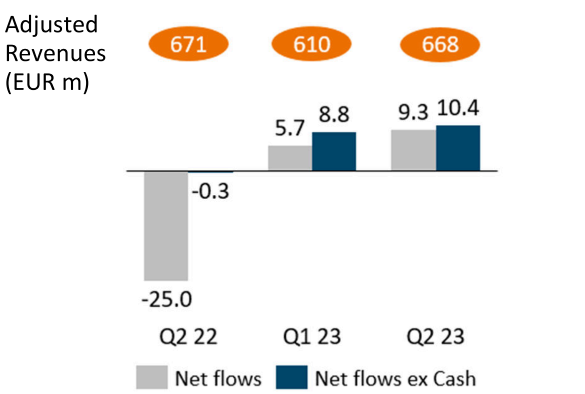
Frankfurt/Main July 26, 2023

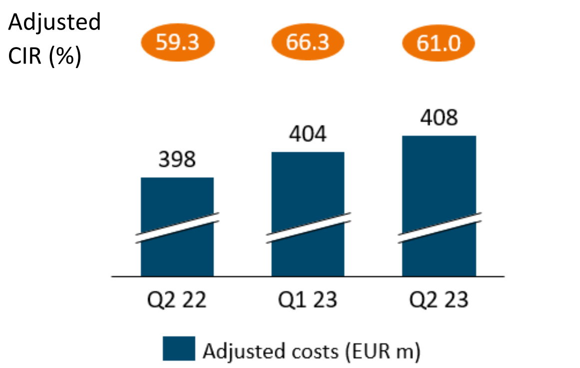
Q2 2023: DWS makes Good Progress with Higher Net Inflows and Profit

- **Tangible progress in delivering strategy** in ongoing challenging environment: restructuring measures progressed and materially completed, strategic progress in growth, value and build projects. Confirmed guidance for 2023 and committed to achieve 2025 targets with a good start
- **Net flows ex Cash increased to EUR 10.4bn in Q2 resulting in EUR 19.2bn in the first half of 2023** (including Cash EUR 9.3bn in Q2 2023, EUR 15.0bn in H1 2023). ESG funds attracted higher net inflows of EUR 1.9bn in Q2
- **Adjusted profit before tax rose to EUR 260m in Q2 – up 27% q-o-q** (Q1 2023: EUR 206m)
- **Adjusted Cost-Income Ratio (CIR) with 61.0% at good level in Q2** (Q1 2023: 66.3%) and with 63.5% in H1 on track to achieve DWS' outlook for the year 2023
- **Adjusted revenues increased to EUR 668m in Q2** (Q1 2023: EUR 610m), up 10% q-o-q
- **Adjusted costs rose slightly to EUR 408m** in Q2 (Q1 2023: EUR 404m), up 1% q-o-q
- **AuM further increased to EUR 859bn in Q2** mainly driven by market developments and net inflows (Q1 2023: EUR 841bn; Q4 2022: EUR 821bn)

Net Flows (EUR bn) & Adjusted Revenues



Adjusted CIR & Adjusted Costs



"We are pleased to see a clear positive momentum shift across our franchise. As part of our new strategy, we took restructuring pain early and have now earned the right to focus on profitable growth. In the second quarter, we saw strong net inflows across all regions and client types, and particularly in our growth areas Xtrackers and Alternatives. We will continue with the disciplined implementation of our game plan."

Stefan Hoops, CEO

"We achieved good financial results in the first half of the year. Thanks to our strict cost management, we were able to keep our adjusted cost level stable in a high inflation environment.

The adjusted Cost-Income Ratio at 61 percent in the second quarter is at a good level and with 63.5 percent in the first half of the year it is on track to deliver our outlook for 2023."

Claire Peel, CFO

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60329 Frankfurt, Germany

Business Development

Delivering the first half year of its adjusted strategy (“Reduce. Value. Growth. Build”), **DWS was able to raise its net inflows in the second quarter 2023**. With net new assets in **Passive including Xtrackers, Alternatives and Active the company generated net inflows (ex cash) of EUR 10.4 billion.** These net new assets came **from all regions – EMEA, Americas and APAC – and from institutional as well as retail investors.** Including Cash, net flows improved to EUR 9.3 billion with **EUR 1.9 billion from ESG[1] products**. In the first half of the year, DWS generated net inflows (ex cash) of EUR 19.2 billion, including Cash of EUR 15.0 billion. **Assets under Management also increased** by EUR 19 billion in the the second quarter to EUR 859 billion. As in the first quarter, this rise was mainly driven by positive market developments and net inflows. Compared to year-end 2022, Assets under Management increased by a total of EUR 38 billion. Due to market turmoil in 2022, DWS started the year 2023 with a significantly lower average Assets under Management basis than the previous year.

DWS improved its financial results quarter-on-quarter leading to good financial results for the first half of 2023. Compared to the first quarter, **adjusted revenues** increased by 10 percent, mainly due to higher performance and transaction fees. Despite the high inflation environment, the **adjusted cost base** increased only slightly in Q2 compared to Q1. The **adjusted Cost-Income Ratio** of 61.0 percent in the second quarter was substantially below the first quarter’s number and with 63.5 percent in the first half of the year it was in line with DWS’ outlook for the full year 2023. The **adjusted profit before tax** rose strongly by 27 percent quarter-on-quarter in Q2. **Net income** increased by 5 percent compared to Q1.

Adjusted revenues rose by 10 percent to EUR 668 million in Q2 2023 (Q1 2023: EUR 610 million). This was driven by higher performance and transaction fees and supported by increased management fees. In the first half of 2023, adjusted revenues decreased year-on-year by 6 percent to EUR 1,278 million (H1 2022: EUR 1,360 million). That was due to lower management fees predominately driven by declining markets in 2022 which led to lower average Assets under Management during the first six months of 2023. This reflected the particular positive pre-war environment for asset managers in the first quarter 2022.

Adjusted profit before tax surged by 27 percent to EUR 260 million in the second quarter (Q1 2023: EUR 206 million). After tax, DWS posted a 5 percent higher **net income** of EUR 145 million for the second quarter 2023 (Q1 2023: EUR 138 million). Adjusted profit before tax for the first half of 2023 decreased by 16 percent year-on-year to EUR 466 million (H1 2022: EUR 552 million). Net income dropped in the first six months of 2023 year-on-year by 17 percent to EUR 283 million (H1 2022: EUR 341 million), which again reflects the significantly more positive market conditions at the beginning of 2022.

[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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Assets under Management (AuM) increased by EUR 19 billion to EUR 859 billion in the second quarter of 2023 (Q1 2023: EUR 841 billion; Q4 2022: EUR 821 billion). This rise was mainly driven by market developments and net inflows, while exchange rate movements had a negative impact on the AuM.

Net flows ex Cash increased to EUR 10.4 billion (including Cash: EUR 9.3 billion) in the second quarter of 2023. These net new assets came from all regions – EMEA, Americas and APAC – and from institutional as well as retail investors. Passive including Xtrackers, Alternatives and to a lesser extent Active (ex Cash) generated net inflows, while low-margin Cash products saw net outflows. ESG products attracted increased net inflows of EUR 1.9 billion in the second quarter.

Active Asset Management ex Cash recorded net inflows of EUR 0.3 billion in the second quarter (Q1 2023: EUR 5.8 billion). All sub-asset classes contributed to this number except Active Equity, which recorded net outflows of minus EUR 0.6 billion with continued demand for ESG products. Multi Asset attracted net new assets of EUR 0.5 billion with net inflows into flagship fund DWS Concept Kaldemorgen and Active SQI added net inflows of EUR 0.4 billion. In addition, Fixed Income generated slightly positive net new assets. Low-margin Cash products were volatile during the second quarter and recorded net flows of minus EUR 1.1 billion (Q1 2023: minus EUR 3.1 billion).

Passive Asset Management generated increased net new assets of EUR 6.2 billion in the second quarter (Q1 2023: EUR 4.4 billion). As in the first quarter, flows were mainly driven by Xtrackers ETPs (exchange-traded funds and commodities) and supported by net inflows in institutional mandates. In the second quarter and in the first half of the year, DWS ranked number two by European ETP net flows (source: ETFGI).

Alternatives attracted net inflows of EUR 3.9 billion in the second quarter (Q1 2023: minus EUR 1.4 billion). This improvement was due to net inflows of EUR 5.1 billion in Illiquid Alternatives, which were mainly driven by a significant Real Estate mandate while Liquid Real Assets saw net outflows of minus EUR 1.2 billion.

Adjusted costs, which also exclude transformational charges and other material non-recurring expenses, increased by only 1 percent to EUR 408 million in Q2 2023 (Q1 2023: EUR 404 million), driven by higher adjusted compensation and benefits costs while adjusted general and administrative expenses were unchanged. In the first half of the year, adjusted costs at EUR 812 million were almost stable (H1 2022: EUR 808 million). With prevailing high inflation rates, this demonstrates DWS' strict cost management.

The **adjusted Cost-Income Ratio (CIR)** improved by 5.3 percentage points to 61.0 percent in the second quarter 2023 (Q1 2023: 66.3 percent). The adjusted CIR increased year-on-year by 4.1 percentage points to 63.5 percent in the first half of the year (H1 2022: 59.4 percent). It is on track to achieve DWS' outlook for the year 2023 in which the company progresses transformation activities and accommodates inflationary pressures.

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Growth Initiatives and Strategic Progress

In the second quarter, DWS received a **Long-Term Issuer Rating from Moody‘s Investors Service for the first time**. Moody‘s has given DWS Group a rating of **A2 with a stable outlook**. This is a strong result, also within the asset management sector. The trigger for applying for the rating was the business with institutional clients. If necessary, the rating can also be used for the company's own funding in the future. Even though there are currently no concrete plans to raise debt capital, this is a **further step towards DWS' independence**. The rating supports DWS in securing and diversifying its funding options and thus increases its flexibility at the same time.

In addition, DWS and Galaxy Digital Holdings Ltd. (**Galaxy**), a financial services and investment management innovator in the digital asset and blockchain technology sector, have entered into a **strategic alliance** with the aim of initially developing a comprehensive suite of exchange-traded commodities (ETCs) on certain **digital assets in Europe**. Both companies plan to also subsequently explore other digital asset solutions. The alliance is expected to combine DWS’ strong portfolio management, product structuring, and distribution expertise across liquid and illiquid asset classes with Galaxy’s technical infrastructure and its asset management and research capabilities for digital assets.

At its Annual General Meeting in June, DWS presented its **updated sustainability strategy**, which fleshes out DWS’ role, goals and priorities. A particular focus lies on climate change and DWS has built its sustainability strategy around three priorities: First, DWS wants to make new climate-related investment opportunities accessible to its clients. Second, DWS wants to further strengthen its engagement with businesses and other relevant stakeholders. And third, DWS wants to continue to drive its own business transformation towards a more sustainable future. This is in line with DWS’ philosophy as a responsible trustee of its clients' assets. DWS invests the money entrusted to it in line with the goals and interests of its clients. This also includes taking into consideration risks from climate change and opportunities from climate protection.

Furthermore, **DWS continued to be recognized externally for its passive asset management capabilities** being named “Best ETF Manager” and “Best Passive Asset Manager” at the Insurance Asia News Institutional Asset Management Awards 2023.

Moreover, DWS has made further organizational changes and new appointments to important positions in the second quarter, but also saw announcements from two key players at DWS, which will lead to new appointments in central positions in the coming months. **Claire Peel**, DWS’ Chief Financial Officer, has informed DWS about her intention to resign as member of the DWS Executive Board towards the end of Q3 2023. A thorough search process to appoint a new Chief Financial Officer for DWS has been initiated and includes both internal and external candidates. Claire Peel, who has been CFO since 2018, will continue in her role until her departure date and will ensure an orderly hand-over. Also **Karl von Rohr** has informed DWS about his intention to step down as Chairman as of 31 October 2023 when his current contract as Management Board Member of Deutsche Bank expires. Here, as well, a proper search process was initiated.

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Karl von Rohr was re-elected as member of the Supervisory Board at DWS' Annual General Meeting in June 2023. He will ensure an orderly transition in the chairmanship and has announced to further support DWS on the Supervisory Board.

Outlook

The **outlook remains unchanged** from that published in DWS' 2022 Annual Report, with the **exception** that DWS now expects Assets under Management at the end of the year and adjusted costs for 2023 to increase only slightly compared to the previous year.

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Appendix

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

	Q2 2023	Q1 2023	H1 2023	H1 2022	Q2 2023 vs. Q1 2023	H1 2023 vs. H1 2022
Management Fees and other recurring revenues	580	571	1,150	1,238	2%	-7%
Performance & Transaction Fees	47	11	58	58	N/M	0%
Other Revenues	41	42	84	65	-3%	29%
Total net revenues	**668**	**624**	**1,292**	**1,360**	7%	-5%
Revenue adjustments	*-*	*14*	*14*	*-*	*N/M*	*N/M*
Adjusted revenues	***668***	***610***	***1,278***	***1,360***	10%	-6%
Compensation and benefits	224	214	438	430	5%	2%
General and administrative expenses	243	213	456	434	14%	5%
Restructuring activities	0	0	0	0	N/M	N/M
Impairment of goodwill and other intangible assets	0	0	0	0	N/M	N/M
Total noninterest expenses	**467**	**427**	**894**	**865**	9%	3%
Cost adjustments	*60*	*22*	*82*	*57*	*N/M*	*N/M*
of which transformational charges	*25*	*18*	*42*	*22*		
Adjusted cost base	***408***	***404***	***812***	***808***	1%	0%
Profit before tax	**201**	**197**	**398**	**496**	2%	-20%
Adjusted Profit before tax	***260***	***206***	***466***	***552***	27%	-16%
Net income	***145***	***138***	***283***	***341***	5%	-17%
Cost-Income Ratio	69.9%	68.4%	69.2%	63.6%	1.5ppt	5.6ppt
Adjusted Cost-Income Ratio	*61.0%*	*66.3%*	*63.5%*	*59.4%*	-5.3ppt	4.1ppt
Employees (full-time equivalent)	4,296	4,280	4,296	3,508	0%	22%
Assets under management (in EUR bn)	859	841	859	833	2%	3%
Net flows (in EUR bn)	9.3	5.7	15.0	-26.1		
Net flows ex Cash (in EUR bn)	10.4	8.8	19.2	5.5		
Management fee margin (bps annualized)	27.4	27.7	27.5	28.0		

N/M – Not meaningful

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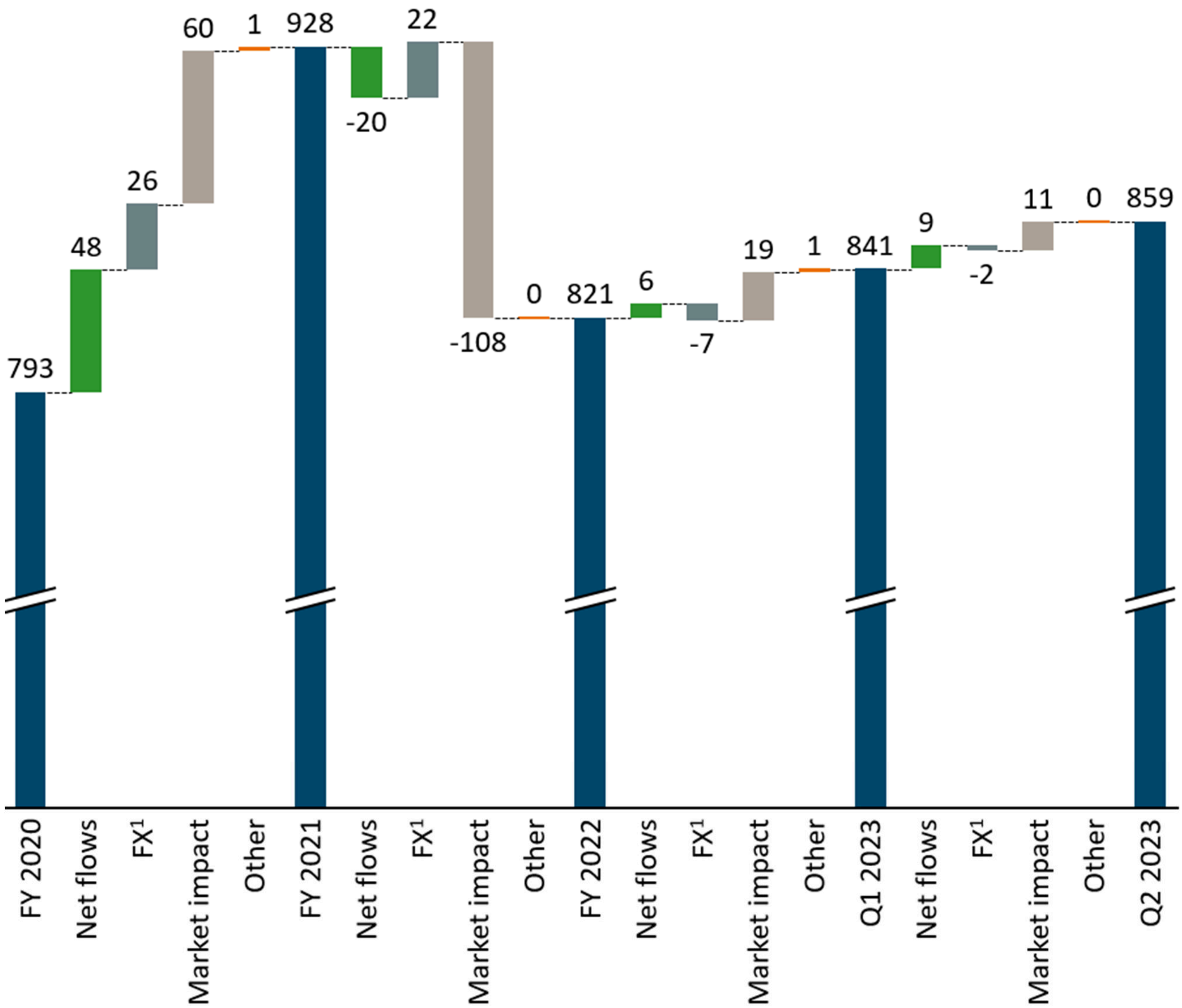
AuM development in detail (in EUR bn)



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

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Mainzer Landstr. 11-17
60329 Frankfurt, Germany

Contact details for further information

Media Relations

Sebastian Kraemer-Bach
+49 69 910 43330
sebastian.kraemer-bach@dws.com

Karsten Swoboda
+49 69 910 14941
karsten.swoboda@dws.com

Investor Relations

Oliver Flade
+49 69 910 63072
oliver.flade@dws.com

Maneli Farsi
+49 69 910 41049
maneli.farsi@dws.com

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 26 July 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 859bn of assets under management (as of 30 June 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 to 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 any of them publicly 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 Interim Report, which is available at
https://group.dws.com/ir/reports-and-events/financial-results/.

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