

WADDELL & REED, INC. AND SUBSIDIARIES
(An Indirect Wholly Owned Subsidiary of Waddell & Reed Financial, Inc.)

Consolidated Statement of Changes in Stockholder's Equity

Year ended December 31, 2019

(In thousands)

	Common stock		Additional	Accumulated	Accumulated	Total	Redeemable
	Shares	Amount	paid-in	deficit	other	stockholder's	non-
			capital		comprehensive	equity	controlling
					income		interests
Balance at December 31, 2018	1,000	\$ 1	193,451	8,959	1,301	203,712	102
Cumulative Effect Adjustment (1)	—	—	—	5,903	—	5,903	—
Forgiveness to Related Party (1)	—	—	(5,903)	—	—	(5,903)	—
Net loss	—	—	—	(9,679)	—	(9,679)	—
Dividends / return of capital to parent – cash	—	—	(13,500)	(13,000)	—	(26,500)	—
W&R Capital Management Group, Inc & Waddell & Reed Investment Management Company mergers	—	—	—	102	—	102	(102)
Other comprehensive loss	—	—	—	—	(417)	(417)	—
Balance at December 31, 2019	<u>1,000</u>	<u>\$ 1</u>	<u>174,048</u>	<u>(7,715)</u>	<u>884</u>	<u>167,218</u>	<u>—</u>

(1) See Note 14 (Related Party Transactions) for additional information on the Letter of Understanding executed with Ivy Distributors, Inc.

See accompanying notes to consolidated financial statements.