were compensated for through the support of two certified climate protection projects.

The devcom Developer Conference, which in 2022 was held as a fully hybrid event for the first time, likewise set a new record for trade visitors and developers from the game industry.

Over 3,500 participants were registered in the devcom-organised formats and networking possibilities on-site alone, marking a 10 per cent increase compared to the previous record-setting year of 2019. The conference was also accompanied by a five-day live programme on Twitch that drew more than 750,000 viewers and added content offerings to address a wider public. The devcom Developer Conference included a number of new formats which will remain integral parts of the programme in the future and are to be expanded: the exclusive Networking Dinner on the eve of the opening, the *FLINTA* Meetup*, the *Executive Summit* and the *Developer Night* as a big closing event.

Exchange among the B2B community of devcom, gamescom and gamescom asia was made possible by the newly launched digital platform gamescom biz, which will remain open permanently for networking and allow access to online content of all three events.

The gamescom congress also took place, with around 800 visitors on-site in Cologne. More than 140,000 viewers followed the event via live stream, more than ever before. In over 40 programme points, some 90 experts presented the potentials of games for education, culture, the economy and science through numerous talks, panel discussions, workshops and networking possibilities.

Again in 2022, gamescom was also met with great political interest. A number of political guests of honour came to the political opening, including NRW Minister-President Hendrik Wüst and Michael Kellner, Parliamentary State Secretary at the Federal Ministry for Economic Affairs and Climate Action. Federal Minister for Economic Affairs and Climate Action Robert Habeck, who wasn't able to attend in person, was present in the form of a video message in which he made clear his position that Germany as a game location must be supported through accompanying and expanded policy measures. A further political highlight was the talk *Debatt(!)e Royale*, in which the general secretaries of the SPD and FDP, the federal executive director of Bündnis 90/Die Grünen and the digital expert from the parliamentary group of the CDU discussed, among other things, the question of what framework conditions the government must create in order for the potential of games to be fulfilled. The fact that some 170 further guests from the political sphere – more than ever before – visited gamescom 2022 to gain an overview of current developments in the game sector demonstrates that gamescom continues to be one of the most important platforms for exchange between politics and the industry.



Over 3,500 participants were registered in the devcom-organised formats and networking possibilities on-site alone.



gamescom continues to be one of the most important platforms for exchange between politics and the industry.



Further information is available on www.gamescom.global and www.devcom.global

06

German Computer Game Awards

The German Computer Game Awards 2023 took place in Berlin. For the first time since 2019, they were held before a large audience of around 600 guests from the games industry and from the cultural, social and political spheres.

The hosts, Katrin Bauerfeind and Uke Bosse, guided the audience through the award ceremony at Spindler & Klatt on the banks of the river Spree, joining with the speakers in presenting the evening's winners and the best German-produced games. Hundreds of thousands of online viewers followed the captivating gala from home via live stream. The community was integrated in the live show at multiple points as the streamer and co-host Ollimeee showed entertaining reactions and comments from viewers during the festivities. *Chained Echoes* was named Best German Game. Together, the 2023 winners were presented with prize money totalling 800,000 euros.

The German Computer Game Awards, established in 2009, are the most important awards for the German games industry. They are presented to the makers of Germany's best computer and video games by the Federal Ministry for Economic Affairs and Climate Action (on behalf of the Federal Republic of Germany) and game – The German Games Industry Association. The German Computer Game Awards are supported by the Foundation for Digital Games Culture. The organisers work continuously to further develop these awards. Their goal is to spotlight the outstanding work of the makers of these games in order to bring the creators the publicity they deserve.

The German Computer Game Awards are given in 15 categories, including an international category, an audience award for the player of the year and a special jury award. The winners are selected by the main jury and specialist juries made up of respected game experts and policymakers, media figures and people from the academic and cultural worlds. They evaluate the submitted games on the basis of aspects such as quality, degree of innovation, entertainment factor and cultural and educational value. The chairwoman of the main jury is Prof. Mareike Ottrand of the Interactive Illustration and Games lab at HAW Hamburg.



The German Computer Game Awards are the most important awards for video games from Germany.



Further information is available on www.deutscher-computerspielpreis.de

All the winners of the German Computer Game Awards 2023

NEW TALENT AWARD –
BEST DEBUT

Signalis

rose-engine /
Humble Games

PLAYER OF THE YEAR

Pia Scholz

aka Shurjoka

BEST FAMILY GAME

**Die magische
Bretterbudenburg**

Meander Books

BEST EXPERT GAME

**Touch Type
Tale – Strategic
Typing**

Pumpnickel Studio /
Epic Games

BEST SERIOUS GAME

Beholder 3

Paintbucket Games / Alawar
Entertainment

BEST MOBILE GAME

**Dungeons of
Dreadrock**

Christoph Minnameier

BEST GERMAN GAME

**Chained
Echoes**

Matthias Linda / Deck13
Spotlight

STUDIO OF THE YEAR

**Paintbucket
Games**

Berlin

BEST AUDIO DESIGN

Signalis

rose-engine /
Humble Games

BEST INTERNATIONAL
GAME

**God of War
Ragnarök**

SIE Santa Monica Studio /
Sony Interactive
Entertainment

NEW TALENT AWARD –
BEST PROTOTYPE

**Light of
Atlantis**

Alina Fasen, Luisa Höhne,
Vincent Krenzke, Simone
Mayer, Alexander Nham /
HAW Hamburg

BEST GRAPHIC DESIGN

**Abriss – build to
destroy**

Randwerk Games

BEST INNOVATION AND
TECHNOLOGY

**Beethoven //
Opus 360**

agon e.V.

BEST GAME DESIGN

Dome Keeper

Bippinbits /
Raw Fury

SPECIAL JURY AWARD
#FemDevsMeetup

07

Entertainment Software Self-Regulation Body (USK)

Games fascinate adults, adolescents and children in equal measure. For nearly 30 years now, the Entertainment Software Self-Regulation Body (USK) has worked in the field of youth protection to ensure that children can enjoy a positive gaming experience without being subjected to inappropriate content.



Since it was first established in 1994, the USK has conducted more than 51,000 evaluations of digital games.

As the games industry's organisation for voluntary self-monitoring, the USK is the responsible authority for the assessment of digital games in Germany. The non-profit organisation's sole stakeholder is game – The German Games Industry Association.

The familiar USK age ratings (0, 6, 12, 16, or 18 and up) indicated on games make it possible to recognise at a glance the age from which a game is appropriate from a youth protection standpoint, thus providing parents and educators with an important guide.

Since it was first established in 1994, the USK has conducted more than 51,000 evaluations of digital games. In 2022 alone, 1,950 games were assessed. The USK also awards age ratings in the framework of the International Age Rating Coalition (IARC) for apps and games that can be obtained online.

Nearly 50 companies have become members of USK.online. As an officially recognised self-regulation body under the German Interstate Treaty on the Protection of Minors (JMStV), USK.online gives its member companies practical support in implementing and complying with statutory provisions related to their online offers. USK.online also conducts approval processes regarding technical measures for the protection of minors in the media environment.



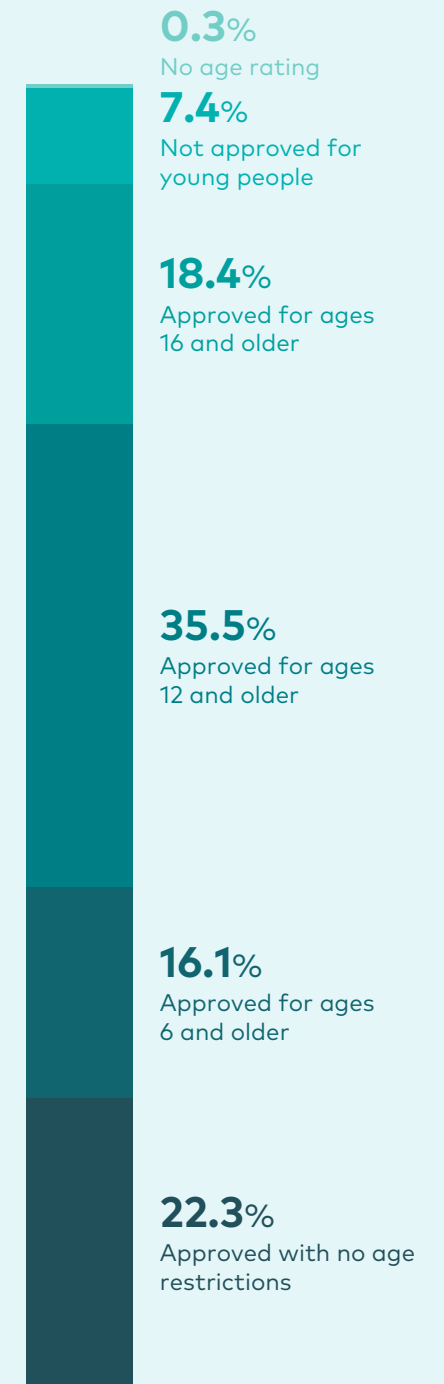
Further information is available on www.usk.de/en

Germany's new youth protection legislation came into force in May 2021, bringing with it significant changes for video games, and therefore also for the USK and its assessment processes. The USK collaborated with the Supreme Youth Protection Authorities of the Federal States (OLJB) in the state of North Rhine-Westphalia, which is responsible for the statutory age rating, as well as with game and the OLJB's Permanent Representatives at the USK, in formulating concrete proposals for the implementation of the new regulations. The proposed measures include introducing additional notices regarding, for example, in-game purchases or chat options, elaborating these on game packaging and integrating into the USK assessment process the potential risks their use poses. This cooperation enabled the USK to begin applying the new standards in trial operations as of 1 January 2023. Simultaneously, the USK worked intensively to prepare game providers for the changes, and to make available on its website all necessary information to the target group (parents, children and adolescents as well as educators).

The USK puts its comprehensive knowledge in the field of games to work in projects to promote media expertise, and it collaborates in efforts to educate the public on the principles of digital game safety. On the occasion of the international Safer Internet Day 2022 (SID 22), for example, the USK brought together parents and legal guardians of young people for a digital parents' evening. The online event met with great interest, attracting almost 100 participants. In addition, the USK joined the initiative *Elternguide.online* as a partner, supporting parents in promoting their children's media literacy in such areas as games, apps and social networks.

As its official partner for youth protection, the USK advised gamescom on the age-appropriate implementation of the event and also had its own stand at the event. In the context of the gamescom congress, USK Managing Director Elisabeth Secker discussed strategies for modern youth media protection with representatives from the regulatory authority and the fields of research and business.

Annual statistics, 2022: proportion of age ratings



Source: USK 2023

08

Foundation for Digital Games Culture

Computer and video games connect people, drive innovation and form the heart of a vibrant popular culture. In short, games change the world. The Foundation for Digital Games Culture invites actors from the political and academic spheres and from civil society to participate in shaping this change.

On the basis of formats for exchange, model projects and studies, it points out how digital games create social added value for education, culture and research. As an 'opportunity ambassador' for games, the foundation functions as the centre of a cross-sector network devoted to developing the potential of games beyond the realm of entertainment. It was jointly founded by the German Bundestag and the German games industry in 2012. Its efforts are supported by a high-calibre advisory council whose 14 members come from areas including German Federal Ministries, the Supreme Youth Protection Authorities of the Federal States, colleges and universities and the games industry. The sole stakeholder of the foundation is game – The German Games Industry Association.



The Foundation was jointly founded by the German Bundestag and the German games industry in 2012.

In the cultural area, the foundation is responsible for the administration of the submission and judging process for two renowned awards in the sector: the German Computer Game Awards, hosted by the federal government and the German game industry, and the gamescom award, bestowed by the world's largest game event, gamescom. With its online database, the *International Computer Game Collection*, which

now encompasses over 42,000 titles, the foundation is additionally supporting the formation and establishment of the world's most extensive collection of digital games. In 2022, not only were the database and website revamped, but important steps were initiated in the collection's founding of a new location of its own. The medium-term goal is the physical merging of the respective games archives of the Computerspielemuseum, the University

of Potsdam's Digital Games Research Center (DIGAREC), the Entertainment Software Self-Regulation Body (USK), game and the Foundation for Digital Games Culture in order to make the collection accessible to professionals in the field.

The foundation's educational involvement includes its initiative *Stärker mit Games* ('Stronger with games'), which from 2018 to 2022 opened the door for over 10,000 children and adolescents to participate in cultural education through computer and video games. With *Stärker mit Games 2*, the Federal Ministry of Education and Research is promoting the further development of the initiative until the end of 2027, in part with a focus on rural areas. GamesTalente ('Game talents') a programme to promote youth in the game field, which the foundation operates in tandem with the joint federal and state talent promotion centre Bildung & Begabung, was likewise continued last year. No fewer than three foundation projects additionally received funding from Medienboard Berlin-Brandenburg: *Projektstage Games* ('Game project days') in Berlin and Brandenburg schools; Start-up: Games-Entrepreneurs, a programme tailored to prospective company founders in the game field; and One Planet Left – *Umweltbewusstsein mit Games stärken*, ('Strengthening environmental awareness with games'), a hybrid conference at which experts from the academic world, civil society and the game industry discuss whether and how games can take on topics like the climate crisis and environmental protection.



The foundation's educational involvement includes its initiative *Stärker mit Games* ('Stronger with games'), which from 2018 to 2022 opened the door for over 10,000 children and adolescents to participate in cultural education through video games.

The initiative *Erinnern mit Games* ('Remembering through games') was continued by the foundation, in part through selective collaboration on the use of computer and video games in the culture of remembrance. With the model projects *Auswärtsspiel* ('Away game'; funded by the Federal Foreign Office) and *Games und Wertebildung* ('Building values through games'; funded by the Federal Office for Migration and Refugees), the foundation also launched two highly topical research projects, thereby expanding its research focus. Whereas the former project examines the question of how games can convey a deeper understanding of the workings and mechanisms of the practice and narratives of foreign policy, the latter deals with the use of games in the formation of values among young adults with and without the experience of migration.



Further information is available on www.stiftung-digitale-spielekultur.de/en

09

About game – The German Games Industry Association



With games, we
enrich the lives of
all people.



Together we are making
Germany the heart of
gaming worldwide.

game is the association of the German
game industry. Its over 444 members
represent the entire video game ecosystem,
from development studios and publishers
to esports event organisers, educational
institutions and other related entities.



**Serving as a central point of
contact for media, as well as
political and social institutions,
we provide comprehensive
expertise in areas including
market development, game
culture and media literacy,
and address any inquiries or
concerns.**

As a joint organiser of gamescom, game is
responsible for the world's biggest event for
computer and video games, which takes place
every year in Cologne in late August. game's
association office is located in the Berlin district
of Mitte, in close proximity to the government
district and the German Bundestag. game is
a stakeholder in the Entertainment Software
Self-Regulation Body (USK), the Foundation
for Digital Games Culture, the esports player
foundation and the collecting society VHG, as
well as a sponsor of the German Computer
Game Awards. devcom, a subsidiary of game,
organises the gamescom developer conference
of the same name, among other activities. As an

game in figures

444+

More than 444 members

24

points of contact
at the regional offices

~640,000

viewers of all live
streams on Twitch
since 2021

2.7 m

million social media impressions
on Twitter, LinkedIn, Instagram
and Facebook in 2022

17

employees at the
central office in the
political heart of
Berlin



**Stakeholder in the USK, the
Foundation for Digital Games
Culture, the esports player foundation,
devcom and the collecting society VHG**

expert partner for media and for political and social institutions, game answers all questions on topics such as market development, games culture and media literacy.

The members of game participate in various working groups in which they formulate the association's positions on such topics as market research, law, funding, serious games, skilled workers and professional training as well as conditions for indie developers. Additionally, the game esports association includes members who actively work in the esports field. These include a wide range of stakeholders in the esports ecosystem, such as game developers, publishers, event organisers and agencies.

Lars Janssen, VP, Worldwide Studios & Talent of PLAION, has been Chairman of the game Executive Board since 2022. His deputy is Julia Pfiffer, Co-Managing Director of astragon Entertainment. The Executive Board is further comprised of Johanna Janiszewski, Founder and CEO of Tiny Crocodile Studios; Christian Kluckner, Co-Founder and Managing Director of Chimera Entertainment; and Ralf Wirsing, Managing Director Europe of Ubisoft. As the strong, unified voice of the entire German games industry, game has additionally helped to support the founding of many regional offices throughout Germany since the merger in 2018.

game celebrates five years!

This year, game is celebrating its fifth anniversary. Since the merger of its predecessor associations GAME and BIU in 2018, game has spoken as the unified voice for, and successfully represented the interests of, the games industry as a whole.

The past several years have been defined by numerous positive developments – from the continued growth of game's subsidiaries and the founding of new ones, to nationwide representation through game's regional offices, to the many milestones achieved by gamescom and the German Computer Game Awards. This unified voice has been heard at the national level of politics as well. Thanks in large part to its cooperation with game, the government has introduced a funding programme for the games industry, opened a games department and enacted a game strategy. These developments constitute an important basis for the coming years, in which game will work to realise its vision of making Germany the heart of gaming worldwide.



Further information is available on www.game.de/en

gamesmap.de

game – The German Games Industry Association launched its online directory of the games industry with gamesmap.de. gamesmap.de uses an interactive map to visualise over 1,600 entries, including more than 750 game developers and publishers, 700 media, technical and financial service providers and some 150 educational institutions that offer courses relevant to the games industry.

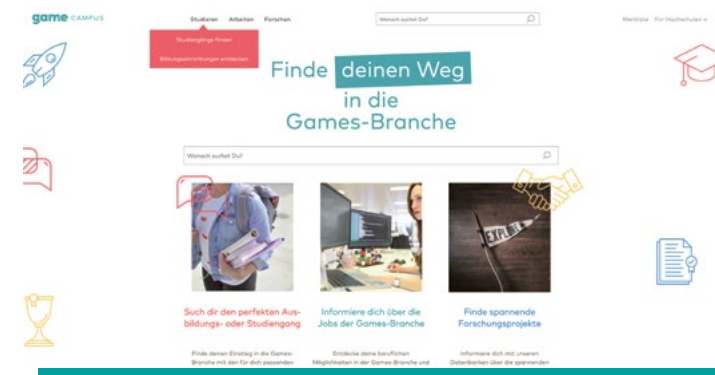
www.gamesmap.de/en

gamecampus.de

With gamecampus, game offers a comprehensive overview of the working world of games development and points the way to a career in the games industry. The Studieren ('Studying') section provides an overview of the educational opportunities in Germany that are related to games.

The overview map shows which study and training opportunities exist at which locations and in which subject areas the educational institutions specialise. Under Arbeiten ('Work') you will find job descriptions for jobs in the games industry, facts and figures on the games market, our comprehensive StartUP! Guide with valuable tips on founding a studio, information on the diversity initiative 'Hier spielt Vielfalt' and our gamesmap, the interactive map of all companies and institutions in the German games industry. The Forschen ('Research') section shows the potential of games beyond their entertainment value, which exciting research projects exist in this field and which experts deal with the possible applications and potentials of video games.

www.gamecampus.de



Diversity and 'Hier spielt Vielfalt'



The games industry is justifiably proud of the incredible diversity of its games and communities. Over 3 billion people of all ages, genders, nationalities, religions and sexual orientations play

computer and video games worldwide. And the thousands of game developers around the world are just as diverse as the players.

In December 2019, the German games industry launched the initiative *Hier spielt Vielfalt* ('Diversity plays here') with the goal of further bolstering its commitment to an open, diverse games culture. A joint declaration on the subject has thus far been signed by around 1,600 individuals, companies and organisations.

To yet further raise awareness of the issue of diversity, game published the *Best Practice Guide Diversity*. It provides readers with specific tips, best-practice examples and advice on building diverse teams and games communities. At the beginning of the year, new practical examples on the topics of diversity in personnel development, safe spaces at events and corporate culture of gender equality were added. The guide is available free of charge in German and English, and it is expanded on a regular basis. In recent years, game itself has additionally taken part in discussions, talks and events on issues around diversity and equality, engaged numerous speakers on these topics and communicated its experience from the games industry.

game advocates for greater diversity in many contexts. For example, it has implemented a Safe Space Policy for the association, for all its subsidiaries and for gamescom.



Further information is available on www.hier-spielt-vielfalt.de/en and www.game.de/en/diversity

Environmental and climate protection in the games industry

The consequences of the climate crisis are already very noticeable today. We have all been made aware of what will happen if businesses, governments and society at large do not act quickly to stop the crisis from intensifying further.

The games industry takes its social responsibility in this area very seriously. In Germany alone, 76 per cent of game companies are already implementing concrete projects to operate even more sustainably, for example measures to achieve savings in energy and heating or using green electricity. And around the world, growing numbers of game companies have committed to far-reaching environmental strategies.

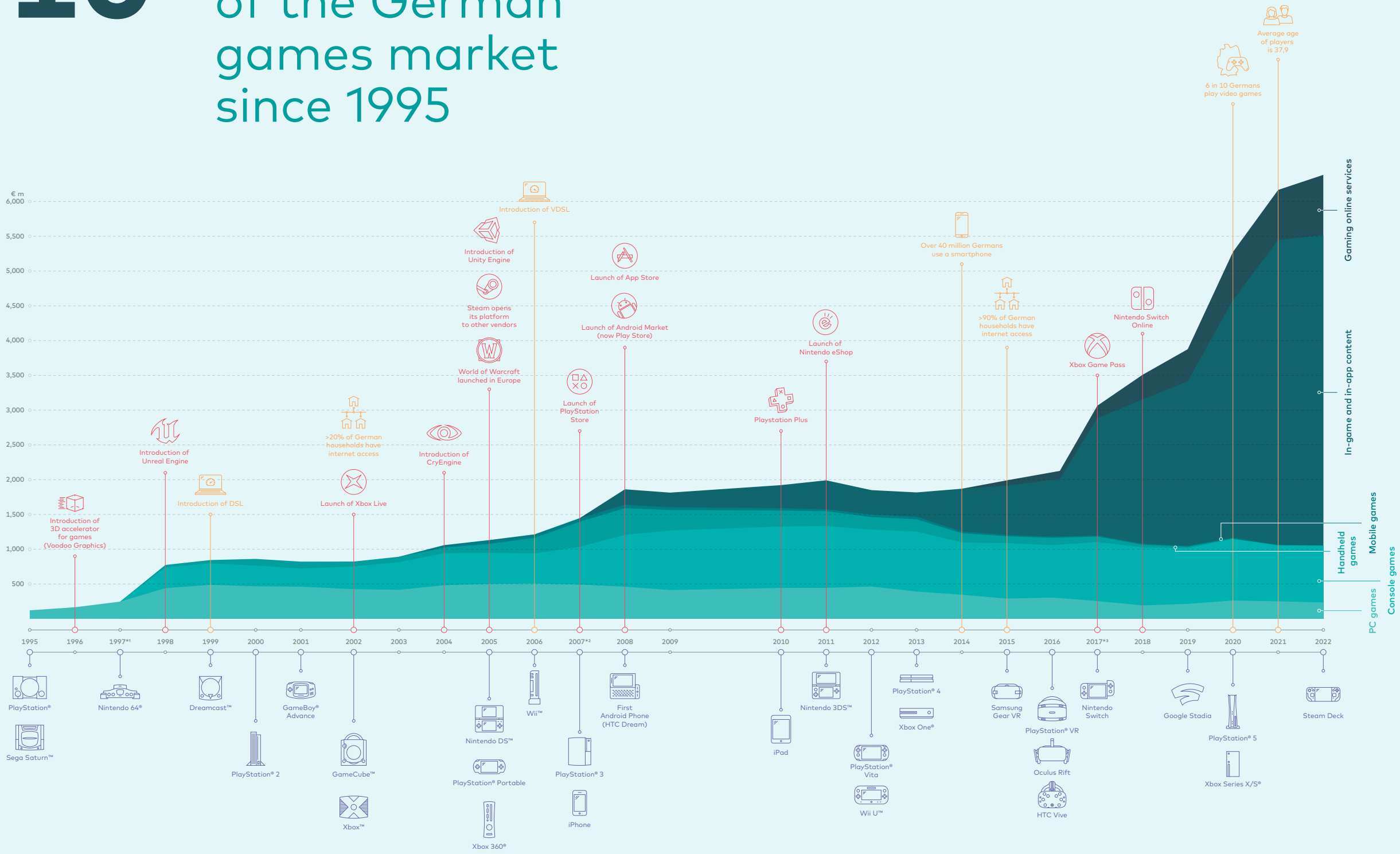
game itself is also doing its part to protect the environment. For example, the association and its subsidiaries the Entertainment Software Self-Regulation Body (USK), the Foundation for Digital Games Culture, the esports player foundation, the collecting society VHG and devcom are all completely climate neutral. Since mid-June 2021, game has additionally been an associate member of the Playing for the Planet Alliance, an environmental partnership between the UN and the games industry. For game, this membership entails, among other things, measuring its environmental impact annually, implementing measures to achieve complete climate neutrality – which game has already accomplished – and informing its members and game companies as to how they can reduce their impact on the environment. One way game does this is by publishing a free guide on environmental and climate protection. Moreover, gamescom has launched gamescom forest, a sustainability project with the goal of reforesting a climate-stable mixed woodland near Bayreuth, financed in part through donations from the community as well as from companies participating as exhibitors. In early 2022, game joined forces with gamescom co-organiser Koelnmesse to launch the *gamescom goes green* sustainability initiative. The new sustainability concept makes gamescom the first game event of this size with a comprehensive climate protection programme. Accordingly, all emissions from the core event which can't be avoided or reduced will now be 100 per cent offset in cooperation with the climate experts at ClimatePartner.



Further information is available on www.game.de/en/game-environmental-guide

10

Development of the German games market since 1995



Data: GfK, data.ai, Statista, Wikipedia.

*1 Measurement consoles & handhelds started in 1997,

*2 Measurement subscriptions and virtual goods & additional content started in 2007,

*3 Measurement converted for mobile games in 2017. © game 2023


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