Gateway To Europe

Roadshow

Gateway to Europe: A New Era Unfolds

DWS

Europe: What is the "right to play"?

Source: DWS Investment GmbH, as of June 2026

Europe: Past – Present – Future

Past Present Future

Past

Peace & Prosperity

Trade-openness

Manufacturing-heavy

Social market economy

Present

Transition

Russian aggression

China's competition

U.S. retrenchment

Future

Resilience

Defense

Autonomy

Diversification

Source: DWS Investment GmbH, as of June 2026

Past Present Future

Europe: Historic context – the power of trade

Principle

“Wandel durch Handel”

[VAHN-dl doorh HAHN-dl]
English: “Change through trade”

Leading to...

Trade as a driver of peace

Globalization as a driver of prosperity

Continuous expansion of the economic model

Bottom line: Globalization focused business model

Source: DWS Investment GmbH, as of June 2026

Past Present Future

Europe: The highly-exposed continent

Repercussions

50%

Trade openness
Trade-to-GDP Ratio[1]

vs. US 25%, China 37% and Japan 46%

16%

Manufacturing share
Value Added % of GDP

vs. US 10%, China 25% and Japan 20%

Vulnerability

57%

Energy imports
Net import %

vs. US 15%, China 25% and Japan 87%

1.3%

Defense investment
% of GDP[2]

vs. US 3.5%, China 2.0% and Japan 1.2%

Peace and productivity “dividend” enabled a strong export-driven model

Low redundancy and limited strategic autonomy built into the system

Underinvestment in defense, energy and digital capabilities

Bottom line: Europe maximized efficiency, minimized buffers – and externalized strategic risks.

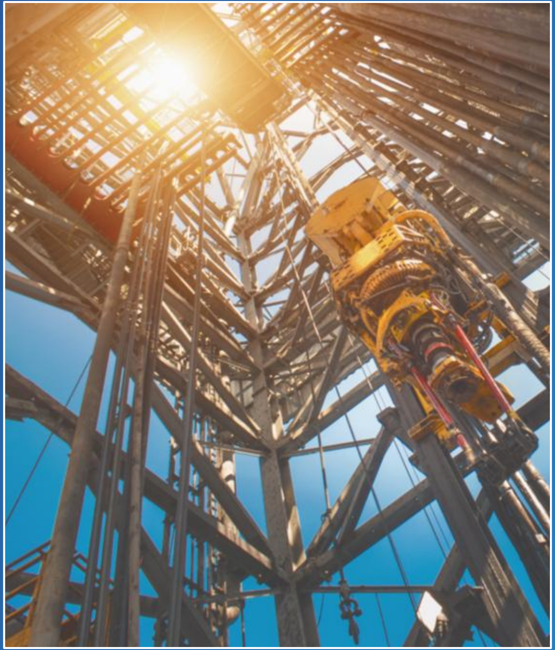
Source: World Bank, Eurostat, IEA, NATO, SIPRI, DWS Investment GmbH, as of June 2026 // 1. Excluding intra-Europe exports. 2. Pre-2022 average.

Europe: The stress tests of the 2020s

#1 Increased Export Competition

#2 Supply Chain Crisis (Covid-19)

#3 Russian Invasion, Energy Crisis 2022



#4 U.S. Reducing its Military Support

Diversification / Autonomy / Defense

Source: DWS Investment GmbH, as of June 2026

Past Present Future

Europe: The underappreciated leverage

Demand & balance sheet power		Innovation & knowledge scale		Corporate execution at scale	
450mn consumers ~$9.6tn consumption	Large, resilient consumer base	€400bn annual R&D >3% annual R&D/GDP	Strong intellectual capacity	Airbus	Proven cross-border coordination
13-15% saving rate ~$2tn NIIP[1]	Excess savings push deployable capital	700+ top universities	Deep talent pipeline	45% GER share global	Hidden champions engine ("Mittelstand")
82% debt/GDP	Sovereign balance sheet optionality	43% European patents (EPA)	Applied innovation strength	108 US & China critical dependencies	Critical chokepoints in global value chains

Supported by strong institutions

Bottom line: The gap is not capability, it's perception and capital allocation

Source: Eurostat, World Bank, ECB, European Commission, EPA, DWS Investment GmbH, as of June 2026 // 1. The net international investment position provides an aggregate view of the net financial position (assets minus liabilities) of a country.

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Business model: A different economic perspective

U.S.

Corporate-centric

Innovation

Investment

High-risk growth strategies

Europe

Household-centric

Savings

Consumption

Financial stability

U.S. prioritizes growth & profitability

Europe prioritizes stability and resilience

Source: DWS Investment GmbH, as of June 2026

Europe: True to its principles, adapting where needed

Sticking to principles, but...

Trade openness...
...but diversified

Rules-based...
...but increasingly pragmatic

Disciplined...
...but investing where necessary

Draghi Report

The European competitiveness plan

- Scale up investment by €~800bn p.a. (~4% of GDP)
- Complete Capital Markets Union to unlock savings
- Accelerate innovation in AI, clean tech and deep tech
- Simplify and streamline regulation to unlock scale
- Lower energy costs, boost competitiveness

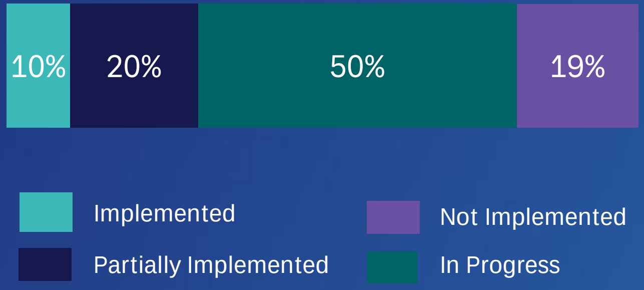
Source: European Commission, DWS Investment GmbH, as of June 2026

Europe’s business model: Transformation in progress

At least 80% of transformation is in progress across all sectors

80%
at least in progress

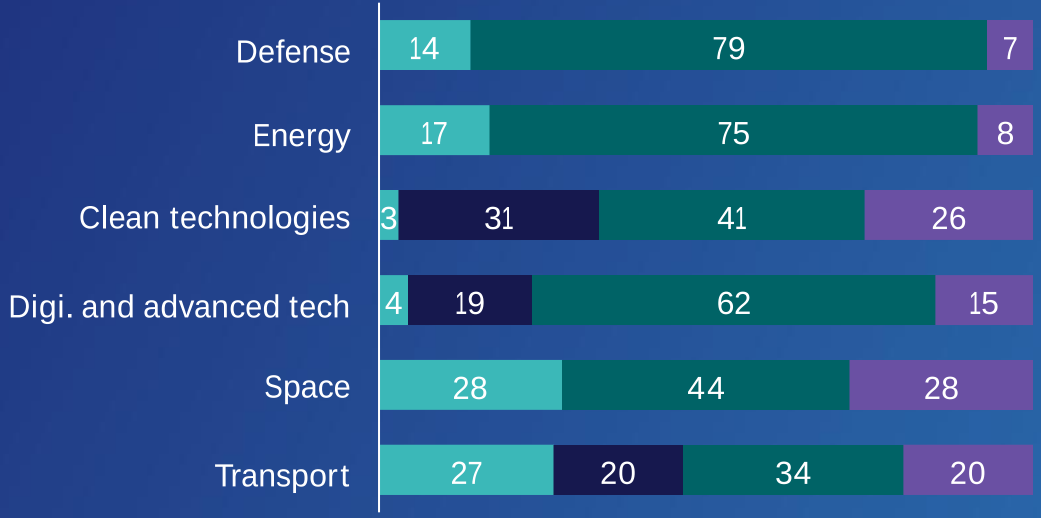
10%
fully implemented



“Please do something”

Mario Draghi to Members of the European Parliament, 18 February 2025

Transformation by sectors



In focus

Defense – From dependence to resilience: securing Europe’s economic sovereignty

Energy – Strategic asset: rebuilding Europe’s industrial base on clean energy

Tech – From invention to scale: turning Europe’s ideas into global platforms

Financing transition – From savings surplus to investment engine: mobilising capital at scale

Source: European Policy Innovation Council, DWS Investment GmbH, as of June 2026

Past Present Future

Europe’s way forward – the transition

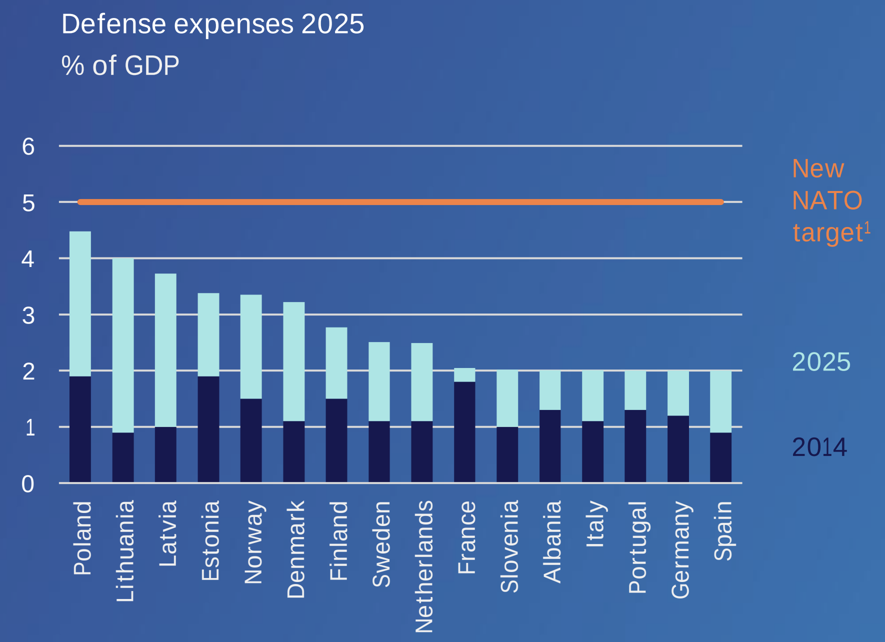
Defense

Energy

Tech

Financing Transition

Momentum build



Ambition & opportunities

Long-term defense investment cycle ahead

Rising NATO target to 5% of GDP, drives sustained defense spending, supporting multi-year growth and investments

ReArm Europe - €800bn unlocked

Significant opportunities as funding accelerates procurement and capacity expansion

Defense-tech gained investor attraction

Record funding levels accelerate innovation as defense-tech accounts for 10% of all VC funding in Europe

Europe is rearming. A multi decade investment cycle has started.

Source: NATO, European Commission, DWS Investment GmbH, as of June 2026 // 1. Including the 3.5% core military target and the 1.5% broader security target. Forecasts are based on assumptions, estimates, views and hypothetical models or analyses, which might prove inaccurate or incorrect.

Past Present Future

Europe’s way forward – the transition

Defense

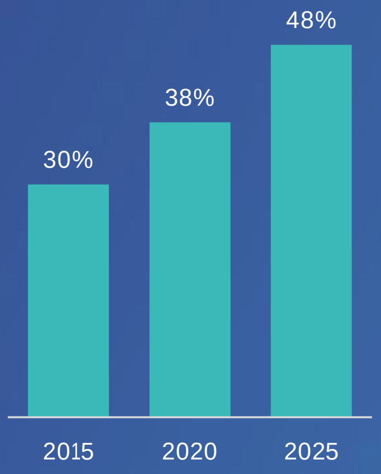
Energy

Tech

Financing Transition

Momentum build

Europe: Share of electricity production from renewables



6:1
2014 investment ratio renewable vs. fossil

35:1
2024 investment ratio renewable vs. fossil

Ambition & opportunities

Grid investment super-cycle accelerating

Europe’s grids investment are continuously rising. Major investments still ahead to support electrification

Battery storage scaling rapidly

Even after a record year, rapid expansion continues with significant upside as storage scales towards ~750 GWh by 2030

Decarbonization cycle gains momentum

European Green Deal underpins sustained investments to achieve at least - 55% net greenhouse gas emissions by 2030

Electrification accelerating. Grids and storage scaling.

Source: European Commission, Ember, Energy Institute, IEA, DWS Investment GmbH, as of June 2026. Forecasts are based on assumptions, estimates, views and hypothetical models or analyses, which might prove inaccurate or incorrect.

Past Present Future

Europe’s way forward – the transition

Defense

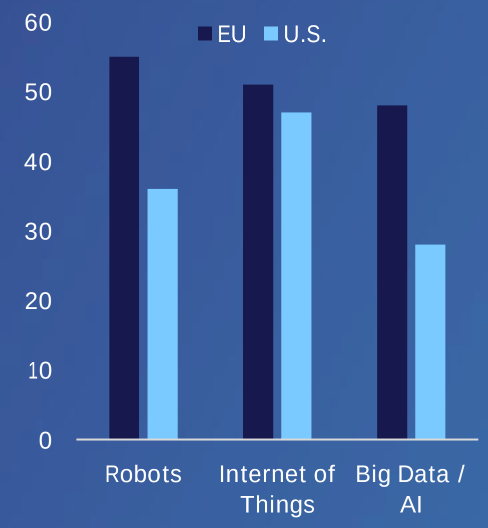
Energy

Tech

Financing Transition

Momentum build

Use of modern technologies in the manufacturing sector
Share of enterprises in %



~1.7x

Increased share of AI in VC funding since 2023

Ambition & opportunities

Robotics – true European strength

Europe ranks top 3 globally. Strong installed base accelerate industrial AI scaling

Data sovereignty – strategic push

Growing demand for sovereign capabilities supports investment in cloud, data centers and semiconductors

Semiconductors – rebuilding capacity

Chips Act targets €43bn investment, strengthening Europe’s role in advanced nodes

Europe’s corporate landscape – scaling for the next growth phase.

Source: Pitchbook, ECB, DWS Investment GmbH, as of June 2026. Forecasts are based on assumptions, estimates, views and hypothetical models or analyses, which might prove inaccurate or incorrect.

Past Present Future

Europe's way forward – the transition

Defense

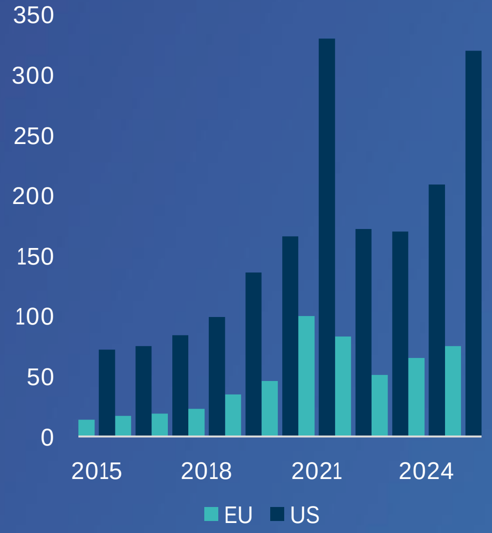
Energy

Tech

Financing Transition

Momentum build

European and US VC funding
USD bn



~30%

of European household financial assets sit in bank deposits

Ambition & opportunities

Robust balance sheet, savings surplus

The current stance underpins funding capacity, reduces external financing risks and provides further resilience for the future

Venture capital – strong scaling potential

European VC continues to grow, with substantial room to expand scale-up funding – especially compared to the U.S.

Capital markets integration opportunity

EU households hold €11tn in savings, with significant potential as less than one-third is invested in capital markets

€11tn in savings. Europe has the capital to power its growth.

Source: European Commission, Haver Analytics Inc., Bloomberg Finance LP, DWS Investment GmbH as of June 1, 2026. Forecasts are based on assumptions, estimates, views and hypothetical models or analyses, which might prove inaccurate or incorrect.

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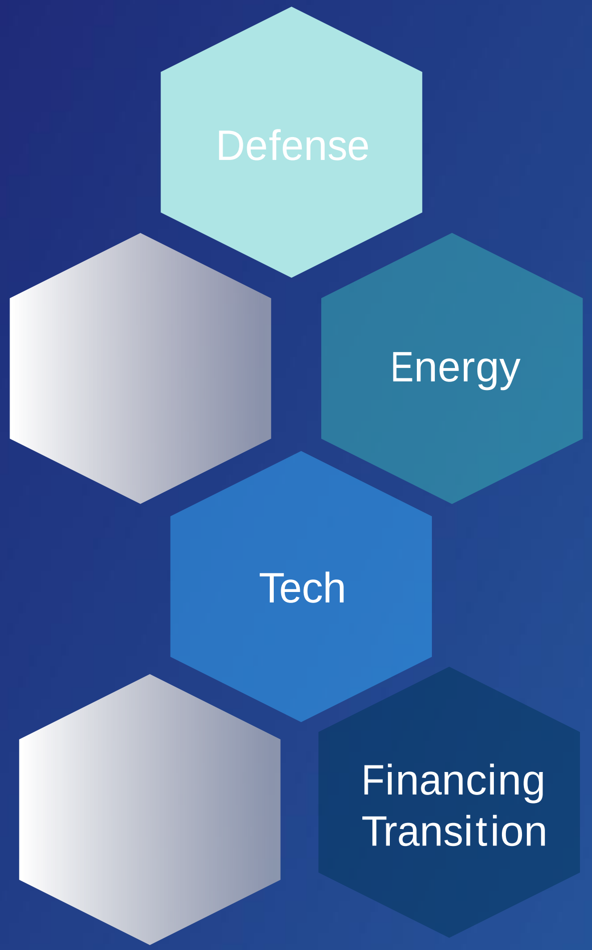
Europe is in transition, and transitions create opportunities



Defense: a once-in-a-generation growth cycle driven by public spending

Energy: a large-scale transformation with long-term, visible returns.

Tech: compelling entry into Europe's next wave of AI-driven growth.

Financing landscape with strong demand and attractive yield

Europe is less a tactical trade and more a strategic re-rating driven by execution.

Source: DWS Investment GmbH, as of June 2026. Forecasts are based on assumptions, estimates, views and hypothetical models or analyses, which might prove inaccurate or incorrect.

Benjardin Gärtner

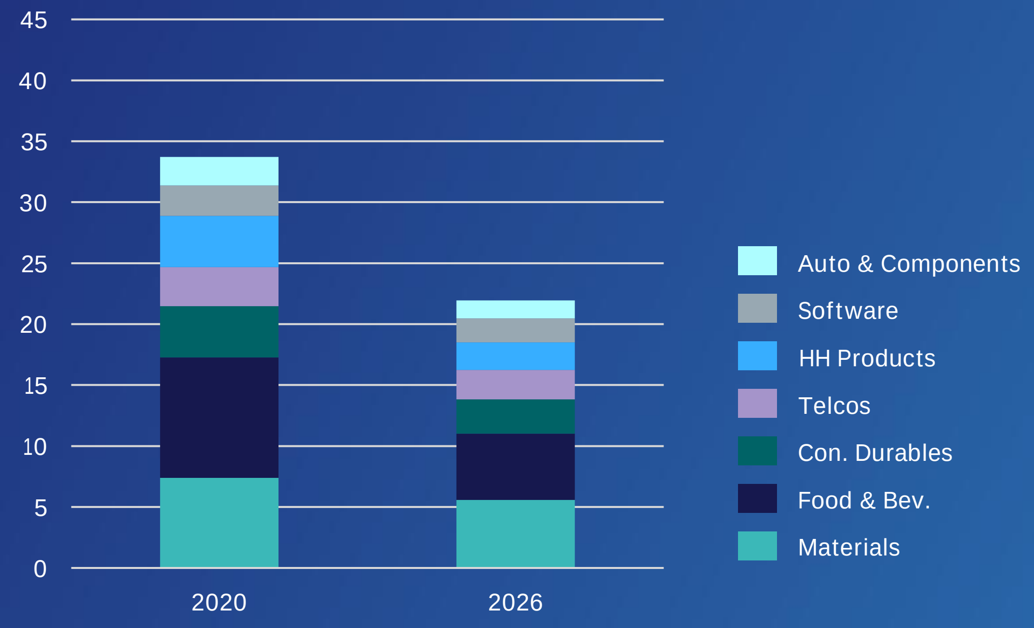
Global Head of Equity,

Frankfurt

Old vs new Europe: Already visible in sector shift

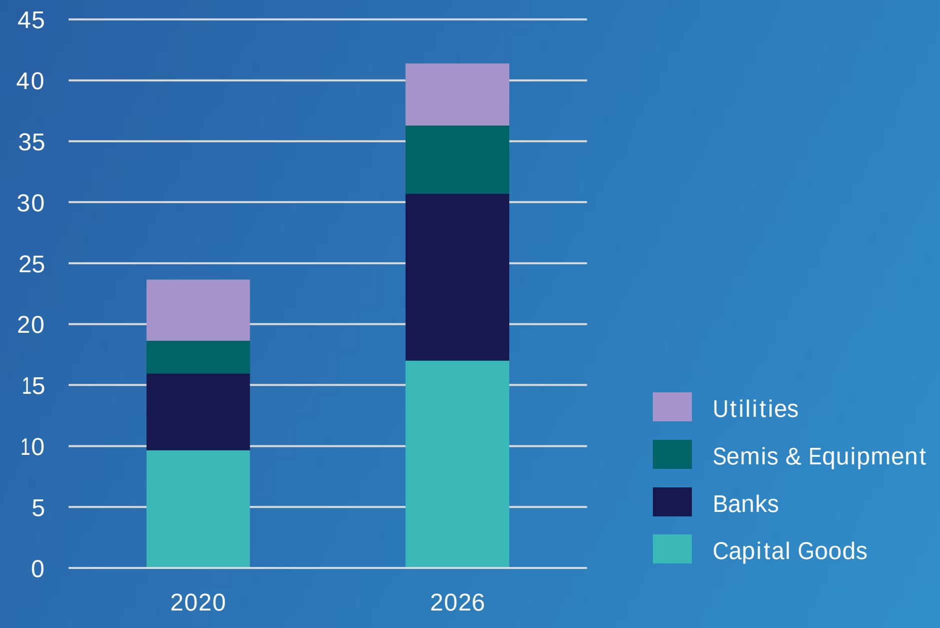
Old

Sector weights of MSCI Europe



New

Sector weights of MSCI Europe



Shift from consumption to investment-driven sectors

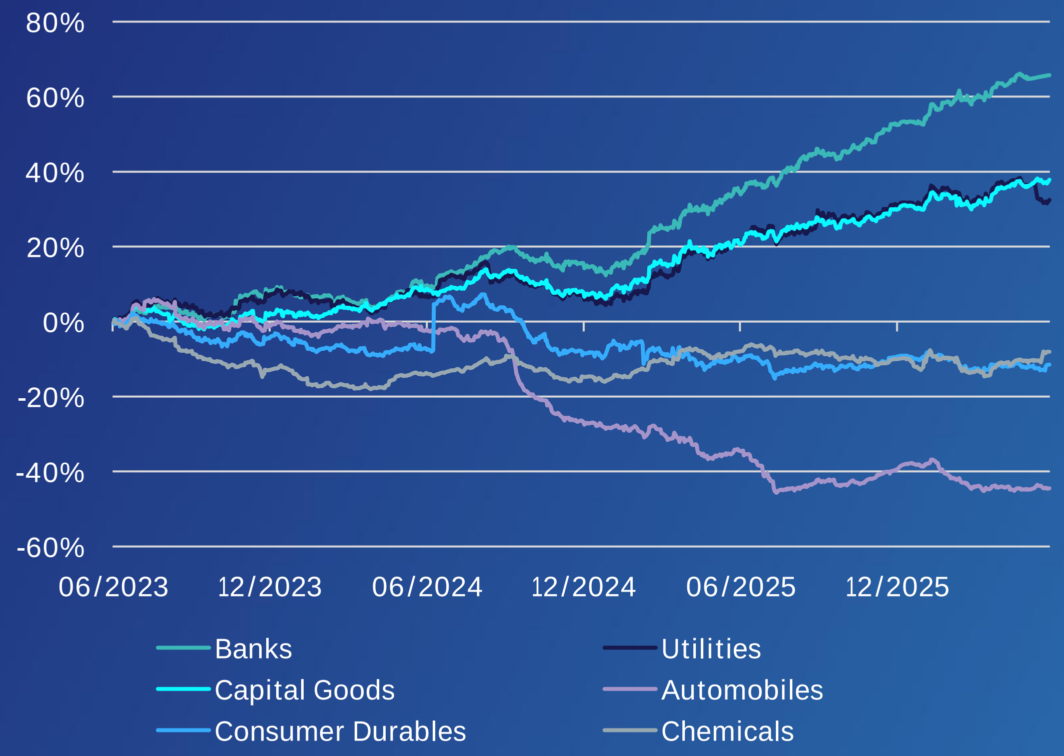
Source: FactSet, DWS Investment GmbH, as of June 2026.

DWS

Clear winners and laggards

Earnings divergence

MSCI Europe by sector, EPS progression, blended NTM



Source: Bloomberg Finance L.P., DWS Investment GmbH, as of June 2026. Past performance is not a reliable indicator of future returns.

Banks and utilities lead Europe's performance

Cyclicals diverge as transformation shifts winners

Electrification, AI and fiscal tailwinds drive leaders

Key message

Europe is shifting from a macro-driven trade to a stock picker’s market

Markets still underprice the shift, creating repricing opportunities

The upside rests on electrification, AI, fiscal spending and strong banks

Europe’s transformation is real, underappreciated and investable, with tangible catalysts.

Source: DWS Investment GmbH, as of June 2026

DWS

Harold d’Hauteville

Partner Investments Infrastructure,
London

Europe’s strategic challenges are creating investable infrastructure demand

Europe’s infrastructure agenda is driven by energy security, digital sovereignty and economic resilience, creating sustained investment demand.

Energy Security…

…is now central policy.

- Energy transition now a strategic priority
- Investment is accelerating
- Focus shifts to system resilience, affordability and domestic supply

Digital Sovereignty

…is becoming a core infrastructure theme.

- Reliance on external data, cloud and AI providers
- Policy supports domestic data centre and AI infrastructure build-out
- Growing focus on sovereign AI and data control

Economic Resilience

…reflects the push to strengthen domestic capacity.

- Supply chain vulnerabilities
- Geopolitics increases risks
- Focus on reindustrialisation and security

European infrastructure policy anchors and demand drivers

Source: DWS Infrastructure Research, June 2026

Long-term demand translates into robust thematic infrastructure investment

Themes	Market Dynamics	Current view on sub-sector attraction
ENERGY TRANSITION	• Iran conflict • Fit For 55 • Green Deal + AccelerateEU	Renewable Energy ↑ Battery Storage → Biofuels → Specialised + Circular Waste ↑
URBANISATION / SUSTAINABLE TRANSPORTATION	• Growing urbanisation • Low-carbon fleets • Electrification	Ferries ↑ Aviation → Passenger Rail ↑ Public Transport ↑
STRATEGIC RESILIENCE	• Shift from road to rail • Clean Industrial Deal • Defense rising spend	Ports → Leasing ↑ Freight Rail → Defense → Industrial Outsourcing & Reindustrialisation ↑
DIGITALISATION	• InvestAI (€20bn) • Data sovereignty • Fibre connectivity	Data Centres ↑ Fiber →
DEMOGRAPHICS	• Ageing population • Pharmaceuticals & Healthcare • Lifestyle changes	Specialised Life Sciences Logistics and Testing ↑ Social Infrastructure → Tourism Infrastructure ↑

Source: DWS Infrastructure Research, June 2026. No assurance can be given that any forecast will be achieved. Forecasts are based on assumptions, estimates, views and hypothetical models or analyses, which might prove inaccurate or incorrect.

High or increasing attractiveness ↑ Moderate or opportunistic attractiveness →

Past Present **Future**

Europe is in transition, and transitions create opportunities

European strategic priorities create infrastructure opportunities across energy, digital, transport and logistics and industrial sectors.

Mid-market focus provides the broadest and most diverse infrastructure assets within the themes supporting infrastructure and Europe's goals.

Market knowledge is key; 20+ years of mid-market infrastructure experience, providing proven access to highly diversified deal flow.

European midmarket infrastructure is European Transformation

Source: DWS Investment GmbH, as of June 2026

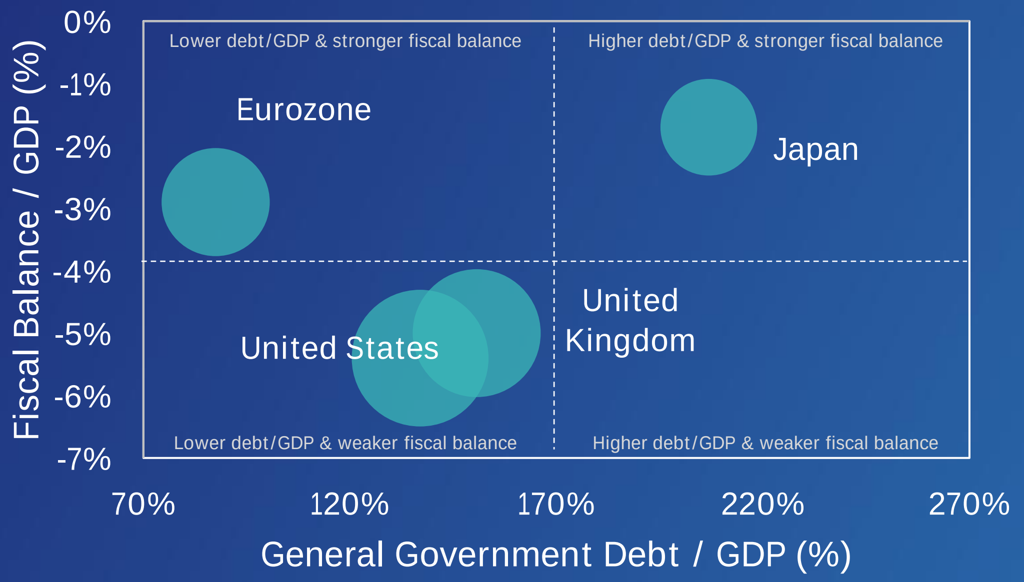
Henning Potstada

Global Head of Multi Asset and Fixed Income, Frankfurt

European sovereign bonds: Europe stands out on fundamentals

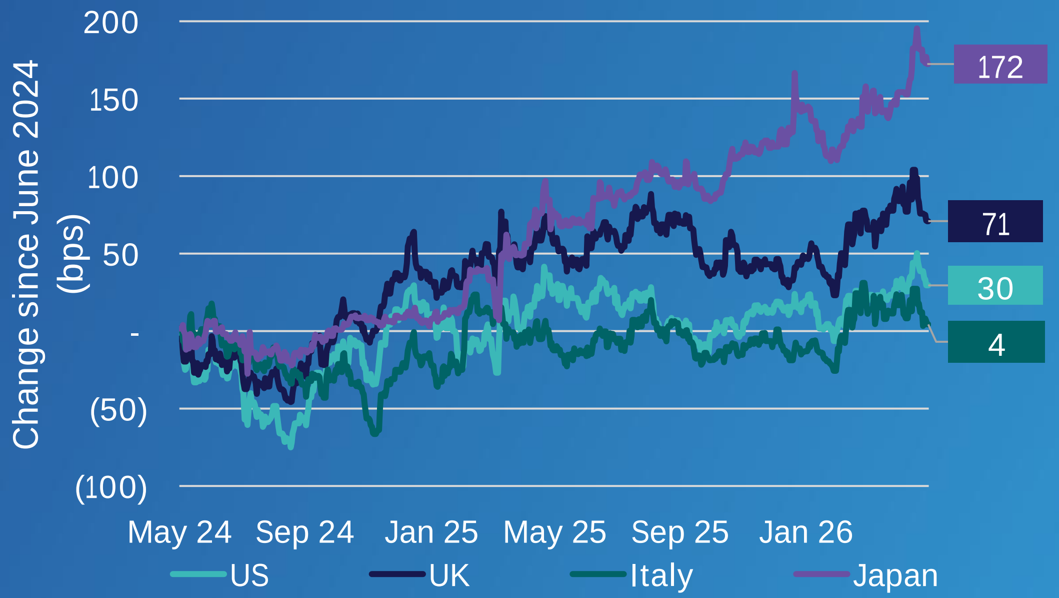
A better fiscal starting point

Debt Sustainability Scorecard: Europe vs. U.S., U.K., Japan



Global long-end repriced – Europe contained

30Y Yield Change during last 2 years



Bubble sizes are proportionate to the respective 10Y yields (Eurozone 10Y proxy uses Germany Bund yield).

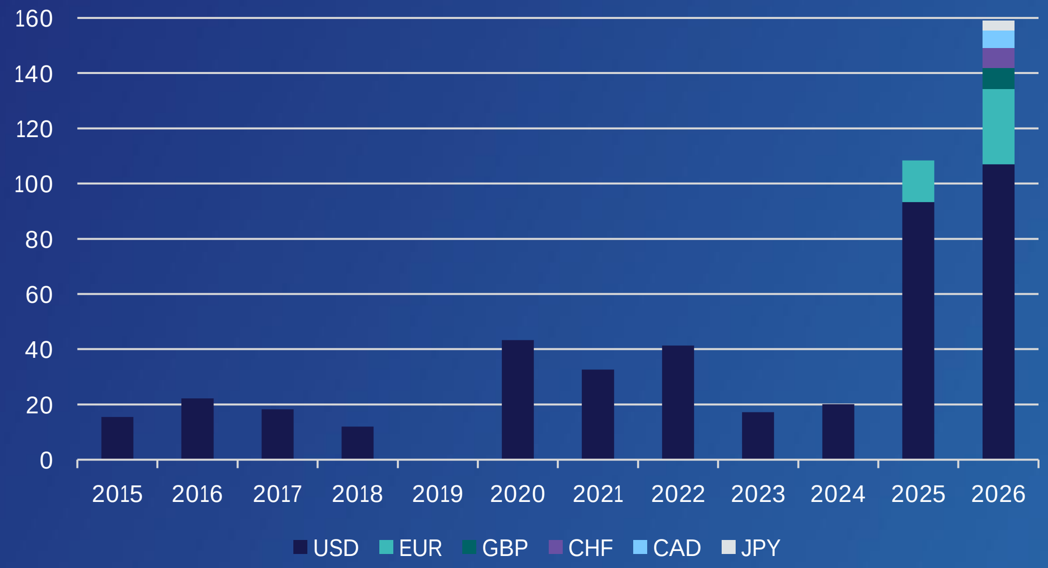
The cleanest sovereign story is still in Europe

Source: DWS Investment GmbH, as of June 2026

European credit: becoming broader, more global, and more diversified

AI capex is moving to a credit funding cycle

Hyperscaler bond issuance volume, USD bn



More than just old-economy defensives

No longer only a Financials + Utilities + Telecoms story

This year, Alphabet has gone from zero to euro market heavyweight

AI-related issuance offers attractive yields, longer duration and high overall credit quality

EUR IG is not a niche segment – it is a deep and diversified market with alpha potential.

Source: Bloomberg Finance L.P., DWS Investment GmbH, as of June 2026

Key message: one market, many ways to win

The Eurozone demonstrates a better fiscal situation

European debt has been absorbing geopolitical shocks remarkably well

European credit combines strong fundamentals with attractive yields

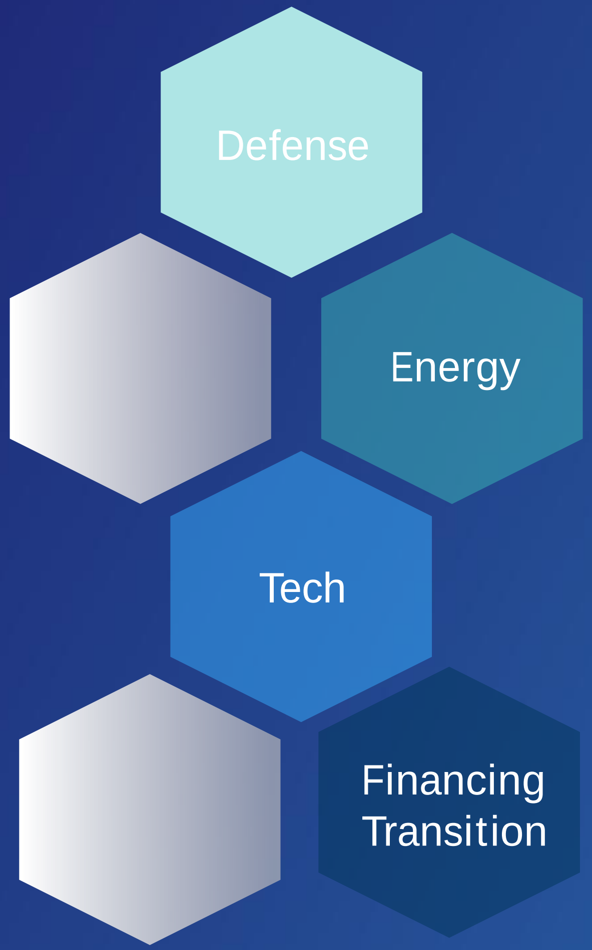
From sovereign stability to corporate quality, Europe offers a rich and deep fixed income universe.

Source: DWS Investment GmbH, as of June 2026

Florian Jacob

Head of Private Corporate Credit, Frankfurt

Europe is in transition, and transitions create opportunities



Deep industrial and technological base
Leadership across engineering, manufacturing, and emerging technologies

Innovation outpacing financing
Scaling companies face structural gaps in flexible capital

Private credit bridges the gap
Direct Lending supports the core economy, Growth Debt powers future growth

It is about access to opportunity – not about catching up to other regions.

Source: DWS Investment GmbH, as of June 2026

Turning access into investable opportunities

Deep origination network…

Exclusive Partnership with DB to see all relevant deals across Europe

DB Network
Traditional deep market access as one of the leading banks in Europe

~830,000
German Corporate Clients - Proprietary access to private market transactions

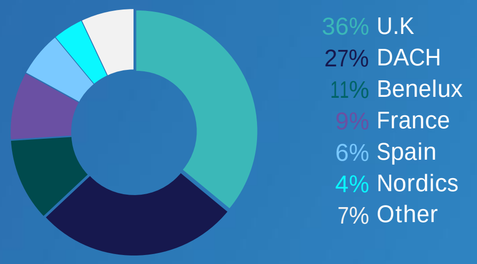
400+ Deals a year
Deal Volume in core mid-market European Direct Lending

… Flexible financing solutions…

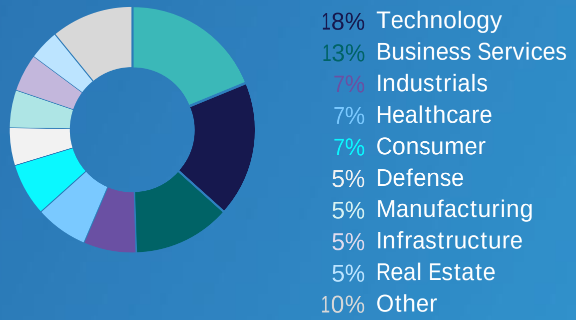
- Capex Facilities
- Asset Based Lending
- Term Loans
- FX / Rates Hedging
- Cash Management
- Factoring
- Revolving Credit Facility

… Diversified Portfolios

By Country

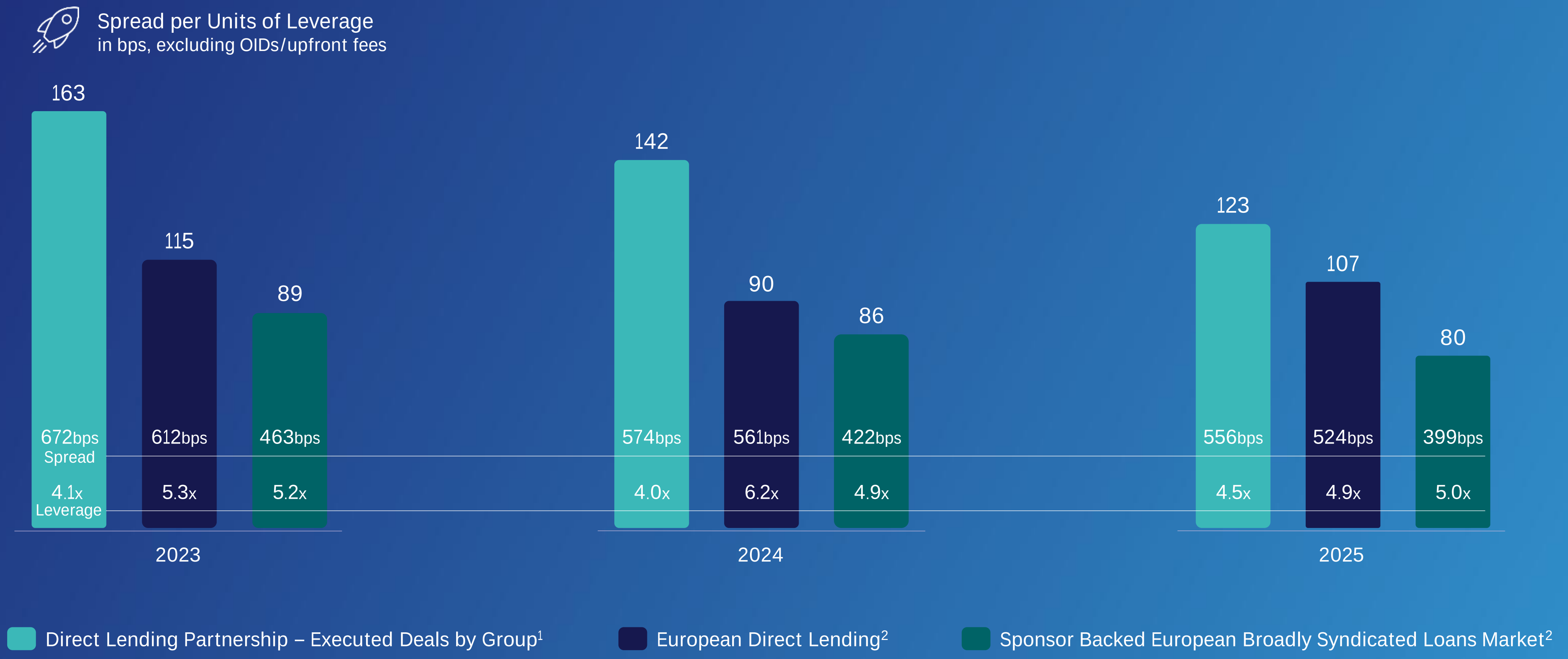


By Sector



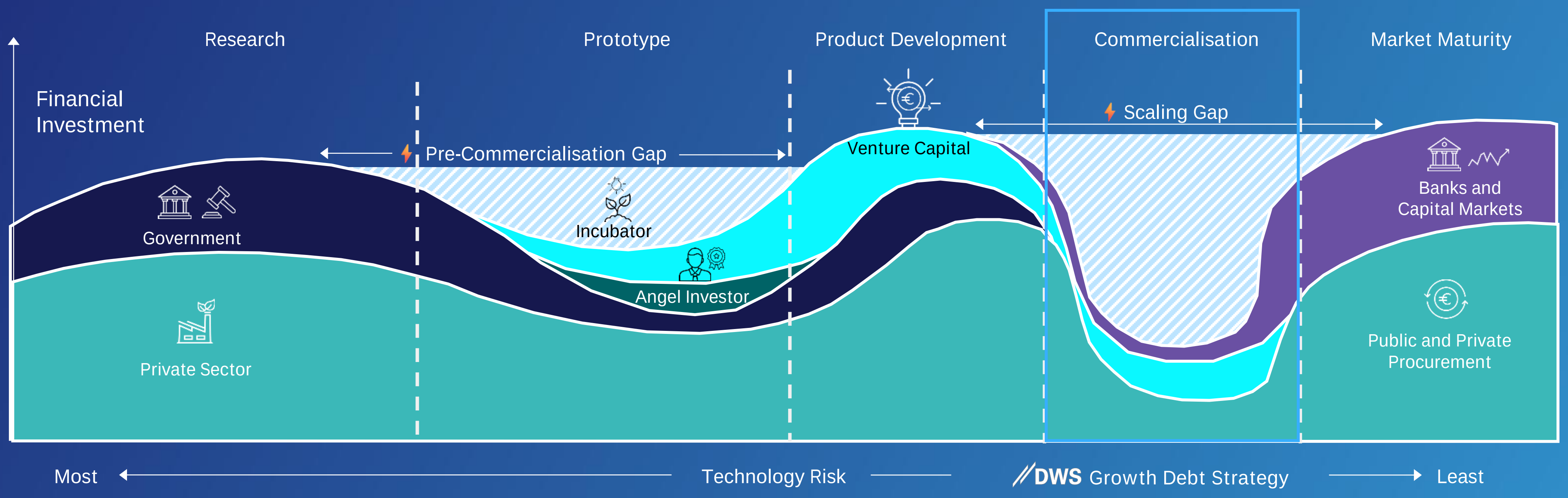
Source: DWS Investment GmbH, as of June 2026

Turning access into superior risk-return



Source: (1) Deutsche Bank AG, Direct Lending, as of December 2025 , (2) Pitchbook LCD, as of December 2025, DWS International GmbH, as of June 8, 2026

Bridging Europe's commercialisation gap



Europe can build companies. At DWS we help scaling them!

Source: Deutsche Bank, as of December 2025, DWS International GmbH, as of June 8, 2026

Key message

Europe creates innovation
Deep industrial and technological base across sectors

A structural gap limits scaling
Commercialisation remains underserved in the capital stack

We bridge innovation and return
Direct Lending and Growth Debt turn access into performance

From innovation to scale – enabled by access to capital

Source: DWS Investment GmbH, as of June 2026

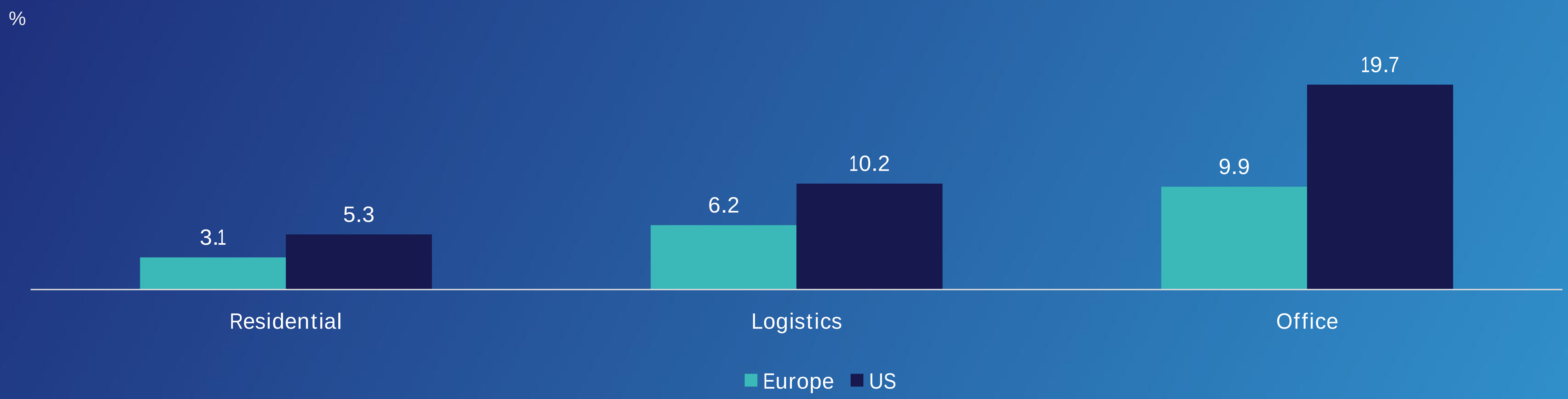
Clemens Schäfer

Global Head of Real Estate – EMEA and APAC, Frankfurt

Current Supply

European fundamentals are exceptionally resilient with constraints on development leading to a vacancy rates below that of the United States

Regional Real Estate Vacancy Rate in 2025



European vacancy rate historically well below the US as population density, environmental policy and planning prevent oversupply

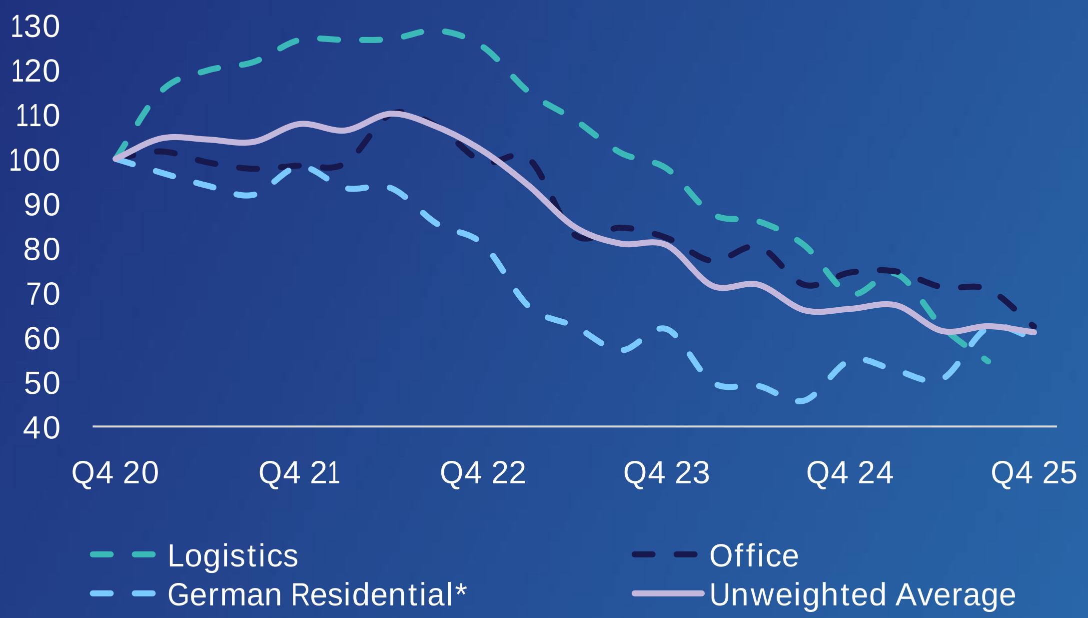
Source: PMA, NCREIF, Broker Sources, DWS Investment GmbH, June 2026

Development and Discount to Replacement Rents

The rent required (i.e. replacement rent) to make development projects viable is above current prime rents in most European office, residential and urban logistics markets

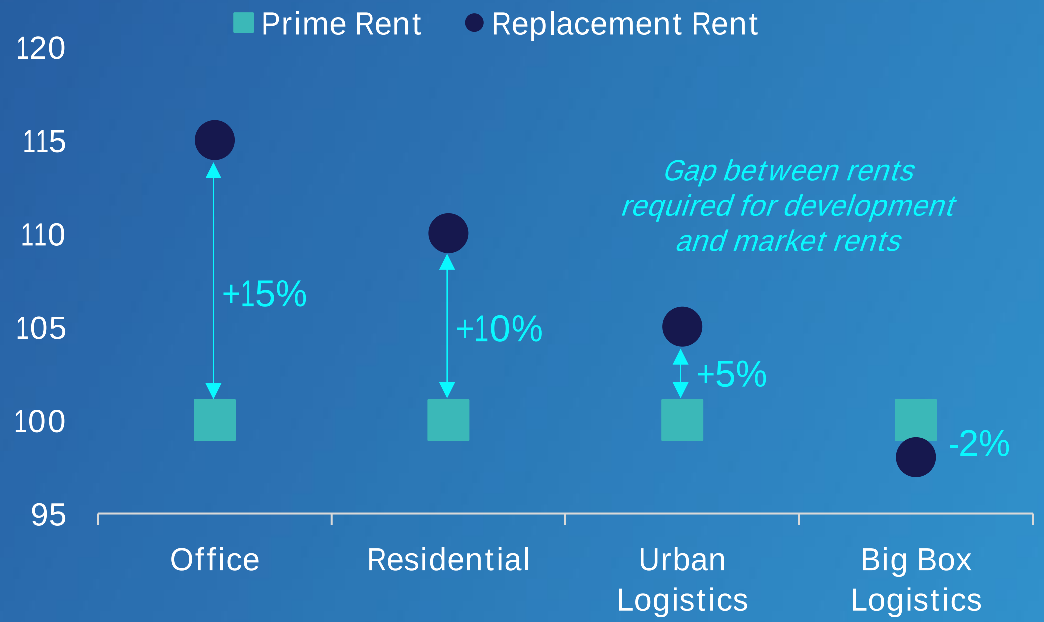
European Development Starts

Q4 2020 = 100



Prime Rent vs. Replacement Rent

European average; Current prime rent = 100

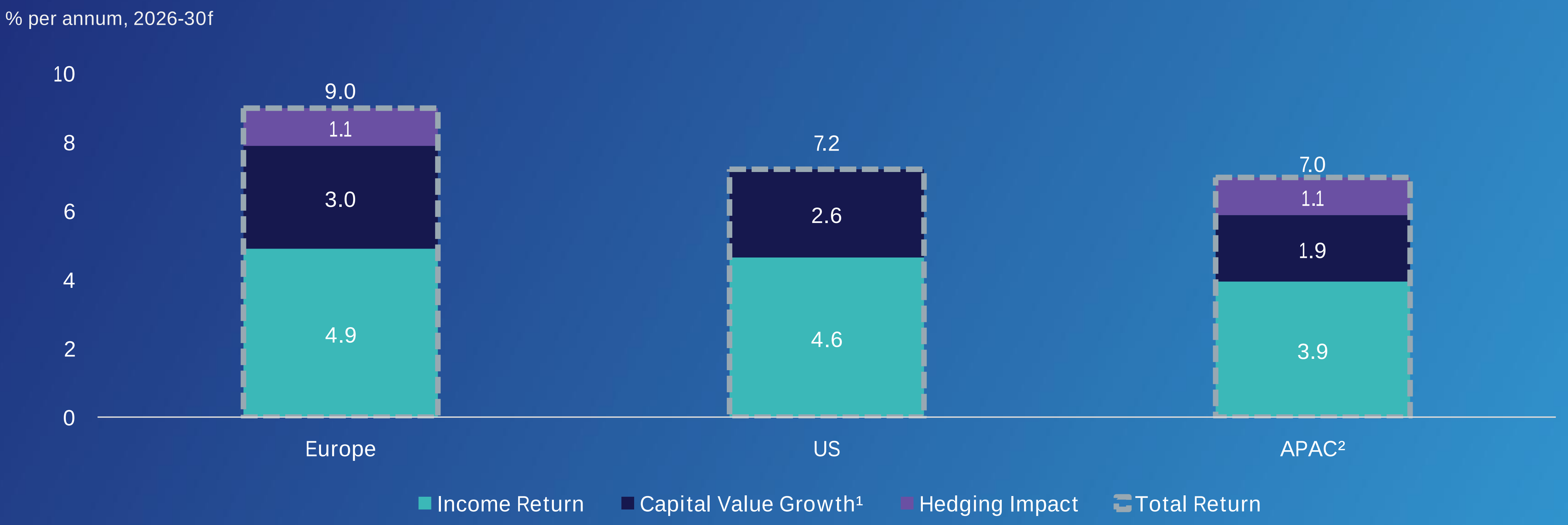


Note: Replacement rents analysis based on FRA, GER, IRE, ITA, NLD, ESP, SWE and UK for office; GER, UK, FIN, DK, POL and ESP for residential; UK, FRA, GER, NLD, BEL, ITA, POL, ESP and SWE for logistics. *German residential shows permits rather than starts. Forecasts are based on assumptions, estimates, views and hypothetical models or analyses, which might prove inaccurate or incorrect. Source: CBRE, Savills, Green Street, Destatis, PMA, DWS Investment GmbH, May 2026

Outlook: European Outperformance

Local currency returns between Europe and the US expected to be similar, and slightly ahead of APAC

Total Return Forecast (Dollar Investor)



Note: 1. Net of Capital Expenditure; 2. Excluding China. Source: DWS Investment GmbH, June 2026. No assurance can be given that any forecast will be achieved. Forecasts are based on assumptions, estimates, views and hypothetical models or analyses, which might prove inaccurate or incorrect.

Key message: Outperformance through resilience

Predictable: Most beneficial to illiquid asset classes like real estate with asset-driven (rather than operation-driven) returns

Lower risk: Less overbuilding is a structural advantage of European real estate vs. less regulated markets

Rental growth: Excellent prospects driven by sustained demand in Europe’s large conurbations and structurally low supply

Outperformance: European returns forecast to be above the US and APAC over the next 5 years

Source: DWS Investment GmbH, as of June 2026. No assurance can be given that any forecast will be achieved. Forecasts are based on assumptions, estimates, views and hypothetical models or analyses, which might prove inaccurate or incorrect.

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