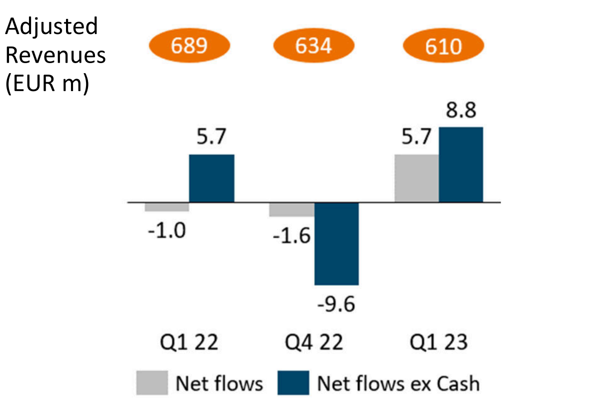
Frankfurt/Main April 27, 2023

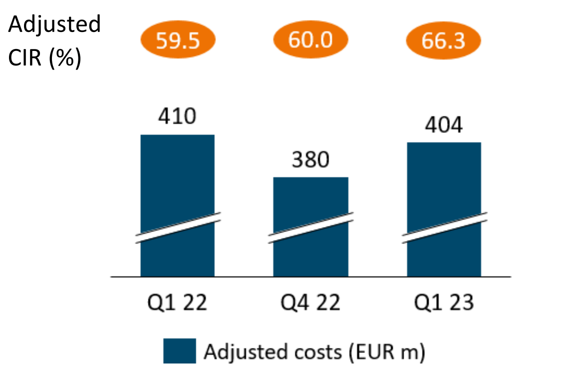
Q1 2023: DWS Returns to Net Inflows

- **Net flows ex Cash increased to EUR 8.8bn in Q1** (Q4 2022: minus EUR 9.6bn). **Including volatile low-margin Cash products total net flows rose to EUR 5.7bn** (Q4 2022: minus EUR 1.6bn). ESG funds attracted net inflows of EUR 1.4bn in Q1
- **AuM** increased to **EUR 841bn** in Q1 mainly driven by market developments and net inflows (Q4 2022: EUR 821bn)
- **Adjusted Cost-Income Ratio (CIR)** at 66.3% in Q1 on track to achieve DWS' outlook for the year 2023 (Q4 2022: 60.0%; Q1 2022: 59.5%)
- **Adjusted revenues at EUR 610m in Q1** (Q4 2022: EUR 634m; Q1 2022: EUR 689m), down 4% q-o-q among other things due to lower performance and transaction fees than normal given the current market environment and down 12% y-o-y
- **Adjusted costs at EUR 404m in Q1** (Q4 2022: EUR 380m; Q1 2022: EUR 410m), up 6% q-o-q as the previous quarter included a favorable one-off effect and down 1% y-o-y
- **Adjusted profit before tax** at EUR 206m in Q1 (Q4 2022: EUR 254m; Q1 2022: EUR 279m), down 19% q-o-q and 26% y-o-y

Net Flows (EUR bn) & Adjusted Revenues



Adjusted CIR & Adjusted Costs



"In a turbulent market environment clients trusted our performance and advice. Thanks to continued client demand, we returned to net inflows and increased Assets under Management in the first quarter. Our strong franchise gathered net new assets from institutional as well as retail investors and in Active, Xtrackers and ESG products. We also delivered on our strategy with strong new product launches and the extension of our strategic alliance with Nippon Life for another five years, laying the foundation for future revenues. And we have taken active action to reduce costs and optimize our business by restructuring headcount and delayering our organization."

Stefan Hoops, CEO

"We continued our strict cost management in a time of high inflation and reduced our adjusted costs year-on-year. With the adjusted Cost-Income Ratio at 66.3 percent in Q1, we are on track to achieve our guidance for the year 2023 in which we operate on a dual platform while we continue to establish our independent capabilities."

Claire Peel, CFO

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Business Development

In the first quarter of 2023, **DWS returned to net inflows**. Net new assets in **Active, Passive including Xtrackers and ESG[1] products enabled the company to generate net inflows ex Cash of EUR 8.8 billion**. These net new assets came **from institutional as well as retail investors**. Including Cash products, net flows improved to EUR 5.7 billion. **Assets under Management also increased** by EUR 19 billion in the first quarter of 2023 mainly driven by positive market developments and net inflows.

Adjusted revenues decreased by 4 percent compared to the fourth quarter among other things due to lower performance and transaction fees than normal given the current market environment. While **DWS maintained a strict cost management, the adjusted cost base rose by 6 percent quarter-on-quarter as the previous quarter included a favorable one-off effect**. Excluding this, adjusted costs would have declined by 6 percent. **Year-on-year, adjusted costs were reduced by 1 percent**. The **adjusted Cost-Income Ratio** at 66.3 percent in Q1 **is on track to achieve DWS' outlook for 2023** as the company operates on a dual platform while it continues to establish its own capabilities this year as part of its **way to become a stand-alone asset manager**. The **adjusted profit before tax** decreased quarter-on-quarter and year-on-year. **Net income** rose by 29 percent quarter-on-quarter, as an impairment had burdened the result in the fourth quarter 2022, but was lower year-on-year.

Adjusted revenues declined quarter-on-quarter by 4 percent to EUR 610 million in the first quarter (Q4 2022: EUR 634 million; Q1 2022: EUR 689 million). This was driven by lower management fees – mainly due to two business days less in the quarter – and decreased performance and transaction fees in the current market environment. Year-on-year, adjusted revenues dropped by 12 percent mainly due to lower management fees predominately driven by declining markets in 2022 which led to lower average Assets under Management during the first quarter 2023.

Adjusted profit before tax dropped quarter-on-quarter by 19 percent to EUR 206 million in Q1 2023 (Q4 2022: EUR 254 million; Q1 2022: EUR 279 million). This was driven by a favorable one-off cost effect in the previous quarter and lower adjusted revenues. Year-on-year adjusted profit before tax decreased by 26 percent as lower revenues were only partially offset by reduced adjusted costs. After tax, DWS posted a quarter-on-quarter 29 percent higher net income of EUR 138 million for the first quarter 2023. Net income was down 26 percent year-on-year (Q4 2022: EUR 107 million; Q1 2022: EUR 186 million).

Assets under Management (AuM) increased by EUR 19 billion to EUR 841 billion in the first quarter 2023 (Q4 2022: EUR 821 billion; Q1 2022: EUR 902 billion). This rise was mainly driven by market developments and net inflows, while exchange rate movements had a negative impact on the AuM.

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[1] For an explanation of the ESG product classification framework, please refer to the "Important Note" at the end of this document.

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Net flows ex Cash were at EUR 8.8 billion (including Cash: EUR 5.7 billion) in the first quarter 2023. These net new assets came from institutional as well as retail investors and were driven by Active (ex Cash) and Passive including Xtrackers, while low-margin Cash products and to a lesser extent Alternatives saw net outflows. ESG products attracted net inflows of EUR 1.4 billion in the first quarter.

Active Asset Management ex Cash improved its net flows to EUR 5.8 billion in the first quarter (Q4 2022: minus EUR 6.1 billion). All sub-asset classes contributed to this number except Active SQI, which recorded net outflows of minus EUR 0.8 billion. Multi Asset attracted net inflows of EUR 5.6 billion driven by a significant institutional mandate. In addition, Fixed Income generated net new assets of EUR 0.5 billion and Active Equity added net inflows of EUR 0.4 billion with continued demand for ESG products and flagship fund DWS Top Dividende. Low-margin Cash products were very volatile during the first quarter and recorded net flows of minus EUR 3.1 billion (Q4 2022: EUR 8.0 billion).

Passive Asset Management generated net new assets of EUR 4.4 billion in the first quarter (Q4 2022: minus EUR 0.5 billion). The positive flow trend was mainly driven by Xtrackers ETP (exchange-traded funds and commodities) products and supported by net inflows in institutional mandates.

Alternatives recorded net outflows of minus EUR 1.4 billion in the first quarter (Q4 2022: minus EUR 2.9 billion), driven by net outflows of EUR 0.7 billion in Liquid Real Assets and also EUR 0.7 billion in Illiquid Alternatives.

Adjusted costs, which also exclude transformation charges of EUR 18 million, rose by 6 percent quarter-on-quarter to EUR 404 million in Q1 2023 (Q4 2022: EUR 380 million; Q1 2022: EUR 410 million). This increase was due to higher compensation and benefits costs, which rose after a favorable reversal of carried interests related to future performance fees in the Alternatives business in the previous quarter. Significantly reduced general and administrative expenses demonstrate DWS' strict cost management. Year-on-year, adjusted costs declined by 1 percent. This reduction was mainly caused by lower compensation and benefits costs driven especially by lower carried interests.

The **adjusted Cost-Income Ratio (CIR)** with 66.3 percent in the first quarter 2023 (Q4 2022: 60.0 percent; Q1 2022: 59.5 percent) is on track to achieve DWS' outlook for the year 2023 in which the company operates on a dual platform while it continues to establish its own capabilities.

Growth Initiatives and Strategic Progress

In the first quarter, DWS **extended its strategic alliance with Nippon Life for another five years**. The strategic alliance has been an important pillar for the companies to further anchor their growth in identified areas of

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collaboration. As part of the strategic alliance, DWS and Nippon Life agreed to continue to work on expanding distribution reach, product innovation and research acuity.

In addition, DWS announced the launch of a **new European infrastructure investment strategy** which offers investors, and **for the first time also German retail investors**, the opportunity to invest in infrastructure projects in Europe. The strategy is the first to be launched under DWS' family of investment solutions focusing on different aspects of European Transformation.

Moreover, DWS onboarded **about 600 new colleagues in India** to support its **successful way to become a stand-alone asset manager** and made further organizational changes to simplify and delayer the company.

Furthermore, **DWS improved its CDP** (former Carbon Disclosure Project) **rating from B to A- reaching the so called “Leadership” level**. With this result, DWS ranks among 21 percent of all public scores and 19 percent of asset managers to have scored an A- or above.

DWS also continued to be recognized externally for its performances, receiving **several important award wins** at the “2023 Asian Private Banker Asset Management Awards for Excellence”, the Asia Asset Management’s “2023 Best of the Best Awards”, 2022 Benchmark Fund of the Year Awards, Morningstar’s “Awards for Investing Excellence 2023”, the Capital “Fonds-Kompass 2023”, the Austrian Fund Awards 2023, the “Fund Selector Asia Fund Awards Singapore 2023” and the “Golden Bull” awards by German publication Euro Magazin.

Outlook

The **outlook remains unchanged** from that published in DWS’ 2022 Annual Report.

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Appendix

Profit & Loss Statement (in EUR m, unless stated otherwise) and Key Performance Indicators

	Q1 2023	Q4 2022	Q1 2022	Q1 2023 vs. Q4 2022	Q1 2023 vs. Q1 2022
Management Fees and other recurring revenues	571	593	619	-4%	-8%
Performance & Transaction Fees	11	30	26	-64%	-58%
Other Revenues	42	40	44	5%	-3%
Total net revenues	**624**	**663**	**689**	-6%	-9%
Revenue adjustments	*14*	*30*	*-*	*N/M*	*N/M*
Adjusted revenues	***610***	***634***	***689***	-4%	-12%
Compensation and benefits	214	185	223	16%	-4%
General and administrative expenses	213	255	200	-17%	6%
Restructuring activities	0	0	0	N/M	N/M
Impairment of goodwill and other intangible assets	0	68	0	N/M	N/M
Total noninterest expenses	**427**	**508**	**423**	-16%	1%
Cost adjustments	*22*	*128*	*13*	*N/M*	*N/M*
of which transformational charges	*18*	*17*	*7*		
Adjusted cost base	***404***	***380***	***410***	6%	-1%
Profit before tax	**197**	**155**	**266**	27%	-26%
Adjusted Profit before tax	***206***	***254***	***279***	-19%	-26%
Net income	***138***	***107***	***186***	29%	-26%
Cost-Income Ratio	68.4%	76.6%	61.4%	-8.2ppt	7.0ppt
Adjusted Cost-Income Ratio	*66.3%*	*60.0%*	*59.5%*	6.3ppt	6.8ppt
Employees (full-time equivalent)	4,280	3,657	3,459	17%	24%
Assets under management (in EUR bn)	841	821	902	2%	-7%
Net flows (in EUR bn)	5.7	-1.6	-1.0		
Net flows ex Cash (in EUR bn)	8.8	-9.6	5.7		
Management fee margin (bps annualized)	27.7	28.1	27.6		

N/M – Not meaningful

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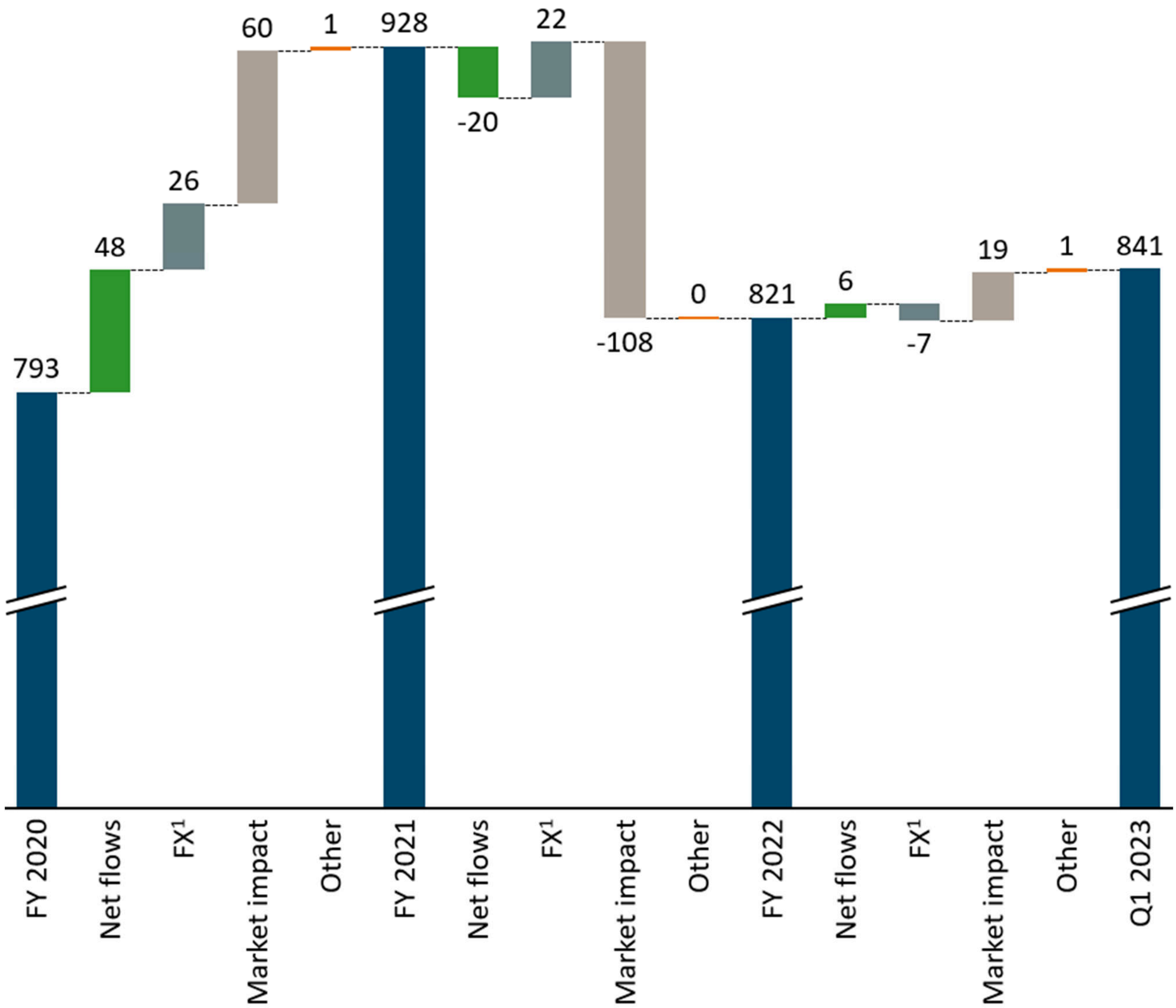
AuM development in detail (in EUR bn)



[1] Represents FX impact from non-euro denominated products; excludes performance impact from FX

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Webcast/Call

Stefan Hoops, Chief Executive Officer, and Claire Peel, Chief Financial Officer, will elaborate on the results in an investor and analyst call on 27 April 2023 at 10 am CEST. The analyst webcast/call will be held in English and broadcasted on https://group.dws.com/ir/reports-and-events/financial-results/. It will also be available for replay. Further details will be provided under https://group.dws.com/ir/.

About DWS Group

DWS Group (DWS) with EUR 841bn of assets under management (as of 31 March 2023) aspires to be one of the world's leading asset managers. Building on more than 60 years of experience, it has a reputation for excellence in Germany, Europe, the Americas and Asia. DWS is recognized by clients globally as a trusted source for integrated investment solutions, stability and innovation across a full spectrum of investment disciplines.

We offer individuals and institutions access to our strong investment capabilities across all major liquid and illiquid asset classes as well as solutions aligned to growth trends. Our diverse expertise in Active, Passive and Alternatives asset management – as well as our deep environmental, social and governance focus – complement each other when creating targeted solutions for our clients. Our expertise and on-the-ground knowledge of our economists, research analysts and investment professionals are brought together in one consistent global CIO View, giving strategic guidance to our investment approach.

DWS wants to innovate and shape the future of investing. We understand that, both as a corporate as well as a trusted advisor to our clients, we have a crucial role in helping navigate the transition to a more sustainable future. With approximately 4,400 employees in offices all over the world, we are local while being one global team. We are committed to acting on behalf of our clients and investing with their best interests at heart so that they can reach their financial goals, no matter what the future holds. With our entrepreneurial, collaborative spirit, we work every day to deliver outstanding investment results, in both good and challenging times to build the best foundation for our clients' financial future.

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Important Note

This release contains forward-looking statements. Forward-looking statements are statements that are not historical facts; they include statements about our beliefs and expectations and the assumptions underlying them. These statements are based on plans, estimates and projections as they are currently available to the management of DWS Group GmbH & Co. KGaA. Forward-looking statements therefore speak only as of the date they are made, and we undertake no obligation to update publicly any of them in light of new information or future events.

By their very nature, forward-looking statements involve risks and uncertainties. A number of important factors could therefore cause actual results to differ materially from those contained in any forward-looking statement. Such factors include the conditions in the financial markets in Germany, in Europe, in the United States and elsewhere from which we derive a substantial portion of our revenues and in which we hold a substantial portion of our assets, the development of asset prices and market volatility, the implementation of our strategic initiatives, the reliability of our risk management policies, procedures and methods, and other risks.

Our ESG Product Classification Framework ("ESG Framework") was introduced in 2021, taking into account relevant legislation (including SFDR), market standards and internal developments and was further described in our Annual Report 2021. Based on the further evolution of the regulatory environment, we incorporated some refinements into the ESG Framework in the fourth quarter of 2022. Besides liquid passively managed funds (ETFs) which apply a screen comparable to the "DWS ESG Investment Standard" filter or have a "sustainable investment objective", as well as other liquid passively managed funds which have been labelled as ESG and/or seek to adhere to an ESG investment strategy, now also liquid passively managed funds (ETFs) which track indices that comply with the EU Benchmark regulation on EU Climate Transition Benchmark and EU Paris-Aligned Benchmark are considered as ESG. Further details can be found in our Annual Report 2022.

We will continue to develop and refine our ESG Framework in accordance with evolving regulation and market practice. The aforementioned definitions apply to the entire release.

This release contains alternative performance measures (APMs). For a description of these APMs, please refer to the Annual Report, which is available at
https://group.dws.com/ir/reports-and-events/annual-report/.

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