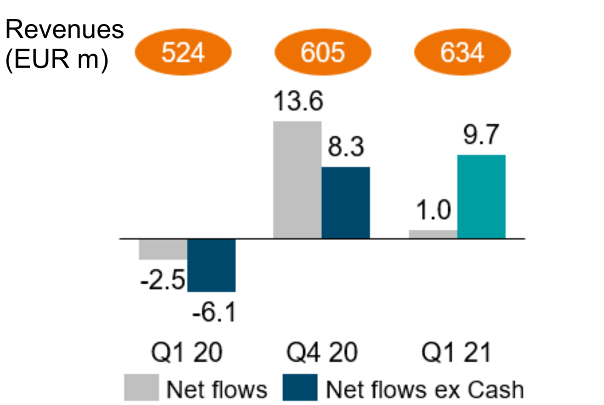
Frankfurt/Main April 28, 2021

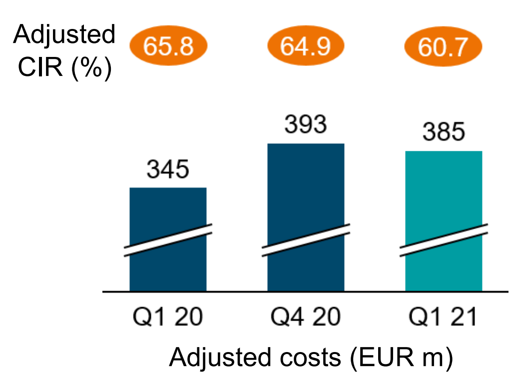
Q1 2021: DWS with Strong Performance and Focus on Profitability; High Net Flows ex Cash

- **Adjusted profit before tax improved to EUR 249m in Q1** (Q4 2020: EUR 212m; Q1 2020: EUR 179m), up 17% q-o-q and 39% y-o-y; **Net income** at EUR 169m in Q1, up 3% q-o-q
- **Total revenues increased to EUR 634m in Q1** (Q4 2020: EUR 605m; Q1 2020: EUR 524m), up 5% q-o-q and 21% y-o-y, among other things, due to higher performance fees and our stake in Harvest
- **Adjusted Cost-Income Ratio (CIR) improved to 60.7% in Q1** (Q4 2020: 64.9%; Q1 2020: 65.8%)
- **Overall net flows of EUR 1.0bn in Q1** (Q4 2020: EUR 13.6bn); excluding Cash products, net inflows increased to EUR 9.7bn (Q4 2020: EUR 8.3bn)
- **Adjusted costs decreased by 2% to EUR 385m** in Q1 (Q4 2020: EUR 393m; Q1 2020: EUR 345m); Up 12% y-o-y primarily due to higher deferred compensation relating to DWS' strong share price development since Q1 2020
- **AuM** further up by EUR 28bn to **EUR 820bn** in Q1 (Q4 2020: EUR 793bn; Q1 2020: EUR 700bn)

Net Flows (EUR bn) & Revenues



Adjusted CIR & Adjusted Costs



"During the first three months of the year, our firm was again able to achieve strong results. Due to our successful barbell strategy with inflows into our passive business as well as our high-margin strategies, we generated strong net flows ex cash of almost EUR 10 billion. Phase 2 of our corporate journey is off to a great start of organic growth in flows and in our topline. While this is promising, we will not lose focus on our medium-term plan of transforming our organization and investing into growth, to become a true leader of the asset management industry."

Asoka Woehrmann, CEO

"The 21 percent increase of our revenues year-on-year enabled us to improve our adjusted Cost-Income Ratio to 61 percent in the first quarter. As we shift to focus on growth and transformation we expect incremental investment over the course of this year. Furthermore, we increased both our adjusted profit before tax and our net income by 39 percent, making the first quarter a very successful start to the year."

Claire Peel, CFO

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Business Development

In the first quarter of 2021, we again delivered strong results. Revenues increased by 5 percent quarter-on-quarter and 21 percent year-on-year. Thanks to our diversified business model, we recorded positive net inflows of EUR 1.0 billion in the first quarter despite high redemptions from low-margin Cash products. Excluding Cash, net inflows improved to EUR 9.7 billion – the second-highest number since the IPO. Assets under Management also increased by EUR 28 billion to a record volume of EUR 820 billion. While we had first investments into transformation projects in Q1 2021, our adjusted cost base declined by 2 percent quarter-on-quarter supported by ongoing cost saving initiatives. The adjusted Cost-Income Ratio improved to 60.7 percent in line with our expectation to maintain an adjusted Cost-Income Ratio of below 65 percent in 2021. Adjusted profit before tax increased by 17 percent compared to the prior quarter and by 39 percent year-on-year.

Total revenues increased quarter-on-quarter by 5 percent to EUR 634 million in Q1 2021 (Q4 2020: EUR 605 million; Q1 2020: EUR 524 million). This was due to higher performance fees and other revenues including a strong contribution from our stake in Harvest and a favorable change of fair value of guarantees. Management fees and other recurring revenues remained stable despite less business days in the first quarter. Year-on-year, revenues rose by 21 percent.

Adjusted profit before tax improved quarter-on-quarter by 17 percent to EUR 249 million in the first quarter (Q4 2020: EUR 212 million; Q1 2020: EUR 179 million) primarily due to higher revenues and supported by lower adjusted costs. Year-on-year adjusted profit before tax increased strongly by 39 percent. After tax, DWS posted a quarter-on-quarter 3 percent higher **net income** of EUR 169 million for the first quarter of 2021. Net income was up 39 percent year-on-year (Q4 2020: EUR 164 million; Q1 2020: EUR 121 million).

Assets under Management (AuM) further rose by EUR 28 billion to EUR 820 billion in the first quarter of 2021 (Q4 2020: EUR 793 billion; Q1 2020: EUR 700 billion). This was driven by positive market developments as well as favorable exchange rate movements and supported by net inflows.

We recorded positive **net flows** of EUR 1.0 billion in the first quarter of 2021. These flows were primarily driven by Passive (EUR 7.4 billion) and supported by inflows into Alternatives (EUR 1.0 billion) and Active (ex Cash) (EUR 1.2 billion), while low-margin Cash products suffered net outflows (minus EUR 8.6 billion). Excluding Cash, net inflows improved on a high level to EUR 9.7 billion quarter-on-quarter. ESG dedicated funds attracted stronger net flows of EUR 4 billion in Q1.

Active Asset Management ex Cash increased its net flows to EUR 1,201 million in the first quarter (Q4 2020: EUR 767 million). The sub asset classes show a mixed picture. On the one hand, Active Fixed Income was able to generate higher net new assets of EUR 971 million driven by demand from institutional investors. In addition, Active SQI recorded net inflows of EUR 647 million and Active Equity generated net new assets of EUR 94 million. On the other hand, Multi Asset saw outflows of

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minus EUR 510 million driven by redemptions from institutional mandates. Cash products recorded net outflows of minus EUR 8.6 billion (Q4 2020: EUR 5.3 billion) as their function as a safe haven has lost importance amid improving market conditions.

Passive Asset Management generated higher net new assets of EUR 7.4 billion in the first quarter (Q4 2020: EUR 5.9 billion). The very strong flow momentum again was driven by high demand for ETPs (exchange-traded funds and commodities) enabling us gaining market share in Europe as we are growing faster than the ETP market.

Alternatives generated net flows of EUR 1.0 billion in the first quarter (Q4 2020: EUR 1.7 billion) driven by Liquid Alternatives with net new assets of EUR 651 million. Illiquid Alternatives added another EUR 386 million with inflows into Real Estate as well as into Infrastructure funds.

Adjusted costs, which are also excluding transformation charges of EUR 6 million, decreased quarter-on-quarter by 2 percent to EUR 385 million in Q1 2021 (Q4 2020: EUR 393 million; Q1 2020: EUR 345 million). Supported by our ongoing cost saving initiatives we had lower general and administrative expenses, especially for banking services, marketing, building and leases as well as lower market data and research costs. Year-on-year, adjusted costs increased by 12 percent driven by higher compensation and benefits costs primarily due to higher deferred compensation relating to DWS' strong share price development since end of Q1 2020.

The **adjusted Cost-Income Ratio** (CIR) improved by 4.2 percentage points to 60.7 percent in the first quarter 2021 (Q4 2020: 64.9 percent; Q1 2020: 65.8 percent) – in line with our expectation to maintain an adjusted CIR of below 65 percent in 2021. This decrease was primarily driven by higher revenues. As we plan with upcoming investments into growth and a normalization in performance and transaction fees and other revenues during the year, we expect an increase of the adjusted CIR from the low level in Q1.

Growth Initiatives and Strategic Progress

DWS further progressed in transformation and on its growth path in the first quarter. One important step for the organization was to ensure the long-term continuity of the leadership of DWS: Due to his successful work since his return to DWS in 2018, Asoka Woehrmann's contract as CEO has been renewed until October 2024 to continue the progression into Phase Two of DWS' corporate journey after the IPO. Going forward, he will also assume responsibility for sustainability on a holistic level and will lead all ESG efforts at DWS. This decision was made to gain even more traction in this space. In addition, we are continually improving our business structure. Therefore, we have made further organizational changes across divisions and regions in order to strengthen our efficiency and expertise as a firm.

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We have also laid our first foundations for a standalone technology platform for DWS in the first quarter. Furthermore, we have intensified our client engagement through technology: For our flagship investment conference in March, we launched our on-demand streaming platform DWS+, enabling our clients to access DWS-produced research materials and videos whenever and wherever they want. Moreover, we strengthened our collaboration with strategic partners: In Q1, we launched our first jointly produced AI product with our strategic partner Arabesque AI, with further offerings planned in the pipeline. In addition, DWS, in partnership with AMX (The Asset Management Exchange), innovated to produce a new index investment pooled funds stewardship solution for pension funds to more closely align stewardship policy with asset ownership. And enforcing a performance-driven culture, we implemented our new Functional Role Framework, removing corporate titles and replacing these with flat hierarchies instead.

As further evidence of our successful business with customers, we won a 1 billion Swiss franc (CHF) passive pension fund mandate with one of Switzerland's leading investment foundations, and further important mandates, for example for our Asian real-estate business. Besides, we continued to be recognized externally for our achievements, receiving several award wins at the Insurance Asset Risk Awards, the Morningstar Fund Awards, the ETF Express Awards, the €uro FundAwards, the Capital Fonds-Kompass, the German and Austrian Fund Awards 2021, the TMI (Treasury Management International) Awards for Innovation & Excellence and the ICSC (International Council of Shopping Centers) Global Researcher Awards.

Outlook

The outlook remains unchanged from that published on February 4 and detailed in our 2020 Annual Report.

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Appendix

Profit & Loss Statement (in EUR m) and Key Performance Indicators

	Q1 2021	Q4 2020	Q1 2020	Q1 2021 vs. Q4 2020	Q1 2021 vs. Q1 2020
Management Fees and other recurring revenues	548	550	553	0%	-1%
Performance & Transaction Fees	40	33	17	21%	131%
Other Revenues	46	22	-46	102%	N/M
Total net revenues	**634**	**605**	**524**	5%	21%
Revenue adjustments	*-*	*-*	*-*	*-*	*-*
Adjusted revenues	***634***	***605***	***524***	5%	21%
Compensation and benefits	211	181	165	17%	28%
General and administrative expenses	185	212	182	-13%	2%
Restructuring activities	1	5	3	-82%	-70%
Total noninterest expenses	**397**	**398**	**351**	0%	13%
Cost adjustments	*12*	*6*	*7*	*N/M*	*N/M*
of which transformation charges	*6*	*-*	*-*		
Adjusted cost base (excl. transformation charges)	***385***	***393***	***345***	-2%	12%
Profit before tax	**237**	**206**	**173**	15%	37%
Adjusted Profit before tax (excl. transformation charges)	***249***	***212***	***179***	17%	39%
Net income	***169***	***164***	***121***	3%	39%
Cost-Income Ratio	62.6%	65.9%	67.0%	-3.3ppt	-4.5ppt
Adjusted Cost-Income Ratio (excl. transformation charges)	*60.7%*	*64.9%*	*65.8%*	-4.2ppt	-5.1ppt
Employees (full-time equivalent)	3,332	3,321	3,329	0%	0%
Assets under management (in EUR bn)	820	793	700	4%	17%
Net flows (in EUR bn)	1.0	13.6	-2.5		
Net flows (% of BoP AuM - annualized)	0.5	7.1	-1.3		
Management fee margin (bps annualized)	27.9	28.3	29.5		

N/M – Not meaningful

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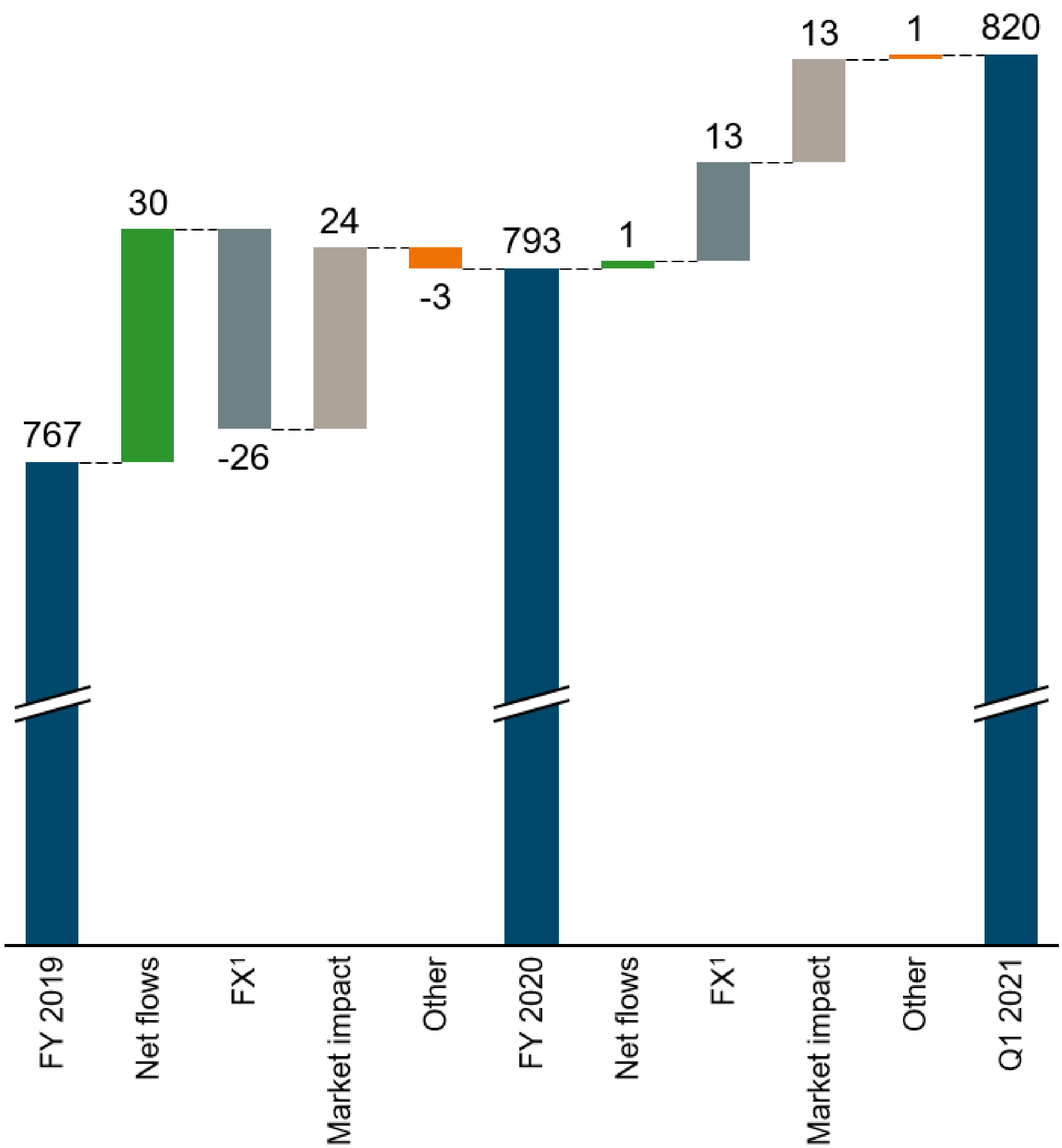
AuM development in detail (in EUR bn)



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

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Webcast/Call

Asoka Woehrmann, Chief Executive Officer, and Claire Peel, Chief Financial Officer, will elaborate on the results in an investor and analyst call on 28 April 2021 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) is one of the world's leading asset managers with EUR 820bn of assets under management (as of 31 March 2021). 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 asset classes and 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, which guides our investment approach strategically.

DWS wants to innovate and shape the future of investing: with approximately 3,500 employees in offices all over the world, we are local while being one global team. We are investors – entrusted to build the best foundation for our clients' 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.

Products are included in the categorization ESG in accordance with our current assessment of ESG which is designed to take account of applicable regulation, administrative practices and market standards. However, as those are still evolving, this may have an impact on our assessment of ESG and consequently our future reports. According to our current assessment of ESG, we have included as ESG products (i) those which we have classified as Article 8/9 products in accordance with Regulation (EU) 2019/2088 (“SFDR”); and (ii) certain products in the Americas and APAC that are not subject to SFDR. Although the SFDR applies as of March 10, 2021, for the purposes of our reporting we have applied it as of Q1 2021. The aforementioned definitions apply to the entire release.

This document 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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