

## TMX Group Limited Reports Results for Fourth Quarter of 2022

- Revenue of \$274.1 million, up 9% from \$252.4 million in Q4/21, including \$27.7 million from acquisition of voting control of BOX on January 3, 2022<sup>1</sup>
- Diluted earnings per share of \$1.83, up 17% from \$1.56 in Q4/21
- Adjusted diluted earnings per share<sup>2</sup> of \$1.74, down 2% from \$1.77 in Q4/21

February 6th, 2023 (TORONTO) – TMX Group Limited [TSX:X] (“TMX Group”) today announced results for the fourth quarter ended December 31, 2022.

Commenting on year ended December 31, 2022, John McKenzie, Chief Executive Officer of TMX Group, said:

“TMX’s positive 2022 results reflect solid performance in some of our key business areas despite difficult macroeconomic conditions, and serve to highlight the benefits of an adaptive and responsive, long-term global growth strategy. Revenue growth in Derivatives Trading and Clearing, Global Solutions, Insights and Analytics, and Capital Formation was driven by contributions from BOX, consolidated into our results in January 2022, AST Canada, acquired in August 2021, Trayport and TMX Datalinx. Looking to the future, we are focused on leveraging the deep value of our assets to augment our service offerings, solve emerging industry challenges, and drive sustainable growth. TMX is extremely grateful to our clients and stakeholders for their partnership in progress as we strive to push the pace of evolution of world markets.”

Commenting on TMX Group's performance in the fourth quarter of 2022, David Arnold, Chief Financial Officer of TMX Group, said:

"Our results for the fourth quarter reflect our commitment to continue investing for long term growth and our ability to effectively manage our business in challenging economic conditions, with overall growth in revenue of 9%, driven by increases in *Derivatives Trading and Clearing*, and *Global Solutions, Insights and Analytics*. Our organic revenue<sup>3</sup> decreased by 3% from the fourth quarter of last year, and we managed our organic operating expense<sup>4</sup> increase to 3%, which continues to be well below the current Canadian inflation rate. Our diluted earnings per share grew by 17%, and our adjusted diluted earnings per share was down 2% compared to the fourth quarter of last year. Our Board increased the quarterly dividend by 5% to 87 cents per common share, consistent with our target payout range. As we enter 2023, we remain focused on our purpose to make markets better and empower bold ideas."

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<sup>1</sup> See discussion under the heading "BOX".

<sup>2</sup> Adjusted diluted earnings per share is a non-GAAP ratio, see discussion under the heading "Non-GAAP Measures".

<sup>3</sup> Organic revenue excludes BOX (consolidated January 3, 2022) and Wall Street Horizon (acquired November 9, 2022), see Quarterly Results from Operations - Revenue for more details.

<sup>4</sup> Organic operating expense excludes BOX (consolidated January 3, 2022) and Wall Street Horizon (acquired November 9, 2022), see Quarterly Results from Operations - Operating Expenses for more details.

## RESULTS OF OPERATIONS

### Non-GAAP Measures

Adjusted net income is a non-GAAP measure<sup>5</sup>, and adjusted earnings per share, adjusted diluted earnings per share, and adjusted earnings per share CAGR are non-GAAP ratios<sup>6</sup>, and do not have standardized meanings prescribed by GAAP and are, therefore, unlikely to be comparable to similar measures presented by other companies.

Management uses these measures, and excludes certain items, because it believes doing so provides investors a more effective analysis of underlying operating and financial performance, including, in some cases, our ability to generate cash. Management also uses these measures to more effectively measure performance over time, and excluding these items increases comparability across periods. The exclusion of certain items does not imply that they are non-recurring or not useful to investors.

We present adjusted earnings per share, adjusted diluted earnings per share, and adjusted net income to indicate ongoing financial performance from period to period, exclusive of a number of adjustments as outlined under the headings "Adjusted Net Income and Adjusted Earnings Per Share Reconciliation for Q4/22 and Q4/21" and "Adjusted Net Income and Adjusted Earnings Per Share Reconciliation for 2022 and 2021".

### BOX<sup>7</sup>

On January 3, 2022 BOX executed a unit buy-back with certain members which resulted in TMX Group's economic and voting interests increasing from 42.6% and 45.5%, to 47.9 % and 51.4%, respectively. As a result, effective January 3, 2022, TMX Group obtained voting control over BOX and commenced consolidating the entity. Going forward, non-controlling interests ("NCI") related to BOX (52.1%), including net income and equity attributable to NCI will be reported in our financial statements. The transaction has been accounted for as a business combination in accordance with IFRS 3, *Business Combinations*. TMX Group remeasured its previously held interest, resulting in a non-cash gain of approximately \$177.9 million in Q1/22, recognized in the consolidated income statements as other income. BOX is included in the Derivatives Trading & Clearing operating segment.

A well-diversified market model has enabled BOX to capture market share in its core operating segments reaching an equity option market share of 7% in Q4/22<sup>8</sup>. Overall, BOX had a positive contribution to net income attributable to equity holders of TMX Group, adjusted net income attributable to equity holders of TMX Group<sup>9</sup>, diluted earnings per share, and adjusted diluted earnings per share<sup>10</sup> in Q4/22 compared to Q4/21, as a result of improved operating performance and our increased economic interest.

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<sup>5</sup> As defined in National Instrument 52-112 Non-GAAP and Other Financial Measures Disclosure.

<sup>6</sup> As defined in National Instrument 52-112 Non-GAAP and Other Financial Measures Disclosure.

<sup>7</sup> BOX Options Market LLC, and when the context requires, BOX includes its parent BOX Holdings Group LLC.

<sup>8</sup> Source: The OCC website, volume by exchange report.

<sup>9</sup> Adjusted net income is a non-GAAP measure, see discussion under the heading "Non-GAAP Measures".

<sup>10</sup> Adjusted earnings per share is a non-GAAP ratio, see discussion under the heading "Non-GAAP Measures".

## Quarter ended December 31, 2022 (Q4/22) Compared with Quarter ended December 31, 2021 (Q4/21)

The information below reflects the financial statements of TMX Group for Q4/22 compared with Q4/21.

(in millions of dollars, except per share amounts)	Q4/22	Q4/21	\$ increase / (decrease)	% increase / (decrease)
Revenue	<b>\$274.1</b>	\$252.4	\$21.7	9%
Operating expenses	<b>154.8</b>	136.2	18.6	14%
Income from operations	<b>119.3</b>	116.2	3.1	3%
Net income attributable to equity holders of TMX Group	<b>102.2</b>	87.9	14.3	16%
Adjusted net income attributable to equity holders of TMX Group <sup>11</sup>	<b>97.4</b>	99.0	(1.6)	(2)%
Earnings per share attributable to equity holders of TMX Group				
Basic	<b>1.84</b>	1.57	0.27	17%
Diluted	<b>1.83</b>	1.56	0.27	17%
Adjusted Earnings per share attributable to equity holders of TMX Group <sup>12</sup>				
Basic	<b>1.75</b>	1.77	(0.02)	(1)%
Diluted	<b>1.74</b>	1.77	(0.03)	(2)%
Cash flows from operating activities	<b>100.9</b>	103.0	(2.1)	(2)%

### Net Income attributable to equity holders of TMX Group and Earnings per Share

Net income attributable to equity holders of TMX Group in Q4/22 was \$102.2 million, or \$1.84 per common share on a basic and \$1.83 on a diluted basis, compared with a net income attributable to equity holders of TMX Group of \$87.9 million, or \$1.57 per common share on a basic and \$1.56 on a diluted basis, for Q4/21. The increase in net income attributable to equity holders of TMX Group from Q4/21 to Q4/22 reflects a decrease in income tax expense of \$22.3 million, primarily related to a reversal of a prior year tax provision, and an increase in Income from operations of \$3.1 million (includes 100% income from operations of BOX of which 52.1% relates to non-controlling interests), driven by an increase in revenue of \$21.7 million partially offset by an increase in operating expenses of \$18.6 million. The increase in revenue included approximately \$27.7 million related to BOX (consolidated January 3, 2022), and \$1.0 million related to Wall Street Horizon (acquired November 9, 2022). The increase in operating expenses included approximately \$13.9 million related to BOX, and Wall Street Horizon of which \$3.4 million related to amortization of acquired intangibles, \$0.7 million related to acquisition and related costs, and \$0.1 million related to integration costs. Partially offsetting these increases to operating expenses were \$6.4 million lower short term employee performance incentive plan costs, and \$1.3 million related to the transitional services agreement (TSA) with AST Canada in Q4/21.

The increase in earnings per share was also partially attributable to a decrease in the number of weighted average common shares outstanding from Q4/21 to Q4/22.

<sup>11</sup> Adjusted net income is a non-GAAP measure, see discussion under the heading "Non-GAAP Measures".

<sup>12</sup> Adjusted earnings per share is a non-GAAP ratio, see discussion under the heading "Non-GAAP Measures".

## Adjusted Net Income attributable to equity holders of TMX Group<sup>13</sup> and Adjusted Earnings per Share<sup>14</sup> Reconciliation for Q4/22 and Q4/21

The following tables present reconciliations of net income attributable to equity holders of TMX Group to adjusted net income attributable to equity holders of TMX Group and earnings per share to adjusted earnings per share. The financial results have been adjusted for the following:

1. The amortization expenses of intangible assets in Q4/21 and Q4/22 related to the 2012 Maple transaction (TSX, TSXV, MX, CDS, Alpha, Shorcan), TSX Trust, Trayport (including VisoTech and Tradesignal), AST Canada, and BOX; and is a component of *Depreciation and amortization expenses*.
2. Integration costs related to integrating the AST Canada acquisition in Q4/22 and Q4/21, and the integration of Wall Street Horizon acquisition in Q4/22. These costs are included in *Depreciation and amortization, Information and trading systems, Compensation and benefits and Selling, general and administration*.
3. Acquisition and related costs associated with the acquisition of AST Canada (acquired August 12, 2021) in Q4/21 and acquisition of Wall Street Horizon (acquired November 9, 2022) and other equity investments in Q4/22. These costs are included in *Selling general, and administration and Compensation and benefits*.
4. An adjustment to deferred income tax liabilities in Q4/21 relating to a change in the U.K. corporate income tax rate effective April 1, 2023. This adjustment in deferred income tax liabilities is included in Income tax expense, see Additional Information - Income tax expense and effective tax rate for more details.
5. A reversal of a write-off of deferred income tax assets in 2017 related to TMX Atrium Wireless (sold April 2017) in Q4/21. This increase in deferred income tax assets is included in Income tax expense, see Additional Information - Income tax expense and effective tax rate for more details.
6. In Q4/22, we reversed a prior year tax provision resulting in a decrease to income tax expense, see Additional Information - Income tax expense and effective tax rate for more details.

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<sup>13</sup> Adjusted net income is a non-GAAP measure, see discussion under the heading "Non-GAAP Measures".

<sup>14</sup> Adjusted earnings per share is a non-GAAP ratio, see discussion under the heading "Non-GAAP Measures".

(in millions of dollars) (unaudited)	Pre-tax		Tax		After-tax			
	Q4/22	Q4/21	Q4/22	Q4/21	Q4/22	Q4/21	\$ increase / (decrease)	% increase / (decrease)
Net income attributable to equity holders of TMX Group					\$102.2	\$87.9	\$14.3	16%
Adjustments related to:								
Amortization of intangibles related to acquisitions <sup>15</sup>	14.5	13.4	3.3	2.2	11.2	11.2	—	0%
Integration costs <sup>16</sup>	4.1	2.8	1.1	0.8	3.0	2.0	1.0	50%
Acquisition and related costs <sup>17</sup>	1.4	1.0	—	—	1.4	1.0	0.4	40%
Adjustment to deferred income tax liabilities relating to a change in the future U.K. tax rate	—	—	—	0.2	—	(0.2)	0.2	(100)%
Reversal of a previous write-off of deferred income tax assets <sup>18</sup>	—	—	—	2.9	—	(2.9)	2.9	(100)%
Reversal of a prior year tax provision <sup>19</sup>	—	—	20.4	—	(20.4)	—	(20.4)	n/a
Adjusted net income attributable to equity holders of TMX Group <sup>20</sup>					\$97.4	\$99.0	(\$1.6)	(2%)

Adjusted net income attributable to equity holders of TMX Group decreased by 2% from \$99.0 million in Q4/21 to \$97.4 million in Q4/22 largely driven by a decrease in income from operations (after deducting the portion of income from operations belonging to the 52.1% NCI in BOX).

<sup>15</sup> Includes amortization expense of acquired intangibles including BOX, AST Canada, and Tradesignal in Q4/22 and AST Canada in Q4/21.

<sup>16</sup> Includes costs related to the integration of AST Canada (acquired August 12, 2021) and Wall Street Horizon (acquired November 9, 2022). See Initiatives and Accomplishments in the 2022 Annual MD&A for more details.

<sup>17</sup> Includes costs related to the acquisition of Wall Street Horizon (acquired November 9, 2022) and other equity investments in Q4/22, and acquisition of AST Canada (acquired August 12, 2021) in Q4/21. See Initiatives and Accomplishments in the 2022 Annual MD&A for more details.

<sup>18</sup> Related to TMX Atrium Wireless (sold April 2017).

<sup>19</sup> Relates to a prior year tax reserve no longer required.

<sup>20</sup> Adjusted net income is a non-GAAP measure, see discussion under the heading "Non-GAAP Measures".

(unaudited)	Q4/22		Q4/21	
	Basic	Diluted	Basic	Diluted
Earnings per share attributable to equity holders of TMX Group	<b>\$1.84</b>	<b>\$1.83</b>	\$1.57	\$1.56
Adjustments related to:				
Amortization of intangibles related to acquisitions <sup>21</sup>	<b>0.20</b>	<b>0.20</b>	0.20	0.20
Integration costs <sup>22</sup>	<b>0.05</b>	<b>0.05</b>	0.04	0.04
Acquisition and related costs <sup>23</sup>	<b>0.03</b>	<b>0.02</b>	0.02	0.02
Adjustment to deferred income tax liabilities relating to a change in the future U.K. tax rate	—	—	—	—
Reversal of a previous write-off of deferred income tax assets <sup>24</sup>	—	—	(0.05)	(0.05)
Reversal of a prior year tax provision <sup>25</sup>	<b>(0.37)</b>	<b>(0.36)</b>	—	—
Adjusted earnings per share attributable to equity holders of TMX Group <sup>26</sup>	<b>\$1.75</b>	<b>\$1.74</b>	\$1.78	\$1.77
Weighted average number of common shares outstanding	<b>55,647,249</b>	<b>55,864,637</b>	55,950,887	56,293,788

Adjusted diluted earnings per share decreased by 2% from \$1.77 in Q4/21 to \$1.74 in Q4/22 largely driven by a decrease in income from operations (after deducting the portion of income from operations belonging to the 52.1% NCI in BOX). The decrease in adjusted earnings per share was partially offset by a decrease in the number of weighted average common shares outstanding from Q4/21 to Q4/22.

<sup>21</sup> Includes amortization expense of acquired intangibles including BOX, AST Canada, and Tradesignal in Q4/22, and AST Canada in Q4/21.

<sup>22</sup> Includes costs related to the integration of AST Canada (acquired August 12, 2021) and Wall Street Horizon (acquired November 9, 2022). See Initiatives and Accomplishments in the 2022 Annual MD&A for more details.

<sup>23</sup> Includes costs related to the acquisition of Wall Street Horizon (acquired November 9, 2022) and other equity investments in Q4/22, and acquisition of AST Canada (acquired August 12, 2021) in Q4/21. See Initiatives and Accomplishments in the 2022 Annual MD&A for more details.

<sup>24</sup> Related to TMX Atrium Wireless (sold April 2017).

<sup>25</sup> Relates to a prior year tax reserve no longer required.

<sup>26</sup> Adjusted earnings per share is a non-GAAP ratio, see discussion under the heading "Non-GAAP Measures".

## Revenue

(in millions of dollars)	Q4/22	Q4/21	\$ increase / (decrease)	% increase / (decrease)
Capital Formation	\$61.5	\$67.2	\$(5.7)	(8)%
Equities and Fixed Income Trading and Clearing	57.1	58.0	(0.9)	(2)%
Derivatives Trading and Clearing	63.7	38.2	25.5	67%
Global Solutions, Insights and Analytics	93.6	89.1	4.5	5%
Other	(1.8)	(0.1)	(1.7)	1700%
	<b>\$274.1</b>	<b>\$252.4</b>	<b>\$21.7</b>	<b>9%</b>

Revenue was \$274.1 million in Q4/22, up \$21.7 million or 9% from \$252.4 million in Q4/21 attributable to increases in *Derivatives Trading and Clearing*, and *Global Solutions, Insights and Analytics* partially offset by *Capital Formation*, *Equities and Fixed Income Trading and Clearing*, and *Other*. The increase in revenue from Q4/21 to Q4/22 included approximately \$27.7 million related to BOX (consolidated January 3, 2022), and \$1.0 million related to Wall Street Horizon (acquired November 9, 2022). Revenue excluding BOX, and Wall Street Horizon decreased by 3% from Q4/21 to Q4/22.

## Capital Formation<sup>27</sup>

(in millions of dollars)	Q4/22	Q4/21	\$ increase / (decrease)	% increase / (decrease)
Initial listing fees	\$3.2	\$6.3	\$(3.1)	(49)%
Additional listing fees	14.0	24.2	(10.2)	(42)%
Sustaining listing fees	20.1	19.3	0.8	4%
Other issuer services	24.2	17.4	6.8	39%
	<b>\$61.5</b>	<b>\$67.2</b>	<b>\$(5.7)</b>	<b>(8)%</b>

- *Initial listing fees* in Q4/22 decreased from Q4/21 due to lower revenue in TSX and slightly lower revenue in TSXV. The amount of deferred *initial listing fee* revenue decreased in Q4/22 compared with Q4/21. We recognized \$3.0 million in *initial listing fees* received in 2021 and 2022 in Q4/22 compared with \$6.0 million *initial listing fees* received in 2020 and 2021 in Q4/21.
- Based on *initial listing fees* billed in 2022, the following amounts have been deferred to be recognized in Q1/23, Q2/23, Q3/23 and Q4/23: \$1.9 million, \$1.1 million, \$0.4 million and \$0.1 million respectively. Total *initial listing fees* revenue for future quarters will also depend on listing activity in those quarters.

<sup>27</sup> The "Capital Formation" section contains certain forward-looking statements. Please refer to "Caution Regarding Forward Looking Information" for a discussion of risks and uncertainties related to such statements.

- *Additional listing fees* in Q4/22 decreased compared to Q4/21 reflecting a decrease in both the total number of financings and total financing dollars raised on TSX and TSXV. The decrease in additional listing fee revenue on TSX from Q4/21 to Q4/22 reflected a decrease of 21% in the number of transactions billed below the maximum fee, and a decrease of 58% in the number of transactions at the maximum listing fee of \$250,000.
- Issuers listed on TSX and TSXV pay annual sustaining listing fees primarily based on their market capitalization at the end of the prior calendar year, subject to minimum and maximum fees. There was an increase in *sustaining listing fees* on both TSX and TSXV from Q4/21 to Q4/22 reflecting an increase in the market capitalization of issuers at December 31, 2021 compared with December 31, 2020.
- *Other issuer services* revenue in Q4/22 was higher compared to Q4/21 primarily due to higher net interest income, partially offset by lower transfer agent fees, and corporate trust revenue.

## Equities and Fixed Income Trading and Clearing

(in millions of dollars)	Q4/22	Q4/21	\$ increase / (decrease)	% increase / (decrease)
Equities and fixed income trading	\$28.3	\$29.4	(\$1.1)	(4)%
Equities and fixed income clearing, settlement, depository and other services (CDS)	28.8	28.6	0.2	1%
	\$57.1	\$58.0	(\$0.9)	(2)%

- *Equities Trading* revenue decreased in Q4/22 compared with Q4/21 driven by lower volume, partially offset by favourable product mix within TSX, the impact of April 2022 price changes on continuous trading for securities with price per share less than \$1, and larger distribution for TSX within TMX volumes compared to TSXV and Alpha. The overall volume of securities traded on our equities marketplaces decreased by 16% (34.6 billion securities in Q4/22 versus 41.4 billion securities in Q4/21). There was a decrease in volumes of 5% on TSX, 34% on TSXV, and 31% on Alpha in Q4/22 compared with Q4/21.
- There was higher fixed income trading revenue from Q4/21 to Q4/22 reflecting increased activity SWAP, and REPO partially offset by lower activity in Government of Canada bonds.
- CDS revenue was up 1% from Q4/21 to Q4/22 reflecting higher interest income on clearing funds, and pass-through liquidity facility fees, mostly offset by lower special handling fees, international revenue, clearing fee on exchange trade volumes and depository revenues.
- Excluding intentional crosses, for TSX and TSXV listed issues, our combined domestic equities trading market share was approximately 66% in Q4/22, up 1% from approximately 65% in Q4/21. We only trade securities that are listed on TSX or TSXV.
- Excluding intentional crosses, in all listed issues in Canada, our combined domestic equities trading market share was approximately 59% in Q4/22, up 4% from approximately 55% in Q4/21.



## Derivatives Trading and Clearing

(in millions of dollars)	Q4/22	Q4/21	\$ increase/ (decrease)	% increase/ (decrease)
Derivatives Trading and Clearing (excl. BOX)	\$36.0	\$38.2	\$(2.2)	(6)%
BOX	27.7	0.0	27.7	n/a
	\$63.7	\$38.2	\$25.5	67%

### Derivatives Trading and Clearing (excl. BOX)

The decrease in revenue in Derivatives Trading and Clearing (excl. BOX) was driven by an 9% decrease in MX revenue, partially offset by an 2% increase in CDCC revenue. The decrease in MX revenue was primarily driven by an 8% decrease in volume from Q4/21 to Q4/22 (37.7 million contracts traded in Q4/22 vs. 40.9 million contracts traded in Q4/21), unfavourable product and client mix, partially offset by the impact of the pricing changes on S&P/TSX 60 Index<sup>28</sup> Standard Futures (SXF) trading fees which came into effect in January 2022. The increase in CDCC revenue related largely to increased REPO dealer activity, and interest rate derivatives clearing fee changes which came into effect in January 2022, partially offset by lower volumes.

### BOX

As a result of the consolidation of BOX (January 3, 2022), we recognized \$27.7 million of BOX revenue in Q4/22. Volumes on BOX were up 17% from Q4/21 to Q4/22 (165.8 million contracts traded in Q4/22 versus 141.5 million contracts traded in Q4/21). BOX market share in equity options was 7% in Q4/22, up 1%, from 6% in Q4/21.

The following table summarizes the BOX volume and the equity option market share over the last four quarters:

	Q4/22	Q3/22	Q2/22	Q1/22
Volume (million contracts)	166	169	127	149
Market Share (equity options)	7%	7%	6%	6%
Revenue (in millions of CAD)	\$27.7	\$30.5	\$27.3	\$33.0
Average CAD-USD FX rate	1.36	1.30	1.28	1.26
Revenue (in millions of USD)	\$20.4	\$23.4	\$21.4	\$26.1

<sup>28</sup> The S&P/TSX 60 Index (the "Index") is the product of S&P Dow Jones Indices LLC or its affiliates ("SPDJI") and TSX Inc. ("TSX"). Standard & Poor's® and S&P® are registered trademarks of Standard & Poor's Financial Services LLC ("S&P"); Dow Jones® is a registered trademark of Dow Jones Trademark Holdings LLC ("Dow Jones"); and TSX® is a registered trademark of TSX. SPDJI, Dow Jones, S&P, their respective affiliates and TSX do not sponsor, endorse, sell or promote any products based on the Index and none of such parties make any representation regarding the advisability of investing in such product(s) nor do they have any liability for any errors, omissions or interruptions of the Index or any data related thereto.

## Global Solutions, Insights and Analytics

(in millions of dollars)	Q4/22	Q4/21	\$ increase/ (decrease)	% increase/ (decrease)
Trayport	\$40.8	\$38.9	\$1.9	5%
TMX Datalinx including Co-location	52.8	50.2	2.6	5%
	\$93.6	\$89.1	\$4.5	5%

The increase in *Global Solutions, Insights and Analytics (GSIA)* revenue in Q4/22 compared with Q4/21 was driven by a 5% increase from Trayport, and a 5% increase from TMX Datalinx including Co-location. The Q4/22 TMX Datalinx revenue included \$1.0 million related to Wall Street Horizon (acquired November 9, 2022). The unfavourable FX impact from Canadian dollar relative to a weaker GBP on Trayport revenue was partially offset by favourable FX impact from Canadian dollar relative to a stronger U.S. dollar on TMX Datalinx revenue.

### Trayport

The following table summarizes the average number of Trayport subscribers over the last eight quarters<sup>29</sup>:

	Q4/22	Q3/22	Q2/22	Q1/22	Q4/21	Q3/21	Q2/21	Q1/21
Trader Subscribers	6,805	6,615	6,410	6,366	6,126	5,677	5,483	5,392
Total Subscribers	30,456	30,186	30,573	30,475	29,803	28,827	28,364	28,111
Revenue (in millions of CAD)	\$40.8	\$37.4	\$38.5	\$40.7	\$38.9	\$37.9	\$36.5	\$37.3
Average CAD-GBP FX rate	1.62	1.53	1.59	1.67	1.71	1.72	1.71	1.75
Revenue (in millions of GBP)	£25.2	£24.4	£24.2	£24.3	£22.7	£22.0	£21.3	£21.3

Total Subscribers means all chargeable licenses of core Trayport products in core customer segments including Traders, Brokers and Exchanges. Trader Subscribers are a subset of Total Subscribers. Trader Subscribers revenue represents over 50% of total Trayport revenue.

Revenue from Trayport increased by 5% from Q4/21 to Q4/22. In GBP, revenue from Trayport, was £25.2 million (based on CAD-GBP FX rate of 1.62) in Q4/22 up 11% over Q4/21. The increase in Trayport revenue from Q4/21 to Q4/22 was primarily driven by 11% increase in trader subscribers and annual price adjustments, partially offset by an unfavourable FX impact of \$1.9 million due to a weaker GBP compared to CAD.

### TMX Datalinx including Co-location

Revenue from TMX Datalinx including Co-location increased by 5% from Q4/21 to Q4/22. There were higher revenues related to increases in data feeds, co-location, impact of 2022 price adjustments and \$1.0 million related to Wall Street Horizon (acquired November 9, 2022), partially offset by lower revenue from benchmark and indices, and usage based quotes. There was a favourable FX impact of approximately \$1.7 million from a Canadian dollar relative to a stronger U.S. dollar in Q4/22 compared with Q4/21.

- The average number of professional market data subscriptions for TSX and TSXV products was down 5% in Q4/22 compared with Q4/21 (103,036 professional market data subscriptions in Q4/22 compared with 108,038 in Q4/21).
- The average number of MX professional market data subscriptions was up 4% in Q4/22 from Q4/21 (20,961 MX professional market data subscriptions in Q4/22 compared with 20,090 in Q4/21).

<sup>29</sup> Prior quarters have been restated to be consistent with current quarter methodology

## Other

(in millions of dollars)	Q4/22	Q4/21	\$ decrease	% decrease
	<b>\$(1.8)</b>	\$(0.1)	\$(1.7)	1,700%

- The decrease in *Other* revenue reflected higher net foreign exchange losses on net monetary assets in Q4/22 compared to Q4/21.

## Operating expenses

(in millions of dollars)	Q4/22	Q4/21	\$ increase	% increase
Compensation and benefits	<b>\$69.6</b>	\$68.0	\$1.6	2%
Information and trading systems	<b>26.3</b>	19.4	6.9	36%
Selling, general and administration	<b>29.9</b>	25.8	4.1	16%
Depreciation and amortization	<b>29.0</b>	23.0	6.0	26%
	<b>\$154.8</b>	\$136.2	\$18.6	14%

Operating expenses in Q4/22 were \$154.8 million, up \$18.6 million or 14%, from \$136.2 million in Q4/21. The increase in expenses from Q4/21 to Q4/22 included approximately \$13.9 million related to BOX (consolidated January 3, 2022), and Wall Street Horizon (acquired November 9, 2022), of which \$3.4 million related to amortization of acquired intangibles, \$0.7 million for acquisition and related costs, and \$0.1 million for integration costs. There were also higher expenses related to higher integration costs of approximately \$1.2 million related to AST Canada, higher headcount and payroll costs, increased long term employee performance incentive plan costs, IT professional services, and higher expenses for commodity taxes, and travel and entertainment. Partially offsetting these increases were lower short term employee performance incentive plan costs of approximately \$6.4 million, lower severance costs, and lower legal and consulting fees, lower transaction costs of \$0.3 million related to Tradesignal and other equity investment in Q4/22, as well as \$1.3 million related to the transitional services agreement (TSA) with AST Canada in Q4/21.

Excluding expenses from BOX, Wall Street Horizon, and acquisition related costs for equity accounted investments, operating expenses increased by 3% in Q4/22 compared with Q4/21.

## Compensation and benefits

(in millions of dollars)	Q4/22	Q4/21	\$ increase	% increase
	\$69.6	\$68.0	\$1.6	2%

- *Compensation and benefits* expenses increased in Q4/22 reflecting higher payroll and headcount costs of \$4.6 million, and higher long term employee performance incentive plan costs of \$3.0 million, as well as approximately \$2.9 million related to BOX and Wall Street Horizon in Q4/22. These increases were somewhat offset by lower short term employee performance incentive plan costs of approximately \$6.4 million, lower severance costs of \$1.3 million, and lower integration costs related to AST Canada of approximately \$1.2 million.
- There were 1,693 TMX Group employees at December 31, 2022 (excluding BOX) versus 1,576 employees at December 31, 2021 reflecting a 7% increase in headcount attributable to investing in the various growth areas of our business.

## Information and trading systems

(in millions of dollars)	Q4/22	Q4/21	\$ increase	% increase
	\$26.3	\$19.4	\$6.9	36%

- The increase in *Information and trading systems* expenses in Q4/22 compared with Q4/21 was attributable to increased IT operating costs, including IT professional services, as well as approximately \$2.6 million included in Q4/22 related to BOX and Wall Street Horizon. There were also approximately \$1.4 million higher integration costs for AST Canada in Q4/22 compared with Q4/21.

## Selling, general and administration

(in millions of dollars)	Q4/22	Q4/21	\$ increase	% increase
	\$29.9	\$25.8	\$4.1	16%

- *Selling, general and administration* expenses increased in Q4/22 compared with Q4/21 was primarily attributable to approximately \$4.1 million included in Q4/22 related to BOX and Wall Street Horizon, including \$0.7 million for acquisition related costs and \$0.1 million for integration costs. In addition, there were higher travel and entertainment, taxes, occupancy, director and audit fees in Q4/22 compared with Q4/21.
- These increases in *Selling, general and administration* expenses were somewhat offset by lower AST Canada costs in Q4/22 compared with Q4/21, of which \$1.4 million was for integration and acquisition related costs, and \$0.7 million related to the TSA. There were also lower legal fees of \$1.2 million, and lower consulting and marketing costs of \$1.1 million compared with Q4/21.

## Depreciation and amortization

(in millions of dollars)	Q4/22	Q4/21	\$ increase	% increase
	\$29.0	\$23.0	\$6.0	26%

- There were higher *Depreciation and amortization* costs reflecting increased amortization related to BOX (consolidated January 3, 2022) of approximately \$4.3 million, including \$3.4 million related to amortization of acquired intangibles.
- The *Depreciation and amortization* costs in Q4/22 of \$29.0 million included \$14.5 million, net of NCI, related to amortization of intangibles related to acquisitions (20 cents per basic and diluted share).
- The *Depreciation and amortization* costs in Q4/21 of \$23.0 million included \$13.4 million related to amortization of intangibles related to acquisitions (20 cents per basic and diluted share).

## Additional Information

### Share of (loss) income from equity accounted investees

(in millions of dollars)	Q4/22	Q4/21	\$ (decrease)	% (decrease)
	(\$0.5)	\$5.8	\$(6.3)	(109)%

- In Q4/22, our share of (loss) income from equity accounted investees decreased by \$6.3 million primarily due to a change in accounting relating to BOX (consolidated January 3, 2022) and CanDeal<sup>30</sup>. For Q4/22 our share of (loss) income from equity accounted investees includes only ETFLogic and Ventriks Ltd. compared with Q4/21, which included BOX and CanDeal.

### Net finance costs

(in millions of dollars)	Q4/22	Q4/21	\$ (decrease)	% (decrease)
	\$5.5	\$9.0	\$(3.5)	(39)%

- The decrease in net finance costs from Q4/21 to Q4/22 reflected lower net interest expense due to higher finance income as a result of higher interest rates.

### Income tax expense and effective tax rate

Income Tax Expense (in millions of dollars)		Effective Tax Rate (%)	
Q4/22	Q4/21	Q4/22	Q4/21
\$2.8	\$25.1	2%	22%

Excluding adjustments, primarily related to the item noted below, the effective tax rate would have been approximately 26%, excluding NCI, for Q4/22 and Q4/21.

- In Q4/22, we reversed a prior year tax provision resulting in a decrease to income tax expense of \$20.4 million.
- In Q4/21, there was a \$3.9 million increase in our deferred income tax assets, which reduced income tax expense, primarily relating to the carryforward of net operating losses related to TMX Atrium Wireless (sold April 2017) that were not previously recognized. This increase included a reversal of a \$2.9 million write off of deferred income tax assets in 2017. In Q1/17, we adjusted our basic and diluted earnings per share for this item.

### Net income attributable to non-controlling interests

(in millions of dollars)	Q4/22	Q4/21	\$ increase
	\$8.4	—	\$8.4

- As of January 3, 2022, we began consolidating BOX as we gained voting control over BOX. As a result our financial results from January 3, 2022 forward include the results from BOX on a consolidated basis and we report the *Net income attributable to non-controlling interests* in our financial statements.
- For periods from July 1, 2016 to January 2, 2022, our financial results did not include the full impact of BOX, and our share of BOX's net income was reflected in *Net income (loss) from equity accounted investees* in our financial statements.

<sup>30</sup> Effective February 28, 2022, TMX discontinued the application of the equity method of accounting for CanDeal.

## Summary of Cash Flows

### Q4/22 compared with Q4/21

(in millions of dollars)	Q4/22	Q4/21	\$ increase / (decrease) in cash
Cash flows from operating activities	<b>\$100.9</b>	\$103.0	\$(2.1)
Cash flows used in financing activities	<b>(58.1)</b>	(88.5)	30.4
Cash flows used in investing activities	<b>(68.6)</b>	(10.7)	(57.9)

- In Q4/22, *Cash flows from operating activities* decreased compared with Q4/21 reflecting decreases in cash related to lower trade and other payables, and higher income taxes, partially offset by higher income from operations<sup>31</sup> (excluding depreciation and amortization), increases in cash related to trade and other receivables, and prepaid expenses, and other assets and liabilities.
- In Q4/22, *Cash flows used in financing activities* decreased compared with Q4/21 reflecting a decrease in interest paid of \$5.7 million and a decrease in cash used to repurchase shares under our normal course issuer bid of \$17.9 million. In addition, there was an increase in proceeds from exercised options of \$5.8 million.
- In Q4/22, *Cash flows used in investing activities* increased compared with Q4/21 reflecting cash used in the net purchase of marketable securities in Q4/22 compared with net sales in Q4/21 as well as a decrease in cash related to the acquisition of a subsidiary, net of cash.

<sup>31</sup> Includes 100% income from operations of BOX of which 52.1% relates to non-controlling interests.

## Year ended December 31, 2022 (2022) Compared with the year ended December 31, 2021 (2021)

The information below reflects the financial statements of TMX Group for 2022 compared with 2021.

(in millions of dollars, except per share amounts)	2022	2021	\$ increase / (decrease)	% increase / (decrease)
Revenue	<b>\$1,116.6</b>	\$980.7	\$135.9	14%
Operating expenses	<b>592.1</b>	489.5	102.6	21%
Income from operations	<b>524.5</b>	491.2	33.3	7%
Net income attributable to equity holders of TMX Group	<b>542.7</b>	338.5	204.2	60%
Adjusted net income attributable to equity holders of TMX Group <sup>32</sup>	<b>399.1</b>	401.2	(2.1)	(1)%
Earnings per share attributable to equity holders of TMX Group				
Basic	<b>9.74</b>	6.03	3.71	62%
Diluted	<b>9.69</b>	5.99	3.70	62%
Adjusted Earnings per share attributable to equity holders of TMX Group <sup>33</sup>				
Basic	<b>7.16</b>	7.14	0.02	0%
Diluted	<b>7.13</b>	7.10	0.03	0%
Cash flows from operating activities	<b>444.1</b>	441.4	2.7	1%

### Net Income attributable to equity holders of TMX Group and Earnings per Share

Net income attributable to equity holders of TMX Group in 2022 was \$542.7 million, or \$9.74 per common share on a basic and \$9.69 per common share on a diluted basis, compared with a net income attributable to equity holders of TMX Group of \$338.5 million, or \$6.03 per common share on a basic and \$5.99 on a diluted basis, for 2021. The increase in net income attributable to equity holders of TMX Group reflected a gain on the revaluation of our interest in BOX upon acquisition of voting control of \$177.9 million in 2022, a decrease in income tax expense of \$20.4 million in 2022 from reversal of a prior year tax provision, and compared to 2021, where we incurred a \$19.6 million income tax expense due to a U.K. corporate income tax rate change, and an increase in income from operations of \$33.3 million (Includes 100% income from operations of BOX of which 52.1% is non-controlling interest). The increase in income from operations from 2021 to 2022 was driven by an increase in revenue of \$135.9 million, which included \$118.5 million related to BOX (consolidated January 3, 2022), \$33.6 million related to AST Canada (acquired August 12, 2021), \$3.4 million for Tradesignal (acquired June 1, 2021), and \$1.0 million for Wall Street Horizon (acquired November 9, 2022), somewhat offset by an increase in operating expenses of \$102.6 million. The increase in operating expenses from 2021 to 2022 included approximately \$84.2 million related to AST Canada, BOX, Tradesignal, and Wall Street Horizon, of which \$16.8 million related to amortization of acquired intangibles for AST Canada, BOX and Tradesignal, \$0.5 million related to AST Canada TSA costs, and \$10.3 million related to AST Canada and Wall Street Horizon integration costs. The increase in operating expenses were partially offset by \$16.4 million lower short term employee performance incentive plan costs, and \$2.0 million lower acquisition related expenses.

<sup>32</sup> Adjusted net income is a non-GAAP measure, see discussion under the heading "Non-GAAP Measures".

<sup>33</sup> Adjusted earnings per share is a non-GAAP ratio, see discussion under the heading "Non-GAAP Measures".



The increase in earnings per share was also partially attributable to a decrease in the number of weighted average common shares outstanding from 2021 to 2022.

### **Adjusted Net Income<sup>34</sup> attributable to equity holders of TMX Group and Adjusted Earnings per Share<sup>35</sup> Reconciliation for 2022 and 2021**

The following tables present reconciliations of net income attributable to equity holders of TMX Group to adjusted net income attributable to equity holders of TMX Group and earnings per share to adjusted earnings per share. The financial results have been adjusted for the following:

1. The amortization expenses of intangible assets in 2021 and 2022 related to the 2012 Maple transaction (TSX, TSXV, MX, CDS, Alpha, Shorcan), TSX Trust, Trayport (including VisoTech and Tradesignal), AST Canada, and BOX; and is a component of *Depreciation and amortization expenses*.
2. Integration costs related to integrating the AST Canada acquisition in 2021 and 2022, and the integration of Wall Street Horizon acquisition in 2022. These costs are included in *Selling, general and administration, Depreciation and amortization, Compensation and benefits and Information and trading systems*.
3. Acquisition and related costs in 2021 associated with acquiring AST Canada (acquired August 12, 2021), and the equity investments in ETFLogic (February 2022), Ventriks (June 2022), and the acquisition of Wall Street Horizon (acquired November 9, 2022) in 2022. These costs are included in *Selling general, and administration and Compensation and benefits*.
4. A reversal of a write-off of deferred income tax assets in 2017 related to TMX Atrium Wireless (sold April 2017) in 2021. This increase in deferred income tax assets is included in Income tax expense, see Additional Information - Income tax expense and effective tax rate for more details.
5. An increase in deferred income tax liabilities which increased *income tax expenses* in 2021 relating to an increase in the U.K. corporate income tax rate from 19% to 25%, effective April 1, 2023. A decrease in deferred income tax liabilities which decreased *income tax expenses* in 2022 relating to a decrease in the Pennsylvania and Nebraska future income tax rates.
6. In 2022, we reversed a prior year tax provision resulting in a decrease to income tax expense.
7. Gain resulting from the revaluation of our interest in BOX upon acquisition of voting control (effective January 3, 2022) in 2022. This gain is included in *Other Income*.

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<sup>34</sup> Adjusted net income is a non-GAAP measure, see discussion under the heading "Non-GAAP Measures".

<sup>35</sup> Adjusted earnings per share is a non-GAAP ratio, see discussion under the heading "Non-GAAP Measures".

(in millions of dollars) (unaudited)	Pre-tax		Tax		After-tax			
	2022	2021	2022	2021	2022	2021	\$ increase / (decrease)	% increase / (decrease)
Net income attributable to equity holders of TMX Group					<b>\$542.7</b>	\$338.5	\$204.2	60%
Adjustments related to:								
Amortization of intangibles related to acquisitions <sup>36</sup>	<b>57.7</b>	49.9	<b>14.2</b>	9.4	<b>43.5</b>	40.5	3.0	7%
Integration costs <sup>37</sup>	<b>13.7</b>	3.4	<b>3.6</b>	0.9	<b>10.1</b>	2.5	7.6	304%
Acquisition and related costs <sup>38</sup>	<b>1.8</b>	3.4	—	0.4	<b>1.8</b>	3.0	(1.2)	(40%)
Reversal of a previous write-off of deferred income tax assets <sup>39</sup>	—	—	—	2.9	—	(2.9)	2.9	(100%)
Change in deferred income tax liabilities relating to changes in future tax rates <sup>40</sup>	—	—	<b>0.7</b>	(19.6)	<b>(0.7)</b>	19.6	(20.3)	(104%)
Reversal of a prior year tax provision <sup>41</sup>	—	—	<b>20.4</b>	—	<b>(20.4)</b>	—	(20.4)	n/a
Gain on BOX <sup>42</sup>	<b>(177.9)</b>	—	—	—	<b>(177.9)</b>	—	(177.9)	n/a
Adjusted net income attributable to equity holders of TMX Group <sup>43</sup>					<b>\$399.1</b>	\$401.2	(2.1)	(1%)

Adjusted net income attributable to equity holders of TMX Group decreased by 1% from \$401.2 million in 2021 to \$399.1 million in 2022 largely driven by a decrease in income from operations (after deducting the portion of income from operations belonging to the 52.1% NCI in BOX).

<sup>36</sup> Includes amortization expense of acquired intangibles including AST Canada in 2021, and BOX, AST Canada, and Tradesignal in 2022.

<sup>37</sup> Includes costs related to the integration of AST Canada (acquired August 12, 2021) and Wall Street Horizon (acquired November 9, 2022). See Initiatives and Accomplishments in the 2022 Annual MD&A for more details.

<sup>38</sup> Includes costs related to the acquisition of AST Canada (acquired August 12, 2021) and Tradesignal (acquired June 1, 2021) in 2021, and the equity investment in ETFLogic (February 2022), Ventriks Ltd. (June 2022), and the acquisition of Wall Street Horizon (acquired November 9, 2022) in 2022. See Initiatives and Accomplishments in the 2022 Annual MD&A for more details.

<sup>39</sup> Related to TMX Atrium Wireless (sold April 2017).

<sup>40</sup> 2022 includes decrease in deferred income tax liabilities due to future reductions in income tax rates in Pennsylvania and Nebraska, and 2021 includes increase in deferred income tax liabilities relating to a change in the future U.K. tax rate.

<sup>41</sup> Relates to a prior year tax reserve no longer required.

<sup>42</sup> Gain resulting from the revaluation of our interest in BOX upon acquisition of voting control (effective January 3, 2022). See Other Income for more details in the 2022 Annual MD&A for more details.

<sup>43</sup> Adjusted net income is a non-GAAP measure, see discussion under the heading "Non-GAAP Measures".

(unaudited)	2022		2021	
	Basic	Diluted	Basic	Diluted
Earnings per share attributable to equity holders of TMX Group	<b>\$9.74</b>	<b>\$9.69</b>	\$6.03	\$5.99
Adjustments related to:				
Amortization of intangibles related to acquisitions <sup>44</sup>	<b>0.78</b>	<b>0.78</b>	0.72	0.72
Integration costs <sup>45</sup>	<b>0.18</b>	<b>0.18</b>	0.04	0.04
Acquisition and related costs <sup>46</sup>	<b>0.03</b>	<b>0.03</b>	0.05	0.05
Reversal of a previous write-off of deferred income tax assets <sup>47</sup>	—	—	(0.05)	(0.05)
Change in deferred income tax liabilities relating to a change in the future income tax rate <sup>48</sup>	<b>(0.01)</b>	<b>(0.01)</b>	0.35	0.35
Reversal of a prior year tax provision <sup>49</sup>	<b>(0.37)</b>	<b>(0.36)</b>	—	—
Gain on BOX <sup>50</sup>	<b>(3.19)</b>	<b>(3.18)</b>	—	—
Adjusted earnings per share attributable to equity holders of TMX Group <sup>51</sup>	<b>\$7.16</b>	<b>\$7.13</b>	\$7.14	\$7.10
Weighted average number of common shares outstanding	<b>55,745,825</b>	<b>55,994,301</b>	56,098,460	56,474,945

Adjusted diluted earnings per share increased by 3 cents from \$7.10 in 2021 to \$7.13 in 2022 reflecting a decrease in the number of weighted average common shares outstanding from 2021 to 2022. The increase was somewhat offset by a decrease in income from operations (after deducting the portion of income from operations belonging to the 52.1% NCI in BOX).

<sup>44</sup> Includes amortization expense of acquired intangibles including AST Canada in 2021, and BOX, AST Canada, and Tradesignal in 2022.

<sup>45</sup> Includes costs related to the integration of AST Canada (acquired August 12, 2021) and Wall Street Horizon (acquired November 9, 2022). See Initiatives and Accomplishments in the 2022 Annual MD&A for more details.

<sup>46</sup> Includes costs related to the acquisition of AST Canada (acquired August 12, 2021) and Tradesignal (acquired June 1, 2021) in 2021, and the equity investment in ETFLogic (February 2022), Ventriks Ltd. (June 2022), and the acquisition of Wall Street Horizon (acquired November 9, 2022) in 2022. See Initiatives and Accomplishments in the 2022 Annual MD&A for more details.

<sup>47</sup> Related to TMX Atrium Wireless (sold April 2017).

<sup>48</sup> 2022 includes decrease in deferred income tax liabilities due to future reductions in income tax rates in Pennsylvania and Nebraska, and 2021 includes increase in deferred income tax liabilities relating to a change in the future U.K. tax rate.

<sup>49</sup> Relates to a prior year tax reserve no longer required.

<sup>50</sup> Gain resulting from the revaluation of our interest in BOX upon acquisition of voting control (effective January 3, 2022). See Other Income in the 2022 Annual MD&A for more details for more details.

<sup>51</sup> Adjusted earnings per share is a non-GAAP ratio, see discussion under the heading "Non-GAAP Measures".

## **FINANCIAL STATEMENTS GOVERNANCE PRACTICE**

The Finance & Audit Committee of the Board of Directors of TMX Group (Board) reviewed this press release as well as the 2022 audited annual consolidated financial statements and related Management's Discussion and Analysis (MD&A) and recommended they be approved by the Board of Directors. Following review by the full Board, the 2022 audited annual consolidated financial statements, MD&A and the contents of this press release were approved.

## **CONSOLIDATED FINANCIAL STATEMENTS**

Our 2022 audited annual consolidated financial statements are prepared in accordance with IFRS and are reported in Canadian dollars unless otherwise indicated. Financial measures contained in the MD&A and this press release are based on financial statements prepared in accordance with IFRS, unless otherwise specified and are in Canadian dollars unless otherwise indicated.

## **ACCESS TO MATERIALS**

TMX Group has filed its 2022 audited annual consolidated financial statements and MD&A with Canadian securities regulators. This press release should be read together with our 2022 audited annual consolidated financial statements and MD&A. These documents may be accessed through [www.sedar.com](http://www.sedar.com), or on the TMX Group website at [www.tmx.com](http://www.tmx.com). We are not incorporating information contained on the website in this press release. In addition, copies of these documents will be available upon request, at no cost, by contacting TMX Group Investor Relations by phone at (416) 947-4277 or by e-mail at [TMXshareholder@tmx.com](mailto:TMXshareholder@tmx.com).

## **CAUTION REGARDING FORWARD-LOOKING INFORMATION**

This press release of TMX Group contains “forward-looking information” (as defined in applicable Canadian securities legislation) that is based on expectations, assumptions, estimates, projections and other factors that management believes to be relevant as of the date of this press release. Often, but not always, such forward-looking information can be identified by the use of forward-looking words such as “plans,” “expects,” “is expected,” “budget,” “scheduled,” “targeted,” “estimates,” “forecasts,” “intends,” “anticipates,” “believes,” or variations or the negatives of such words and phrases or statements that certain actions, events or results “may,” “could,” “would,” “might,” or “will” be taken, occur or be achieved or not be taken, occur or be achieved. Forward-looking information, by its nature, requires us to make assumptions and is subject to significant risks and uncertainties which may give rise to the possibility that our expectations or conclusions will not prove to be accurate and that our assumptions may not be correct.

Examples of forward-looking information in this press release include, but are not limited to, our long-term revenue growth CAGR and adjusted EPS CAGR objectives; our target dividend payout ratio; our target debt to adjusted EBITDA ratio; our objectives regarding growing recurring revenue, revenue outside Canada and the percentage of GSIA revenue as a percentage of total TMX Group revenue; the modernization of clearing platforms, including the expected cash expenditures related to the modernization of our clearing platforms and the timing of the modernization; other statements related to cost reductions; the impact of the market capitalization of TSX and TSXV issuers overall (from 2021 to 2022); future changes to TMX Group's anticipated statutory income tax rate for 2023; factors relating to stock, and derivatives exchanges and clearing houses and the business, strategic goals and priorities, market conditions, pricing, proposed technology and other business initiatives and the timing and implementation thereof, the anticipated benefits and synergies of the AST Canada, including the expected impact on TMX Group's earnings and adjusted earnings per share and the timing thereof, financial results or financial condition, operations and prospects of TMX Group which are subject to significant risks and uncertainties.

These risks include, but are not limited to: competition from other exchanges or marketplaces, including alternative trading systems and new technologies and alternative sources of financing, on a national and international basis;

dependence on the economy of Canada; adverse effects on our results caused by global economic conditions (including COVID-19, rising interest rates, high inflation and supply chain constraints) or uncertainties including changes in business cycles that impact our sector; failure to retain and attract qualified personnel; geopolitical and other factors which could cause business interruption (including COVID-19); dependence on information technology; vulnerability of our networks and third party service providers to security risks, including cyber-attacks; failure to properly identify or implement our strategies; regulatory constraints; constraints imposed by our level of indebtedness, risks of litigation or other proceedings; dependence on adequate numbers of customers; failure to develop, market or gain acceptance of new products; failure to close and effectively integrate acquisitions to achieve planned economics, including AST Canada, or divest underperforming businesses; currency risk; adverse effect of new business activities; adverse effects from business divestitures; not being able to meet cash requirements because of our holding company structure and restrictions on paying inter-corporate dividends; dependence on third-party suppliers and service providers; dependence of trading operations on a small number of clients; risks associated with our clearing operations; challenges related to international expansion; restrictions on ownership of TMX Group common shares; inability to protect our intellectual property; adverse effect of a systemic market event on certain of our businesses; risks associated with the credit of customers; cost structures being largely fixed; the failure to realize cost reductions in the amount or the time frame anticipated; dependence on market activity that cannot be controlled; the regulatory constraints that apply to the business of TMX Group and its regulated subsidiaries, costs of on exchange clearing and depository services, trading volumes (which could be higher or lower than estimated) and the resulting impact on revenues; future levels of revenues being lower than expected or costs being higher than expected.

Forward-looking information is based on a number of assumptions which may prove to be incorrect, including, but not limited to, assumptions in connection with the ability of TMX Group to successfully compete against global and regional marketplaces and other venues; business and economic conditions generally; exchange rates (including estimates of exchange rates from Canadian dollars to the U.S. dollar or GBP), commodities prices, the level of trading and activity on markets, and particularly the level of trading in TMX Group's key products; business development and marketing and sales activity; the continued availability of financing on appropriate terms for future projects; changes to interest rates and the timing thereof, among other things, could positively or negatively impact AST Canada's accretion to adjusted earnings per share; the amount and timing of: revenue and technology cost synergies resulting from the AST Canada acquisition; productivity at TMX Group, as well as that of TMX Group's competitors; market competition; research and development activities; the successful introduction and client acceptance of new products and services; successful introduction of various technology assets and capabilities; the impact on TMX Group and its customers of various regulations; TMX Group's ongoing relations with its employees; and the extent of any labour, equipment or other disruptions at any of its operations of any significance other than any planned maintenance or similar shutdowns.

### **Assumptions related to long term financial objectives**

In addition to the assumptions outlined above, forward looking information related to long term revenue cumulative average annual growth rate (CAGR) objectives, and long term adjusted earnings per share CAGR objectives are based on assumptions that include, but not limited to:

- TMX Group's success in achieving growth initiatives and business objectives;
- continued investment in growth businesses and in transformation initiatives including next generation technology and systems;
- no significant changes to our effective tax rate, and number of shares outstanding;
- organic and inorganic growth in recurring revenue;
- moderate levels of market volatility over the long term;
- level of listings, trading, and clearing consistent with historical activity;
- economic growth consistent with historical activity;

- no significant changes in regulations;
- continued disciplined expense management across our business;
- continued re-prioritization of investment towards enterprise solutions and new capabilities;
- free cash flow generation consistent with historical run rate; and
- a limited impact from inflation, rising interest rates and supply chain constraints on our plans to grow our business over the long term including on the ability of our listed issuers to raise capital.

While we anticipate that subsequent events and developments may cause our views to change, we have no intention to update this forward-looking information, except as required by applicable securities law. This forward-looking information should not be relied upon as representing our views as of any date subsequent to the date of this press release. We have attempted to identify important factors that could cause actual actions, events or results to differ materially from those current expectations described in forward-looking information. However, there may be other factors that cause actions, events or results not to be as anticipated, estimated or intended and that could cause actual actions, events or results to differ materially from current expectations. There can be no assurance that forward-looking information will prove to be accurate, as actual results and future events could differ materially from those anticipated in such statements. Accordingly, readers should not place undue reliance on forward-looking information. These factors are not intended to represent a complete list of the factors that could affect us. A description of the above-mentioned items is contained in the section “**Enterprise Risk Management**” of our 2022 annual MD&A.

## About TMX Group (TSX:X)

TMX Group operates global markets, and builds digital communities and analytic solutions that facilitate the funding, growth and success of businesses, traders and investors. TMX Group's key operations include [Toronto Stock Exchange](#), [TSX Venture Exchange](#), [TSX Alpha Exchange](#), [The Canadian Depository for Securities](#), [Montréal Exchange](#), [Canadian Derivatives Clearing Corporation](#), and [Trayport](#) which provide listing markets, trading markets, clearing facilities, depository services, technology solutions, data products and other services to the global financial community. TMX Group is headquartered in Toronto and operates offices across North America (Montréal, Calgary, Vancouver and New York), as well as in key international markets including London, Singapore, and Vienna. For more information about TMX Group, visit our website at [www.tmx.com](http://www.tmx.com). Follow TMX Group on Twitter: [@TMXGroup](https://twitter.com/TMXGroup).

## Teleconference / Audio Webcast

TMX Group will host a teleconference / audio webcast to discuss the financial results for Q4/22.

Time: 8:00 a.m. - 9:00 a.m. ET on Tuesday February 7, 2023.

To teleconference participants: Please call the following number at least 15 minutes prior to the start of the event.

The audio webcast of the conference call will also be available on TMX Group's website at [www.tmx.com](http://www.tmx.com), under Investor Relations.

Teleconference Number: 416-764-8659 or 1-888-664-6392

Audio Replay: 416-764-8677 or 1-888-390-0541

The pass code for the replay is 265295.

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# TMX GROUP LIMITED

## Consolidated Balance Sheets

(In millions of Canadian dollars)

(Unaudited)

	December 31, 2022	December 31, 2021
<b>Assets</b>		
<b>Current Assets:</b>		
Cash and cash equivalents	\$ 375.7	\$ 264.3
Restricted cash and cash equivalents	234.1	180.0
Marketable securities	117.4	77.3
Trade and other receivables	156.5	132.6
Balances of Participants and Clearing Members	49,340.8	57,113.5
Other current assets	38.0	32.6
<b>Total Current Assets</b>	<b>50,262.5</b>	<b>57,800.3</b>
<b>Non-Current assets:</b>		
Goodwill and intangible assets	5,517.6	5,156.9
Right-of-use assets	79.7	84.3
Deferred income tax assets	23.6	24.7
Other non-current assets	99.7	133.2
<b>Total Non-Current Assets</b>	<b>\$ 5,720.6</b>	<b>\$ 5,399.1</b>
<b>Total Assets</b>	<b>\$ 55,983.1</b>	<b>\$ 63,199.4</b>
<b>Liabilities and Equity</b>		
<b>Current Liabilities:</b>		
Trade and other payables	\$ 131.4	\$ 152.8
Participants' tax withholdings	234.1	180.0
Balances of Participants and Clearing Members	49,340.8	57,113.5
Debt	249.9	—
Credit and liquidity facilities drawn	14.1	2.0
Other current liabilities	42.1	70.7
<b>Total Current Liabilities</b>	<b>50,012.4</b>	<b>57,519.0</b>
<b>Non-Current liabilities:</b>		
Debt	747.8	997.1
Lease liabilities	87.6	88.3
Deferred income tax liabilities	876.8	844.9
Other non-current liabilities	51.1	44.0
<b>Total Non-Current Liabilities</b>	<b>1,763.3</b>	<b>1,974.3</b>
<b>Total Liabilities</b>	<b>51,775.7</b>	<b>59,493.3</b>
<b>Equity:</b>		
Share capital	2,831.1	2,875.8
Contributed surplus	10.9	11.8
Retained earnings	1,178.3	817.1
Accumulated other comprehensive (loss) income	(33.1)	1.4
<b>Total Equity attributable to equity holders of the Company</b>	<b>3,987.2</b>	<b>3,706.1</b>
Non-controlling interests	220.2	—
<b>Total Equity</b>	<b>4,207.4</b>	<b>3,706.1</b>
<b>Total Liabilities and Equity</b>	<b>\$ 55,983.1</b>	<b>\$ 63,199.4</b>



# TMX GROUP LIMITED

## Consolidated Income Statements

(In millions of Canadian dollars, except per share amounts)

(Unaudited)

	For the three months ended December 31		For the year ended December 31	
	2022	2021	2022	2021
Revenue	\$ 274.1	\$ 252.4	\$ 1,116.6	\$ 980.7
REPO and collateral interest:				
Interest income	350.7	21.1	747.8	53.9
Interest expense	(350.7)	(21.1)	(747.8)	(53.9)
Net REPO and collateral interest	—	—	—	—
<b>Total revenue</b>	<b>274.1</b>	<b>252.4</b>	<b>1,116.6</b>	<b>980.7</b>
Compensation and benefits	69.6	68.0	274.7	253.5
Information and trading systems	26.3	19.4	90.9	64.6
Selling, general and administration	29.9	25.8	112.7	84.3
Depreciation and amortization	29.0	23.0	113.8	87.1
<b>Total operating expenses</b>	<b>154.8</b>	<b>136.2</b>	<b>592.1</b>	<b>489.5</b>
<b>Income from operations</b>	<b>119.3</b>	<b>116.2</b>	<b>524.5</b>	<b>491.2</b>
Share of income from equity accounted investees	(0.5)	5.8	(1.3)	24.2
Other income	—	—	177.9	—
Net finance costs	(5.5)	(9.0)	(30.8)	(36.1)
<b>Income before income tax expense</b>	<b>113.3</b>	<b>113.0</b>	<b>670.3</b>	<b>479.3</b>
Income tax expense	2.8	25.1	88.5	140.8
<b>Net income</b>	<b>\$ 110.5</b>	<b>\$ 87.9</b>	<b>\$ 581.8</b>	<b>\$ 338.5</b>
<b>Net income attributable to:</b>				
Equity holders of the Company	\$ 102.2	\$ 87.9	\$ 542.7	\$ 338.5
Non-controlling interests	8.3	—	39.1	—
	\$ 110.5	\$ 87.9	\$ 581.8	\$ 338.5
<b>Earnings per share (attributable to equity holders of the Company):</b>				
Basic	\$ 1.84	\$ 1.57	\$ 9.74	\$ 6.03
Diluted	\$ 1.83	\$ 1.56	\$ 9.69	\$ 5.99

# TMX GROUP LIMITED

## Consolidated Statements of Comprehensive Income

(In millions of Canadian dollars)

(Unaudited)	For the three months ended December 31		For the year ended December 31	
	2022	2021	2022	2021
<b>Net income</b>	\$ 110.5	\$ 87.9	\$ 581.8	\$ 338.5
<b>Other comprehensive income (loss):</b>				
Items that will not be reclassified to the consolidated income statements:				
Actuarial gain (loss) on defined benefit pension and other post-retirement benefit plans (net of tax benefit of \$2.9 in Q4/22, tax expense of \$1.1 in Q4/21, tax expense of \$1.3 for the full year 2022, and tax expense of \$4.0 for the full year 2021)	(8.1)	3.2	3.6	11.3
<b>Total items that will not be reclassified to the consolidated income statements</b>	<b>(8.1)</b>	<b>3.2</b>	<b>3.6</b>	<b>11.3</b>
Items that may be reclassified subsequently to the consolidated income statements:				
Unrealized (loss) gain on translating financial statements of foreign operations	42.2	0.3	(21.9)	(19.2)
<b>Total items that may be reclassified subsequently to the consolidated income statements</b>	<b>42.2</b>	<b>0.3</b>	<b>(21.9)</b>	<b>(19.2)</b>
<b>Total comprehensive income</b>	<b>\$ 144.6</b>	<b>\$ 91.4</b>	<b>\$ 563.5</b>	<b>\$ 330.6</b>
<b>Total comprehensive income attributable to:</b>				
Equity holders of the Company	\$ 140.6	\$ 91.4	\$ 511.8	\$ 330.6
Non-controlling interests	4.0	—	51.7	—
	<b>\$ 144.6</b>	<b>\$ 91.4</b>	<b>\$ 563.5</b>	<b>\$ 330.6</b>

# TMX GROUP LIMITED

## Consolidated Statements of Changes in Equity

(In millions of Canadian dollars)

	For the year ended December 31, 2022							
	Share capital	Contributed surplus	Accumulated other comprehensive income (loss)	Retained earnings	Total attributable to equity holders	Non-controlling interests	Total equity	
<b>Balance at January 1, 2022</b>	\$ 2,875.8	\$ 11.8	\$ 1.4	\$ 817.1	\$ 3,706.1	\$ —	\$ 3,706.1	
<b>Acquisition of non-controlling interests through change in control</b>	—	—	—	—	—	194.0	\$ 194.0	
<b>Net income</b>	—	—	—	542.7	542.7	39.1	581.8	
<b>Other comprehensive (loss) income:</b>								
Unrealized loss on translating financial statements of foreign operations	—	—	(34.5)	—	(34.5)	12.6	(21.9)	
Actuarial gain on defined benefit pension and other post-retirement benefit plans, net of taxes <sup>^</sup>	—	—	—	3.6	3.6	—	3.6	
<b>Total comprehensive (loss) income</b>	—	—	(34.5)	546.3	511.8	51.7	563.5	
<b>Dividends to equity holders</b>	—	—	—	(185.1)	(185.1)	—	(185.1)	
<b>Dividend to non-controlling interests</b>	—	—	—	—	—	(25.5)	(25.5)	
<b>Proceeds from exercised share options</b>	26.6	—	—	—	26.6	—	26.6	
<b>Cost of exercised share options</b>	3.0	(3.0)	—	—	—	—	—	
<b>Cost of share option plan</b>	—	2.1	—	—	2.1	—	2.1	
<b>Shares repurchased under normal course issuer bid</b>	(74.3)	—	—	—	(74.3)	—	(74.3)	
<b>Balance at December 31, 2022</b>	\$ 2,831.1	\$ 10.9	\$ (33.1)	\$ 1,178.3	\$ 3,987.2	\$ 220.2	\$ 4,207.4	

# TMX GROUP LIMITED

## Consolidated Statements of Changes in Equity

(In millions of Canadian dollars)

	For the year ended December 31, 2021					
	Share capital	Contributed surplus	Accumulated other comprehensive income	Retained earnings	Total equity	
Balance at January 1, 2021	\$ 2,943.6	\$ 11.1	\$ 20.6	\$ 636.2	\$ 3,611.5	
Net income	—	—	—	338.5	338.5	
Other comprehensive income (loss):						
Unrealized loss on translating financial statements of foreign operations	—	—	(19.2)	—	(19.2)	
Actuarial gain on defined benefit pension and other post-retirement benefit plans, net of taxes	—	—	—	11.3	11.3	
Total comprehensive income (loss)	—	—	(19.2)	349.8	330.6	
Dividends to equity holders	—	—	—	(168.9)	(168.9)	
Proceeds from exercised share options	15.1	—	—	—	15.1	
Cost of exercised share options	1.5	(1.5)	—	—	—	
Cost of share option plan	—	2.2	—	—	2.2	
Shares repurchased under normal course issuer bid	(84.4)	—	—	—	(84.4)	
Balance at December 31, 2021	\$ 2,875.8	\$ 11.8	\$ 1.4	\$ 817.1	\$ 3,706.1	

## TMX GROUP LIMITED, Consolidated Statements of Cash Flows

<i>(In millions of Canadian dollars)</i> <i>(Unaudited)</i>	For the three months ended December 31		For the year ended December 31	
	2022	2021	2022	2021
<b>Cash flows from (used in) operating activities:</b>				
Income before income taxes	\$ 113.3	\$ 113.0	\$ 670.3	\$ 479.3
Adjustments to determine net cash flows:				
Depreciation and amortization	29.0	23.0	113.8	87.1
Net finance costs	5.5	9.0	30.8	36.1
Other income	—	—	(177.9)	—
Share of (income) loss from equity accounted investees	0.5	(5.8)	1.3	(24.2)
Cost of share option plan	0.6	0.7	2.1	2.2
Unrealized foreign exchange (gain) loss	1.7	(0.1)	(0.7)	(0.4)
Changes in:				
Trade and other receivables, and prepaid expenses	2.1	(14.5)	(4.3)	(19.7)
Trade and other payables	(0.7)	28.0	(57.9)	4.8
Provisions	0.5	(0.4)	2.8	(0.6)
Deferred revenue	(22.2)	(22.3)	(7.3)	7.6
Other assets and liabilities	(0.7)	(1.9)	6.9	(16.2)
Income taxes paid	(28.7)	(25.7)	(135.8)	(114.6)
	<b>100.9</b>	<b>103.0</b>	<b>444.1</b>	<b>441.4</b>
<b>Cash flows from (used in) financing activities:</b>				
Interest paid	(9.4)	(15.1)	(37.0)	(34.6)
Repayment of lease liabilities	(2.5)	(2.3)	(9.7)	(8.4)
Proceeds from exercised options	5.9	0.1	26.6	15.1
Shares repurchased under normal course issuer bid	(0.6)	(18.6)	(74.3)	(84.4)
Dividends paid to equity holders	(46.2)	(43.1)	(185.1)	(168.9)
Dividend paid to non-controlling interests	—	—	(25.5)	—
Credit facility and debt financing fees	—	—	—	(1.3)
Proceeds from issuance of debenture	—	—	—	250.0
Net movement of Commercial Paper	—	—	—	(160.0)
Credit and liquidity facilities drawn, net	(5.3)	(9.5)	12.1	(2.3)
	<b>(58.1)</b>	<b>(88.5)</b>	<b>(292.9)</b>	<b>(194.8)</b>
<b>Cash flows from (used in) investing activities:</b>				
Interest received	3.0	0.4	5.6	1.5
Dividends received	—	—	—	5.7
Additions to premises and equipment and intangible assets	(15.3)	(11.2)	(51.9)	(51.2)
Acquisition of subsidiary, net of cash	(18.7)	—	56.2	(138.4)
Acquisition of equity accounted investment	—	—	(11.2)	—
Marketable securities, net	(37.6)	0.1	(40.1)	(21.5)
	<b>(68.6)</b>	<b>(10.7)</b>	<b>(41.4)</b>	<b>(203.9)</b>
<b>Increase (decrease) in cash and cash equivalents</b>	<b>(25.8)</b>	<b>3.8</b>	<b>109.8</b>	<b>42.7</b>
Cash and cash equivalents, beginning of the period	401.0	260.5	264.3	222.1
Unrealized foreign exchange gain (loss) on cash and cash equivalents held in foreign currencies	0.5	—	1.6	(0.5)
<b>Cash and cash equivalents, end of the period</b>	<b>\$ 375.7</b>	<b>\$ 264.3</b>	<b>\$ 375.7</b>	<b>\$ 264.3</b>