

2022
TMX GROUP LIMITED

Q1 2022

REPORT TO
SHAREHOLDERS





The future
is yours
to see.



Letter from the CEO

Although it may seem like yesterday to some of us, April 23rd marked the 25th anniversary of the last floor trade on Toronto Stock Exchange as we became the first exchange in North America to go fully electronic. Since 1997, the digital age has transformed all aspects of our world in more ways than we could have ever imagined, but the truth remains: Canada's markets have a proud history of innovation.

Today's TMX is dedicated to living up to that legacy of innovation; by helping to define new sectors, reaching into new asset classes and jurisdictions around the world, delivering new data and analytics applications. We see these as key, defining elements in fulfilling our role as an engine of opportunity at the heart of the markets; serving modern issuers and participants, investors and traders in Canada and around the world.

Q1 2022 Highlights

Our performance in the first quarter reflects the depth of strength in our business model and underscores the efficacy of our long-term diversification strategy. These are results that our team can be proud of, given the more challenging global capital market conditions we have seen in 2022. Geopolitical events, including the ongoing conflict in Ukraine, and macro economic factors have negatively impacted markets here in Canada and across the world. Despite the effect of headwinds on some of our key, core business drivers, including capital raising and equities trading activity, TMX delivered solid first quarter results.

Capital Formation

Revenue from capital formation in the first quarter increased 5% from the first quarter of last year, which included revenue from AST Canada acquired last August. It is no secret that we are in the midst of challenging conditions for capital raising. Global uncertainty around inflation and interest rates, a pull-back in valuations in some sectors, and increased volatility have affected the ability and appetite for companies to come to market to raise capital.

While IPOs on Toronto Stock Exchange slowed compared with the first quarter of last year, there were some encouraging signs for our unique two-tiered marketplace. Most importantly from our perspective, the pipeline remains strong. We are in regular dialogue with companies across all sectors, as well as our stakeholders across the ecosystem, including bankers, venture capitalists and private equity firms, about potential IPO candidates within their portfolios, who will come to market when conditions are right.

TMX's markets are a proven breeding ground for the next big thing. This ecosystem has a proud 170-year track record of helping to build generational companies, and we are committed to doing everything in our power to help fuel the next wave of game-changers.

Derivatives Trading & Clearing

Excluding BOX Holdings Group LLC (BOX)¹, revenue from derivatives trading and clearing was up 3% from the first quarter of last year. Canada's derivatives markets continued to build on a strong 2021 in the first three months of this year, with volume growth driven by sustained client interest in developing product areas and increased investor demand for tools to manage risk during turbulent market conditions. Montreal Exchange's (MX's) global expansion strategy continues to gather momentum. Trading in the extended hours session generated robust activity in Index and Bond futures during February. In parallel with our move to make our derivatives markets available nearly around the clock, MX's efforts to attract more global participation to Canada's markets is having a positive impact. Looking ahead, we continue to explore new ways to enhance our product suite to meet investor demand, with a focus on new areas, including sector futures and crypto futures, which we expect to launch by the end of the year.

Trayport

Revenue from Trayport in the first quarter increased 9% from the first quarter of 2021. The conflict in Ukraine and the corresponding sanctions continue to have a significant impact on global energy commodity trading markets, driving sustained volatility. Trayport's core network plays a vital role in Europe's energy trading markets, particularly during periods of extreme turbulence. Thus far in 2022, Trayport has also taken important steps to execute on its global strategy to diversify and expand into new asset classes and geographies.

At the end of March, we announced, in collaboration with IncubEx, the successful launch of The Voluntary Climate Marketplace, or TVCM. For companies looking to achieve their ESG commitments and achieve net-zero targets, TVCM provides price discovery and efficient access for trading carbon credits.

¹ Consolidated January 3, 2022. See *Results of Operations - BOX* in the Q1 2022 MD&A for more details.

Looking Ahead

During 2021, we laid the groundwork for the next stage in our organization's evolution, which included an in-depth, company-wide internal exercise to build a high-performance culture and to define our corporate purpose:

We make markets better and empower bold ideas.

Those eight words define our reason for being, and while they sound great and truly capture the spirit of the organization - they are just words. They cannot alone determine our future. Our people will ultimately define our success. In any quarter, and in all market conditions, the dedication of our people is a source of great pride, and our perpetual, driving force. They are TMX's prevailing competitive advantage. I would like to thank our employees around the world for their steadfast commitment to serving our clients with excellence and for bringing our purpose to life in their work every day.

I look forward to updating you on our second quarter results in July.

A white, stylized handwritten signature of John McKenzie on a dark background.

John McKenzie

Chief Executive Officer
TMX Group
May 3, 2022

MD&A

Management's Discussion and Analysis

TMX Group Limited

MANAGEMENT'S DISCUSSION AND ANALYSIS

May 2, 2022

This Management's Discussion and Analysis (MD&A) of TMX Group Limited's (TMX Group) financial condition and financial performance is provided to enable a reader to assess our financial condition, material changes in our financial condition and our financial performance, including our liquidity and capital resources, for the quarter ended March 31, 2022 (Q1/22), compared with the quarter ended March 31, 2021 (Q1/21) and as at March 31, 2022 and December 31, 2021. This MD&A should be read together with our unaudited condensed consolidated interim financial statements as at March 31, 2022 and December 31, 2021, and for the quarters ended March 31, 2022 and 2021 (the interim financial statements), our audited annual consolidated financial statements for the years ended December 31, 2021 and December 31, 2020 (the financial statements) and the 2021 Annual MD&A.

Our interim financial statements and this MD&A for the quarter ended March 31, 2022 are filed with Canadian securities regulators and can be accessed at www.tmx.com and www.sedar.com. The financial measures included in this MD&A are based on financial statements prepared in accordance with International Financial Reporting Standards (IFRS), as issued by the International Accounting Standards Board (IASB), unless otherwise specified. All amounts are in Canadian dollars unless otherwise indicated.

Additional information about TMX Group, including the Annual Information Form, is available at www.tmx.com and www.sedar.com. We are not incorporating information contained on our website in this MD&A.

OUR CONTINUED RESPONSE TO COVID-19 PANDEMIC

The health and safety of our people, our clients and the entire capital markets community has been and continues to be our top priority during the pandemic, and consistently guides the decisions that we make. We deployed various IT and human resources tools to support both our employees working from home as well as our limited recovery staff who are on site performing critical duties. Our offices are currently fully open meeting all applicable public health requirements. In Q3/22, TMX Group plans to pivot from a 90% remote workforce to a hybrid workforce that consists of fully remote, fully in office, and remote/office employees.

We continue to focus on resiliency and demonstrate this through ongoing resiliency testing during this global pandemic, including our latest Disaster Recovery exercise completed in April 2022. TMX Group remains firmly focused on serving our clients with excellence, providing our markets with continuity, and executing against our global growth strategy.

INITIATIVES AND ACCOMPLISHMENTS

Capital Formation¹

AST Canada transaction

On August 12, 2021, we completed the acquisition of AST Investor Services Inc. (Canada), and its subsidiary AST Trust Company (Canada) (collectively, AST Canada), a provider of transfer agency, corporate trust and related services.

- We expect integration costs of approximately \$20.0 million over the twelve month period from September 1, 2021 to August 31, 2022, which includes information technology expenses; and expect total revenue and technology cost synergies of approximately \$8.0 million, which will be substantially achieved by the end of 2024. We expect at least \$3.0 million (previously \$2.0 million) of these cost synergies in 2022, including approximately \$0.7 million realized in Q1/22. In 2021 (post August 12, 2021 acquisition) and Q1/22, we spent approximately \$3.4 million and \$1.2 million, respectively in integration costs. The transaction is expected to have a positive impact on TMX Group's adjusted earnings per share in 2022.²
- We have entered into a transitional services agreement (TSA) with AST for the twelve month period from September 1, 2021 to August 31, 2022. The total expected cost related to the TSA is approximately \$6.0 million, incurred evenly over the term of the TSA. In 2021 (post August 12, 2021 acquisition) and Q1/22, we spent approximately \$2.0 million and \$1.3 million, respectively related to the TSA.

Equities and Fixed Income Trading and Clearing³

TSX DRK

We continue to make progress on the expansion of TSX's Dark Trading offering which began in 2020. TSX DRK has made substantial gains in this market segment, increasing its continuous trading market share in TSX listed securities from 18% in 2019 to 30% in Q1/22. Planned expansion initiatives and investments to increase user adoption, introduce new offerings, and support continued market share growth are expected to be added. In April 2022, we continued to build on our Conditional Orders offerings (launched November 2021), with enforcement facility and fees.

Derivatives Trading and Clearing⁴

Montreal Exchange

MX's trading sessions are currently open at 8:00 p.m. (t-1) ET (with a 7:30 p.m. (t-1) ET pre-open) and close at 4:30 p.m. ET. In Q1/22, volumes during extended trading hours represented approximately 6% of total volumes in MX interest

¹ The "Capital Formation" section contains certain forward-looking statements. Please refer to "Caution Regarding Forward-Looking Information" for a discussion of risks and uncertainty related to such statements.

² Adjusted earnings per share is a non-GAAP ratio. see discussion under "Non-GAAP Measures" and "Caution Regarding Forward-Looking Information" for more information.

³ The "Equities and Fixed Income Trading & Clearing" section contains certain forward-looking statements. Please refer to "Caution Regarding Forward-Looking Information" for a discussion of risks and uncertainty related to such statements.

⁴ The "Derivatives Trading and Clearing" section contains certain forward-looking statements. Please refer to "Caution Regarding Forward-Looking Information" for a discussion of risks and uncertainty related to such statements.

rate products⁵ and MX equity index futures⁶. Our five year target for volumes traded during extended hours is 15% of total volumes.

Global Solutions, Insights and Analytics (GSIA)⁷

Trayport

Voluntary Carbon Trading

In March 2022, Trayport in collaboration with IncubEx announced the launch of The Voluntary Climate Marketplace (TVCM). TVCM, operated by IncubEx, offers carbon offset projects from five of the leading offset registries, which are tradable with live bids and offers through Trayport's Joule platform.

TMX Datalinx

ETFLogic

In February 2022, we closed an equity investment, acquiring a minority interest in SigmaLogic Inc. (DBA ETFLogic), a U.S.-based fintech company and leading provider of analytics and portfolio tools to the wealth management industry and investment fund manufacturers. This investment follows the launch of TMX LOGICLY, a research and analytics platform for financial industry professionals which was launched in collaboration between TMX Datalinx and ETFLogic in January 2021. ETFLogic is equity accounted in our results and reflected in *share of (loss) income from equity accounted investees*.

Repackaging and Pricing

In March 2022, we received regulatory approvals for pricing changes on the following TMX Datalinx products: TSX professional subscriptions, TSX Alpha Exchange subscriptions outside of Canada, TSX and TSXV data feeds, MX subscriptions, and the Information Professor data feed. These pricing changes will largely come into effect in the first half of 2022, which will better align our data packaging and pricing with global exchanges. This represents the first fee change on these products in over a decade and includes both fee increases and reductions. The aggregate impact of these pricing changes is expected to be approximately a 2% to 3% increase from 2021 revenue in GSIA (excluding Trayport) on an annualized basis.

Update on Modernization of CDS Clearing Platform⁸

The CDS modernization project involves the replacement of other legacy systems at CDS including those related to clearing and settlement, as well as an expanded scope to address entitlement payment systems. In March 2017, we implemented an Issuer Services Program that included a number of fee changes in anticipation of the investment that would be required to modernize the entitlement payments system. We spent \$43.8 million up to the end of 2019 on capital expenditures, \$27.8 million in 2020, \$21.0 million in 2021, and \$4.8 million in Q1/22. These project costs are included in *Additions to premises and equipment and intangible assets* on the Consolidated Statements of Cash Flows in each of 2019, 2020, 2021, and Q1/22. Overall, we expect to incur between approximately \$120 and \$135 million in

⁵ BAX - Three-Month Canadian Bankers' Acceptance Futures, CRA - Three-month Canadian Overnight Repo Rate Average (CORRA) Futures (launched June 12, 2020), CGZ - Two-Year Government of Canada Bond Futures, CGF - Five-Year Government of Canada Bond Futures and CGB - Ten-Year Government of Canada Bond Futures.

⁶ SXF - S&P/TSX 60 Index Standard Futures and SXM - S&P/TSX 60 Index Mini Futures.

⁷ The "Global Solutions Insights and Analytics" section contains certain forward-looking statements. Please refer to "Caution Regarding Forward-Looking Information" for a discussion of risks and uncertainty related to such statements.

⁸ The "Update on Modernization of CDS Clearing Platform" 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.

capital expenditures related to the CDS modernization project. We expect to complete this project in 1H/23. We will continue to provide updates on estimates for capital expenditures and timing as this complex project progresses.

MARKET CONDITIONS AND OUTLOOK⁹

Geopolitical conflict led to market uncertainty which contributed to increased volatility in the first quarter of 2022, while trading volumes decreased in the first quarter as retail trading activity, which peaked in Q1/21, returned to pre-pandemic levels. The average CBOE Volatility Index (VIX) was 25.5 in Q1/22, compared with 23.2 in Q1/21. Overall, Canadian equities trading volumes were down 44% in Q1/22 compared with Q1/21.¹⁰ Across all of our equities markets, overall trading volumes were down 37% in Q1/22 compared with Q1/21 with trading volumes on TSX, TSX Venture Exchange (TSXV), and TSX Alpha Exchange (Alpha) decreasing by 17%, 62%, and 40%, respectively. In Canadian derivatives trading, the volume of contracts traded on MX was up 3% in Q1/22 compared to Q1/21. In Q1/22, we saw increased trading in equity options, index futures, and share futures somewhat offset by reduced trading in short-term interest rate contracts.

On TSX, the total amount of financing dollars raised decreased by 54% from Q1/21 to Q1/22, and the total number of financings decreased by 24% over the same period. On TSXV (including NEX) there was a 49% decrease in the total amount of financing dollars raised, while the total number of financings declined 39% in Q1/22 over Q1/21.

On April 13, 2022, the Bank of Canada (the Bank) increased its target for the overnight rate to 1%, with the Bank Rate at 1¼% and the deposit rate at 1%. The Bank is also ending reinvestment and will begin quantitative tightening, effective April 25. Russia's ongoing invasion of Ukraine is causing unimaginable human suffering and new economic uncertainty. Price spikes in oil, natural gas and other commodities are adding to inflation around the world. Supply disruptions resulting from the war are also exacerbating ongoing supply constraints and weighing on activity. These factors are the primary drivers of a substantial upward revision to the Bank's outlook for inflation in Canada.

The Bank said the war in Ukraine is disrupting the global recovery, just as most economies are emerging from the impact of the Omicron variant of COVID-19. As policy stimulus is withdrawn, U.S. growth is expected to moderate to a pace more in line with potential growth. Global financial conditions have tightened and volatility has increased. The Bank now forecasts global growth of about 3½% this year, 2½% in 2023 and 3¼% in 2024.

The Bank forecasts that Canada's economy will grow by 4¼% this year before slowing to 3¼% in 2023 and 2¼% in 2024. Robust business investment, labour productivity growth and higher immigration will add to the economy's productive capacity, while higher interest rates should moderate growth in domestic demand. The Bank added that CPI inflation in Canada is 5.7% and inflation is being driven by rising energy and food prices and supply disruptions, in combination with strong global and domestic demand. Core measures of inflation have all moved higher as price pressures broaden. CPI inflation is now expected to average almost 6% in the first half of 2022 and remain well above the control range throughout this year. It is then expected to ease to about 2½% in the second half of 2023 and return to the 2% target in 2024.¹¹

⁹ The "Markets Conditions and Outlook" section contains certain forward-looking statements. Please refer to "Caution Regarding Forward-Looking Information" for a discussion of risks and uncertainty related to such statements.

¹⁰ Source: IIROC (excluding intentional crosses, includes all Canadian equities).

¹¹ Source: Extracted from Bank of Canada press release, April 13, 2022.

RESULTS OF OPERATIONS

Non-GAAP Measures

Adjusted net income is a non-GAAP measure¹², and adjusted earnings per share, adjusted diluted earnings per share, and adjusted earnings per share CAGR are non-GAAP ratios¹³, 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 heading "Adjusted Net Income and Adjusted Earnings Per Share Reconciliation for Q1/22 and Q1/21".

We have also presented long term adjusted EPS CAGR as a financial objective which is the growth rate in adjusted diluted earnings per share over time, exclusive of adjustments that impact the comparability of adjusted EPS from period to period, including those outlined under the heading "Adjusted Net Income and Adjusted Earnings Per Share Reconciliation for Q1/22 and Q1/21". The adjusted EPS CAGR is based on the assumptions outlined under the heading "Caution Regarding Forward Looking Information - Assumptions related to long term financial objectives".

BOX

On January 3, 2022 BOX Holdings Group LLC (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, recognized in the consolidated income statements as other income. BOX is included in the Derivatives Trading & Clearing operating segment.

¹² As defined in National Instrument 52-112 Non-GAAP and Other Financial Measures Disclosure.

¹³ As defined in National Instrument 52-112 Non-GAAP and Other Financial Measures Disclosure.

Quarter ended March 31, 2022 (Q1/22) Compared with Quarter ended March 31, 2021 (Q1/21)

The information below reflects the financial statements of TMX Group for Q1/22 compared with Q1/21.

(in millions of dollars, except per share amounts)	Q1/22	Q1/21	\$ increase / (decrease)	% increase / (decrease)
Revenue	\$287.1	\$252.0	\$35.1	14%
Operating expenses	145.3	119.3	26.0	22%
Income from operations	141.8	132.7	9.1	7%
Net income attributable to equity holders of TMX Group	267.4	96.4	171.0	177%
Adjusted net income ¹⁴	102.7	106.4	(3.7)	(3)%
Earnings per share (attributable to equity holders of TMX Group)				
Basic	4.78	1.71	3.07	180%
Diluted	4.75	1.70	3.05	179%
Adjusted Earnings per share ¹⁵				
Basic	1.83	1.89	(0.06)	(3)%
Diluted	1.82	1.88	(0.06)	(3)%
Cash flows from operating activities	78.7	78.6	0.1	0%

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

Net income attributable to equity holders of TMX Group in Q1/22 was \$267.4 million, or \$4.78 per common share on a basic and \$4.75 per common share on a diluted basis, compared with a net income attributable to equity holders of TMX Group of \$96.4 million, or \$1.71 per common share on a basic and \$1.70 on a diluted basis, for Q1/21. 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 Q1/22, and an increase in income from operations of \$9.1 million. The increase in income from operations from Q1/21 to Q1/22 was driven by an increase in revenue of \$35.1 million, which included \$33.0 million related to BOX (consolidated January 2022) and \$8.8 million related to AST Canada (acquired August 12, 2021), somewhat offset by an increase in operating expenses of \$26.0 million. The increase in operating expenses included approximately \$24.5 million in Q1/22 related to AST Canada (acquired August 12, 2021), BOX (consolidated January 2022), and Tradesignal (acquired June 1, 2021). The increased expenses included \$2.8 million related to amortization of acquired intangibles for AST Canada and BOX (4 cents per basic and diluted share), \$1.3 million related to the TSA, as well as AST Canada integration costs of \$1.2 million (2 cents per basic and diluted share). The increase in earnings per share was also partially attributable to a decrease in the number of weighted average common shares outstanding from Q1/21 to Q1/22.

Partially offsetting these increases to net income attributable to equity holders of TMX Group was \$0.6 million incurred in Q1/21 related to acquisition and related costs for AST Canada.

¹⁴ Adjusted net income is a non-GAAP measure, see discussion under the heading "Non-GAAP Measures".

¹⁵ Adjusted earnings per share is a non-GAAP ratio, see discussion under the heading "Non-GAAP Measures".

Adjusted Net Income¹⁶ and Adjusted Earnings per Share¹⁷ Reconciliation for Q1/22 and Q1/21

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

1. The amortization expenses of intangible assets in Q1/21 and Q1/22 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. Acquisition and related costs in Q1/21 associated with acquiring AST Canada (acquired August 12, 2021), and the equity investment in ETFLogic (February 2022) in Q1/22. These costs are included in *Selling general, and administration* and *Compensation and benefits*.
3. Integration costs related to integrating the AST Canada acquisition in Q1/21 and Q1/22. These costs are included in *Selling, general and administration, Compensation and benefits* and *Depreciation and amortization*.
4. Gain resulting from the revaluation of our interest in BOX upon acquisition of voting control (effective January 3, 2022) in Q1/22. This gain is included in *Other Income*.

	Pre-tax		Tax		After-tax			
(in millions of dollars) (unaudited)	Q1/22	Q1/21	Q1/22	Q1/21	Q1/22	Q1/21	\$ increase / (decrease)	% increase / (decrease)
Net income attributable to equity holders of TMX Group					\$267.4	\$96.4	\$171.0	177%
Adjustments related to:								
Amortization of intangibles related to acquisitions ¹⁸	14.8	11.9	2.8	2.4	12.0	9.5	2.5	26%
Acquisition and related costs ¹⁹	0.3	0.6	—	0.1	0.3	0.5	(0.2)	(40%)
Integration costs ²⁰	1.2	—	0.3	—	0.9	—	0.9	n/a
Gain on BOX ²¹	(177.9)	—	—	—	(177.9)	—	(\$177.9)	n/a
Adjusted net income ²²					\$102.7	\$106.4	(\$3.7)	(3%)

Adjusted net income decreased by 3% from \$106.4 million in Q1/21 to \$102.7 million in Q1/22 largely driven by higher operating expense partially offset by higher revenue.

¹⁶ Adjusted net income is a non-GAAP measure, see discussion under the heading "Non-GAAP Measures".

¹⁷ Adjusted earnings per share is a non-GAAP ratio, see discussion under the heading "Non-GAAP Measures".

¹⁸ Includes amortization expense of acquired intangibles including BOX, AST Canada, and Tradesignal in Q1/22.

¹⁹ Includes costs related to the acquisition of AST Canada (acquired August 12, 2021) in Q1/21, and the equity investment in ETFLogic (February 2022) in Q1/22. See *Initiatives and Accomplishments - Capital Formation - AST Canada transaction, Initiatives and Accomplishments - Global Solutions, Insights & Analytics - ETFLogic* for more details.

²⁰ Includes costs related to the integration of AST Canada (acquired August 12, 2021). See *Initiatives and Accomplishments - Capital Formation - AST Canada transaction* for more details.

²¹ Gain resulting from the revaluation of our interest in BOX upon acquisition of voting control (effective January 3, 2022). See *Results of Operations - BOX* for more details.

²² Adjusted net income is a non-GAAP measure, see discussion under the heading "Non-GAAP Measures".

(unaudited)	Q1/22		Q1/21	
	Basic	Diluted	Basic	Diluted
Earnings per share (attributable to equity holders of TMX Group)	\$4.78	4.75	\$1.71	\$1.70
Adjustments related to:				
Amortization of intangibles related to acquisitions ²³	0.21	0.21	0.17	0.17
Acquisition and related costs ²⁴	—	—	0.01	0.01
Integration costs ²⁵	0.02	0.02	—	—
Gain on BOX ²⁶	(3.18)	(3.16)	—	—
Adjusted earnings per share ²⁷	\$1.83	\$1.82	\$1.89	\$1.88
Weighted average number of common shares outstanding	55,935,420	56,240,039	56,237,215	56,634,332

Adjusted diluted earnings per share decreased by 3% from \$1.88 in Q1/21 to \$1.82 in Q1/22 largely driven by higher operating expenses. This decrease was partially offset by higher revenue, and an increase in adjusted earnings per share attributable to a decrease in the number of weighted average common shares outstanding from Q1/21 to Q1/22.

Revenue

(in millions of dollars)	Q1/22	Q1/21	\$ increase / (decrease)	% increase / (decrease)
Capital Formation	\$63.9	\$61.1	\$2.8	5%
Equities and Fixed Income Trading and Clearing	62.1	68.7	(6.6)	(10)%
Derivatives Trading and Clearing	71.5	37.5	34.0	91%
Global Solutions, Insights and Analytics	89.7	85.0	4.7	6%
Other	(0.1)	(0.3)	0.2	(67)%
	\$287.1	\$252.0	\$35.1	14%

Revenue was \$287.1 million in Q1/22 up \$35.1 million or 14% compared with \$252.0 million in Q1/21 attributable to increases in revenue from *Derivatives Trading and Clearing*, *Global Solutions, Insights and Analytics*, as well as *Capital Formation*, partially offset by a decrease in *Equities and Fixed Income Trading and Clearing* revenue. The increase included \$33.0 million of revenue for BOX (consolidated January 3, 2022), \$8.8 million for AST Canada (acquired August

²³ Includes amortization expense of acquired intangibles including BOX, AST Canada, and Tradesignal in Q1/22.

²⁴ Includes costs related to the acquisition of AST Canada (acquired August 12, 2021) in Q1/21, and the equity investment in ETFLogic (February 2022) in Q1/22. See *Initiatives and Accomplishments - Capital Formation - AST Canada transaction*, *Initiatives and Accomplishments - Global Solutions, Insights & Analytics - ETFLogic* for more details.

²⁵ Includes costs related to the integration of AST Canada (acquired August 12, 2021). See *Initiatives and Accomplishments - Capital Formation - AST Canada transaction* for more details.

²⁶ Gain resulting from the revaluation of our interest in BOX upon acquisition of voting control (effective January 3, 2022). See *Results of Operations - BOX* for more details.

²⁷ Adjusted earnings per share is a non-GAAP ratio, see discussion under the heading "Non-GAAP Measures".

12, 2021), and \$0.6 million for Tradesignal (acquired June 1, 2021). Excluding revenue from BOX, AST Canada, and Tradesignal, revenue was down 3% in Q1/22 compared with a record first quarter in Q1/21.

Capital Formation

(in millions of dollars)	Q1/22	Q1/21	\$ increase / (decrease)	% increase / (decrease)
Initial listing fees	\$5.9	\$4.0	\$1.9	48%
Additional listing fees	20.8	29.8	(9.0)	(30)%
Sustaining listing fees	20.1	18.5	1.6	9%
Other issuer services	17.1	8.8	8.3	94%
	\$63.9	\$61.1	\$2.8	5%

- *Initial listing fees* in Q1/22 increased from Q1/21 due to a rise in the amount of deferred *initial listing fee* revenue recognized in Q1/22 compared with Q1/21 on both TSX and TSXV. We recognized *initial listing fees* received in 2021 and 2022 of \$5.7 million in Q1/22 compared with *initial listing fees* received in 2020 and 2021 of \$3.5 million in Q1/21.
- Based on *initial listing fees* billed in 2021 and Q1/22, the following amounts have been deferred to be recognized in Q2/22, Q3/22, Q4/22 and Q1/23: \$4.2 million, \$2.7 million, \$1.4 million and \$0.3 million respectively. Total *initial listing fees* revenue for future quarters will also depend on listing activity in those quarters.
- *Additional listing fees* in Q1/22 decreased compared to Q1/21 reflecting a decrease in *additional listing fee* revenue on TSX and TSXV where there was a decrease in both the number of financings and total financing dollars raised. The decrease in *additional listing fee* revenue on TSX reflected a decrease of 28% in the number of transactions billed at the maximum listing fee of \$250,000 from Q1/21 to Q1/22, and a 5% decrease in the number of transactions billed below the maximum fee.
- 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 Q1/21 to Q1/22 reflecting an increase in the market capitalization of issuers at December 31, 2021 compared with December 31, 2020.
- *Other issuer services* revenue in Q1/22 was higher compared to Q1/21 primarily due to the inclusion of revenue from AST Canada (acquired August 12, 2021) of approximately \$8.8 million. Excluding AST Canada, *Other issuer services* revenue decreased 6% in Q1/22 compared with Q1/21, reflecting lower transfer agent fee revenue and recoverable revenue partially offset by higher margin income.

Equities and Fixed Income Trading and Clearing

(in millions of dollars)	Q1/22	Q1/21	\$ (decrease)	% (decrease)
Equities and fixed income trading	\$34.7	\$40.9	(\$6.2)	(15)%
Equities and fixed Income clearing, settlement, depository and other services (CDS)	27.4	27.8	(0.4)	(1)%
	\$62.1	\$68.7	(\$6.6)	(10)%

- *Equities Trading* revenue decreased in Q1/22 compared with Q1/21 driven by lower volumes partially offset by a change in product mix. The overall volume of securities traded on our equities marketplaces decreased by 37% (43.5 billion securities in Q1/22 versus 69.3 billion securities in Q1/21). There were decreases in volumes of 17% on TSX, 62% on TSXV and 40% on Alpha in Q1/22 compared with Q1/21.
- There was lower *fixed income trading* revenue from Q1/21 to Q1/22 reflecting decreased activity in swaps partially offset by increased activity in Government of Canada bonds.
- *CDS* revenue decreased from Q1/21 to Q1/22 reflecting lower clearing and settlement revenue due to lower volumes and lower revenue from account transfer online notifications.
- Excluding intentional crosses, for TSX and TSXV listed issues, our combined domestic equities trading market share was approximately 65% in Q1/22, down 1% from 66% in Q1/21.²⁸ 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 57% in Q1/22, up 6% from 51% in Q1/21²⁹.

Derivatives Trading and Clearing

(in millions of dollars)	Q1/22	Q1/21	\$ increase	% increase
Derivatives Trading and Clearing (excl. BOX)	\$38.5	\$37.5	\$1.0	3%
BOX	\$33.0	—	\$33.0	n/a
	\$71.5	\$37.5	\$34.0	91%

- The increase in revenue in *Derivatives Trading and Clearing (excl. BOX)* was driven by a 13% increase in CDCC revenue mainly related to REPO dealer activity and interest rate derivative clearing fee changes. The increase in CDCC was partially offset by a 2% decrease in MX revenue. While volumes on MX were up 3% from Q1/21 to Q1/22 (39.3 million contracts traded in Q1/22 versus 38.3 million contracts traded in Q1/21), there was lower

²⁸ Source: IIROC.

²⁹ Source: IIROC.

revenue per contract reflecting changes in client mix and product mix. In Q1/22, there were higher rebates related to new commercial programs which resulted in lower revenue per contract. In addition, the volume increase was partially driven by contracts with lower yields such as single stock futures and equity options.

- As a result of the consolidation of BOX (January 3, 2022), we recognized \$33.0 million of BOX revenue in Q1/22. Volumes on BOX were up 51% from Q1/21 to Q1/22 (149.2 million contracts traded in Q1/22 versus 99.0 million contracts traded in Q1/21). BOX market share in equity options was 6% in Q1/22, up 2% from 4% in Q1/21.

Global Solutions, Insights and Analytics

(in millions of dollars)	Q1/22	Q1/21	\$ increase	% increase
Trayport	\$40.7	\$37.3	\$3.4	9%
TMX Datalinx including Co-location	49.0	47.7	\$1.3	3%
	\$89.7	\$85.0	\$4.7	6%

The increase in *Global Solutions, Insights and Analytics (GSIA)* revenue in Q1/22 compared with Q1/21 was primarily driven by increased revenue from Trayport as well as higher revenue from data feeds and co-location, partially offset by a decreases in usage based quotes as well as benchmarks and indices in Q1/22 compared with Q1/21.

Trayport

The following table summarizes the average number of Trayport subscribers (excluding VisoTech and Tradesignal) over the last eight quarters³⁰:

	Q1/22	Q4/21	Q3/21	Q2/21	Q1/21	Q4/20	Q3/20	Q2/20
Trader Subscribers	6,369	6,135	5,677	5,483	5,392	5,259	5,150	4,999
Total Subscribers	27,782	27,473	26,620	26,196	25,889	25,259	24,662	24,277
Revenue (in millions of CAD)	\$40.7	\$38.9	\$37.9	\$36.5	\$37.3	\$35.3	\$34.2	\$33.5
Average CAD-GBP FX rate	1.67	1.71	1.72	1.71	1.75	1.73	1.74	1.70
Revenue (in millions of GBP)	£24.3	£22.7	£22.0	£21.3	£21.3	£20.4	£19.6	£19.7

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 9% from Q1/21 to Q1/22. In GBP, revenue from Trayport, was £24.3 million (based on CAD-GBP FX rate of 1.67) in Q1/22 up 14% over Q1/21. The increase in Trayport revenue was driven by a 7% growth in the average number of total subscribers. Approximately \$0.6 million (£0.4 million, based on CAD-GBP FX rate of 1.66) of revenue related to Tradesignal (acquired June 1, 2021) was included in Q1/22.

³⁰ Previous amounts have been restated based on current data.

TMX Datalinx including Co-location

Revenue from TMX Datalinx including Co-location increased by 3% from Q1/21 to Q1/22. There were higher revenues related to increases in co-location, data feeds, and professional subscribers. The higher revenue was partially offset by decreases in usage based quotes as well as benchmarks and indices in Q1/22 compared with Q1/21.

- The average number of professional market data subscriptions for TSX and TSXV products increased slightly from Q1/21 to Q1/22 (103,836 professional market data subscriptions in Q1/22 compared with 103,706 in Q1/21.)
- The average number of MX professional market data subscriptions increased 5% from Q1/21 to Q1/22 (20,236 MX professional market data subscriptions in Q1/22 compared with 19,225 in Q1/21).

Other

(in millions of dollars)	Q1/22	Q1/21	\$ increase	% increase
	\$(0.1)	(0.3)	\$0.2	67%

The increase in *Other* revenue reflected lower net foreign exchange losses on net monetary assets in Q1/22 compared with Q1/21 driven by the favorable impact from a slightly weaker Canadian dollar relative to the U.S. dollar in Q1/22 compared with Q1/21.

Operating expenses

(in millions of dollars)	Q1/22	Q1/21	\$ increase	% increase
Compensation and benefits	\$71.3	\$64.9	\$6.4	10%
Information and trading systems	20.0	14.6	5.4	37%
Selling, general and administration	25.8	18.4	7.4	40%
Depreciation and amortization	28.2	21.4	6.8	32%
	\$145.3	\$119.3	\$26.0	22%

Operating expenses in Q1/22 were \$145.3 million, up \$26.0 million or 22%, from \$119.3 million in Q1/21. There were approximately \$24.5 million of expenses included in Q1/22 related to BOX (consolidated January 3, 2022), AST Canada (acquired August 12, 2021), and Tradesignal (acquired June 1, 2021). The increased expenses included \$2.8 million related to amortization of acquired intangibles for AST Canada and BOX (4 cents per basic and diluted share), \$1.3 million related to the TSA, as well as AST integration costs of \$1.2 million (2 cents per basic and diluted share). There were also higher expenses related to higher headcount and payroll costs, increased costs related to our long term employee performance incentive plan of approximately \$1.5 million, and increased expenses for travel and entertainment as well as legal fees.

Partially offsetting these increases was lower short term employee performance incentive plan costs of approximately \$5.5 million, and lower severance. We also incurred \$0.6 million (1 cent per basic and diluted share) in acquisition and related costs related to AST Canada in Q1/21. Excluding expenses from BOX, AST Canada, and Tradesignal, operating expenses increased 2% in Q1/22 compared with Q1/21.

Compensation and benefits

(in millions of dollars)	Q1/22	Q1/21	\$ increase	% increase
	\$71.3	\$64.9	\$6.4	10%

- The increase in *Compensation and benefits* expenses reflected approximately \$7.9 million in Q1/22 related to BOX, AST Canada, and Tradesignal, including integration costs related to AST Canada of \$0.8 million. There were higher headcount and payroll costs, including merit increases, and higher long term employee performance incentive plan costs of approximately \$1.5 million. These increases were somewhat offset by lower short term employee performance incentive plan costs of approximately \$5.5 million as well as lower severance costs.
- There were 1,606 TMX Group employees at March 31, 2022 (excluding BOX) versus 1,385 employees at March 31, 2021 reflecting an increase in headcount attributable to investing in the various growth areas of our business. The headcount in Q1/22, includes approximately 150 employees for AST Canada (acquired August 12, 2021) and approximately 15 employees for Tradesignal (acquired June 1, 2021).

Information and trading systems

(in millions of dollars)	Q1/22	Q1/21	\$ increase	% increase
	\$20.0	\$14.6	\$5.4	37%

- The increase in *Information and trading systems* expenses from Q1/21 to Q1/22 reflected higher expenses related to BOX, AST Canada, and Tradesignal of \$4.1 million, including approximately \$0.6 million related to AST Canada's TSA

and \$0.3 million of integration costs. There were also increased costs for software license and maintenance costs, as well as increased costs for cloud services.

Selling, general and administration

(in millions of dollars)	Q1/22	Q1/21	\$ increase	% increase
	\$25.8	\$18.4	\$7.4	40%

- *Selling, general and administration* expenses increased by \$7.4 million in Q1/22 compared with Q1/21 primarily due to \$5.9 million of costs related to BOX, AST Canada, and Tradesignal in Q1/21. There was approximately \$0.7 million related to AST Canada's TSA, and integration costs of \$0.1 million. There were also higher legal fees and higher costs for travel and entertainment.

Depreciation and amortization

(in millions of dollars)	Q1/22	Q1/21	\$ increase	% increase
	\$28.2	\$21.4	\$6.8	32%

- There were higher *Depreciation and amortization* costs reflecting approximately \$6.6 million of increased amortization related to AST Canada (acquired August 12, 2021), BOX (consolidated January 3, 2022), as well as Tradesignal (acquired June 1, 2021).
- The *Depreciation and amortization* costs in Q1/22 of \$28.2 million included \$14.8 million related to amortization of intangible assets related to acquisitions (21 cents per basic and diluted share).
- The *Depreciation and amortization* costs in Q1/21 of \$21.4 million included \$11.9 million related to amortization of intangible assets related to acquisitions (17 cents per basic and diluted share).

Additional Information

Share of (loss) income from equity accounted investees

(in millions of dollars)	Q1/22	Q1/21	\$ (decrease)	% (decrease)
	\$(0.1)	\$6.5	\$(6.6)	(102)%

- In Q1/22, our share of (loss) income from equity accounted investees decreased by \$6.6 million primarily due to a change in accounting relating to BOX (consolidated January 3, 2022). For Q1/22, our share of (loss) income from equity accounted investees includes CanDeal³¹ and ETFLogic compared with Q1/21, which included BOX and CanDeal.

Other income

(in millions of dollars)	Q1/22	Q1/21	\$ increase	% increase
	\$177.9	—	\$177.9	n/a

- In Q1/22, we recognized a non-cash gain of \$177.9 million resulting from the revaluation of our interest in BOX upon acquisition of voting control (January 3, 2022). See *Results of Operations - BOX* for more details.

Net finance costs

(in millions of dollars)	Q1/22	Q1/21	\$ (decrease)	% (decrease)
	\$8.9	\$9.1	\$(0.2)	(2)%

- The decrease in net finance costs for Q1/22 compared to Q1/21 reflected lower net interest expense largely due to higher finance income.

³¹ Effective February 28, 2022, TMX discontinued the application of the equity method of accounting for CanDeal.

Income tax expense and effective tax rate

Income Tax Expense (in millions of dollars)		Effective Tax Rate (%)	
Q1/22	Q1/21	Q1/22	Q1/21
\$31.5	\$33.7	10%	26%

Excluding adjustments, primarily related to the items noted below, the effective tax rate would have been approximately 26% for Q1/22 and Q1/21.

Q1/22

- In Q1/22, there was a non-taxable gain resulting from the revaluation of our interest in BOX upon acquisition of voting control (effective January 3, 2022).

Net income attributable to non-controlling interests

(in millions of dollars)	Q1/22	Q1/21	\$ increase
	\$11.8	—	\$11.8

- 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.

Total equity attributable to equity holders of TMX Group

(in millions of dollars)	As at March 31, 2022	As at December 31, 2021	\$ increase
	\$3,885.4	\$3,706.1	\$179.3

- As at March 31, 2022, there were 55,917,730 common shares issued and outstanding and 993,080 options outstanding under the share option plan.
- As at April 27, 2022, there were 55,878,450 common shares issued and outstanding and 987,179 options outstanding under the share option plan.
- The increase in *Total equity attributable to equity holders of TMX Group* is primarily attributable to the inclusion of net income attributable to equity holders of TMX Group of \$267.4 million, proceeds received on the exercise of options of \$9.4 million, less dividend payments to shareholders of TMX Group of \$46.4 million. In addition, 94,819 of our common shares were repurchased in Q1/22 under a normal course issuer bid for \$12.4 million.

Segments

The following information reflects TMX Group's segment results for Q1/22 compared with Q1/21. *Derivatives Trading & Clearing* includes BOX, see *Results of Operations - BOX* for more details.

Q1/22

(in millions of dollars)	Capital Formation	Equities and Fixed Income Trading & Clearing	Derivatives Trading & Clearing	Global Solutions, Insights & Analytics	Other	Total
Revenue from external customers	\$ 63.9	\$ 62.1	\$ 71.5	\$ 89.7	\$ (0.1)	\$ 287.1
Inter-segment revenue	—	0.5	—	—	(0.5)	—
Total revenue	63.9	62.6	71.5	89.7	(0.6)	287.1
Income (loss) from operations	26.5	31.5	44.5	59.0	(19.7)	141.8

Q1/21

(in millions of dollars)	Capital Formation	Equities and Fixed Income Trading & Clearing	Derivatives Trading & Clearing	Global Solutions, Insights & Analytics	Other	Total
Revenue from external customers	\$ 61.1	\$ 68.7	\$ 37.5	\$ 85.0	\$ (0.3)	\$ 252.0
Inter-segment revenue	—	0.5	—	0.1	(0.6)	—
Total revenue	61.1	69.2	37.5	85.1	(0.9)	252.0
Income (loss) from operations	38.5	39.2	17.9	53.9	(16.8)	132.7

Income (loss) from operations

The decrease in *Income from operations* from *Capital Formation* primarily reflected higher operating expenses in Q1/22 compared with Q1/21 from the inclusion of AST Canada, including approximately \$1.2 million (2 cents per basic and diluted share) in integration costs and \$1.3 million in TSA fees related to AST Canada. The higher operating expenses was partially offset by higher revenue driven by increased *initial listing fees*, *sustaining listing fees*, and TSX Trust which includes AST Canada (acquired August 12, 2021), somewhat offset by lower revenue from *additional listing fees* in Q1/22 compared with Q1/21.

The decrease in *Income from operations* from *Equities and Fixed Income Trading and Clearing* was largely driven by decreased revenue in Q1/22 compared with Q1/21. There were also higher operating expenses in Q1/22 compared with Q1/21.

The increase in *Income from operations* from *Derivatives Trading and Clearing* primarily reflected higher revenue in Q1/22 compared with Q1/21 including \$33.0 million from BOX (consolidated January 2022), and increased revenue

from CDCC. The increases were partially offset by lower MX revenue and higher operating expenses in Q1/22 compared with Q1/21.

The increase in *Income from operations* from *Global Solutions, Insights and Analytics* reflects higher revenue from Trayport and TMX Datalinx including Co-location. The increase in Trayport revenue was primarily driven by higher total subscribers in Q1/22 compared with Q1/21. Within TMX Datalinx including Co-location, there were higher revenues related to increases in co-location, data feeds, and professional subscribers; partially offset by decreases in usage based quotes as well as benchmarks and indices in Q1/22 compared with Q1/21

Other includes certain revenue as well as corporate and other costs related to initiatives, not allocated to the operating segments. Revenue related to foreign exchange gains and losses and other services are presented in the *Other* segment. Costs and expenses related to the amortization of purchased intangibles, along with certain consolidation and elimination adjustments, are also presented in *Other*. The *loss from operations* in the *Other* segment increased in Q1/22 primarily reflecting higher amortization of purchased intangibles related to BOX (consolidated January 2022) incurred and allocated to the *Other* segment in Q1/22 compared with Q1/21.

LIQUIDITY AND CAPITAL RESOURCES

Summary of Cash Flows

Q1/22 compared with Q1/21

(in millions of dollars)	Q1/22	Q1/21	\$ increase / (decrease) in cash
Cash flows from operating activities	\$78.7	\$78.6	\$0.1
Cash flows from (used in) financing activities	(61.1)	30.5	(91.6)
Cash flows from investing activities	29.1	0.0	29.1

- In Q1/22, *Cash flows from operating activities* increased slightly compared with Q1/21 reflecting higher income from operations (excluding depreciation and amortization), increases in cash from trade and other receivables, and prepaid expenses, and other assets and liabilities. These increases were largely offset by decreases in cash related to trade and other payables, and increased income taxes paid.
- In Q1/22, *Cash flows used in financing activities* were lower than in Q1/21 when we received cash from financing activities. This decrease in cash was driven by an increase in dividends paid to non-controlling interests of \$25.5 million, and an increase in dividends paid to equity holders of \$7.0 million in Q1/22. In addition we received proceeds from the issuance of our Series F Debentures of \$250.0 million in Q1/21. These decreases in cash were partially offset by a decrease in net repayments of Commercial Paper of \$160.0 million, a decrease in share repurchases under our normal course issuer bid program of \$16.5 million, an increase in net credit and liquidity facilities drawn of \$13.1 million, and an increase in proceeds from exercised options of \$2.7 million.
- In Q1/22, *Cash flows from investing activities* were higher than in Q1/21. This was largely attributable to cash inflows relating to acquisition of subsidiaries, net of cash acquired, of \$74.9 million. Partially offsetting this increase was a decrease in cash of \$30.4 million from the net purchase of marketable securities in Q1/22 compared with net sales in Q1/21, and an increase in cash used in the acquisition of an equity accounted investment of \$9.7 million.

Summary of Cash Position and Other Matters³²

Cash, Cash Equivalents and Marketable Securities

(in millions of dollars)	As at March 31, 2022	As at December 31, 2021	\$ increase
Cash and cash equivalents	\$310.5	\$264.3	\$46.2
Marketable securities	\$102.2	\$77.3	\$24.9
Cash, cash equivalents and marketable securities	\$412.7	\$341.6	\$71.1

We had \$412.7 million of cash, cash equivalents and marketable securities as at March 31, 2022. There was an increase in cash, cash equivalents and marketable securities primarily reflecting cash flows from operating activities of \$78.7 million, cash flows relating to acquisition of subsidiaries, net of cash acquired of \$74.9 million, cash flows from credit and net liquidity facilities drawn of \$19.7 million, and proceeds from exercised options of \$9.4 million. Offsetting these

³² The "Summary of Cash Position and Other Matters" section above contains certain forward-looking statements. Please refer to "Caution Regarding Forward-Looking Information" for a discussion of risks and uncertainties related to such statements.

increases in cash and cash equivalents were cash outflows for dividends to our shareholders of \$46.4 million, cash outflows for dividends to non-controlling interests of \$25.5 million, repurchases of our shares under a normal course issuer bid of \$12.4 million, additions to premises and equipment and intangible assets of \$11.6 million, cash outflows relating to the acquisition of equity accounted investment of \$9.7 million, and interest paid, net of interest received of \$3.2 million. Based on our current business operations and model, we believe that we have sufficient cash resources and access to financing to operate our business, make interest payments, as well as meet our covenants under the trust indentures governing our Debentures and the financial covenants of the Credit Agreement (as defined in our 2021 Annual MD&A), and commercial paper program (Commercial Paper Program) (see **LIQUIDITY AND CAPITAL RESOURCES - Commercial Paper, Debentures, Credit and Liquidity Facilities**), and satisfy the capital maintenance requirements imposed by regulators.

We will also have cash outlays related to the modernization of our clearing platforms (see - **INITIATIVES AND ACCOMPLISHMENTS - Update on Modernization of CDS Clearing Platform**).

Our ability to obtain funding in the future will depend on the liquidity and condition of the financial markets, including the credit market, and our financial condition at the time, the covenants in the Credit Agreement and the trust indentures governing the Debentures, and by capital maintenance requirements imposed by regulators. At March 31, 2022, there was no Commercial Paper outstanding.

Total Assets

(in millions of dollars)	As at March 31, 2022	As at December 31, 2021	\$ (decrease)
	\$51,028.1	\$63,199.4	(\$12,171.3)

- Our consolidated balance sheet as at March 31, 2022 includes *Balances of Participants and Clearing Members* related to our clearing operations. These balances have equal amounts included within *Total Liabilities*. The decrease in *Total Assets* of \$12,171.3 million from December 31, 2021 reflected lower amounts received on REPO and lower collateral balances in both CDS and CDCC at March 31, 2022, partially offset by the inclusion of BOX assets.

Debentures, Credit and Liquidity Facilities

Debentures

As of March 31, 2022, TMX Group had the following Debentures outstanding:

(in millions of dollars)	As at March 31, 2022	As at December 31, 2021	\$ increase
Series B - Non-Current Debentures	\$249.8	\$249.8	\$0.0
Series D - Non-Current Debentures	\$299.3	\$299.3	\$0.0
Series E - Non-Current Debentures	\$199.3	\$199.2	\$0.1
Series F - Non-Current Debentures	\$248.8	\$248.8	\$0.0
	\$997.2	\$997.1	\$0.1

For additional information on the Debentures, please see **Debentures** under the heading **LIQUIDITY AND CAPITAL RESOURCES** in our 2021 Annual MD&A.

TMX Group Credit Facility

The TMX Group Limited credit facility continues to provide 100% backstop to the commercial paper program and can also be used for general corporate purposes. The amount available to be drawn under the TMX Group Limited credit facility at March 31, 2022 was limited to \$400.0 million less the aggregate amount, at any point in time, of: (i) Commercial Paper outstanding and (ii) inter-company notes payable outstanding to CDS Clearing, CDCC, Shorcan Brokers Limited and CDS Limited.

For additional information on our credit facilities, please see **Credit Facilities** under the heading **LIQUIDITY AND CAPITAL RESOURCES** in our 2021 Annual MD&A.

As at March 31, 2022, all covenants were met under the Credit Agreement governing the TMX Group credit facility.

Other Credit and Liquidity Facilities

CDCC maintains a \$33,312.0 million REPO uncommitted facility (\$27,012.0 million at December 31, 2021) that is in place to provide end of day liquidity in the event that CDCC is unable to clear the daylight liquidity facilities to zero. On February 25, 2022, CDCC extended this facility to February 24, 2023.

CDCC also maintains a \$100.0 million syndicated revolving standby liquidity facility (\$100.0 million at December 31, 2021) to provide end of day liquidity in the event that CDCC is unable to clear the daylight liquidity facilities to zero. Advances under the facility are secured by collateral in the form of securities that have been received by, or pledged to, CDCC. The borrowing rate on this facility is prime rate less 1.75%. On February 25, 2022, CDCC extended this facility to February 24, 2023.

As at March 31, 2022, CDCC had drawn \$21.7 million to facilitate a failed REPO settlement. The amount is fully offset by liquid securities included in cash and cash equivalents and was fully repaid subsequent to the reporting date.

CDS Clearing maintains a secured standby liquidity facility of US\$720.0 million, or Canadian dollar equivalent, that can be drawn in either United States (US) or Canadian currency. On March 22, 2022, CDS Clearing extended the maturity date to March 21, 2023.

CDS Clearing also has a secured standby liquidity facility of \$2,000 million or US equivalent that can be drawn in either Canadian or US currency. On March 22, 2022, CDS Clearing extended the maturity date to March 21, 2023.

MANAGING CAPITAL

Our primary objectives in managing capital and our capital maintenance requirements are described in our 2021 Annual MD&A.

As at March 31, 2022, we were in compliance with each of these externally imposed capital maintenance requirements. See **Credit Facility** and **Other Credit and Liquidity Facilities** and **MANAGING CAPITAL** in our 2021 Annual MD&A for a description of the financial covenants imposed on us.

QUARTERLY FINANCIAL INFORMATION

(in millions of dollars except per share amounts - unaudited)	Mar 31 2022	Dec 31 2021	Sep 30 2021	Jun 30 2021	Mar 31 2021	Dec 31 2020	Sep 30 2020	Jun 30 2020
Capital Formation	\$63.9	\$67.2	\$60.2	\$69.2	\$61.1	\$50.6	\$50.2	\$48.1
Equities and Fixed Income Trading	34.7	29.4	25.9	29.4	40.9	30.6	28.5	34.7
Equities and fixed Income - clearing, settlement, depository and other services (CDS)	27.4	28.6	26.0	27.9	27.8	25.7	23.7	24.8
Derivatives Trading & Clearing	71.5	38.2	32.9	33.9	37.5	30.8	24.9	30.0
Global Solutions, Insights and Analytics	89.7	89.1	85.9	84.6	85.0	82.6	80.3	81.0
Other	(0.1)	(0.1)	0.4	—	(0.3)	(0.8)	—	(0.9)
Revenue	287.1	252.4	231.3	245.0	252.0	219.5	207.6	217.7
Operating expenses	145.3	136.2	121.9	112.1	119.3	113.4	107.2	119.3
Income from operations	141.8	116.2	109.4	132.9	132.7	106.1	100.4	98.4
Net income attributable to equity holders of TMX Group	267.4	87.9	76.9	77.3	96.4	71.8	70.0	67.8
Earnings per share								
Basic	4.78	1.57	1.37	1.38	1.71	1.27	1.24	1.20
Diluted	4.75	1.56	1.36	1.37	1.70	1.26	1.23	1.19

Q1/22 compared with Q4/21

- *Revenue* was \$287.1 million in Q1/22, up \$34.7 million or 14% from Q4/21 largely attributable to \$33.0 million of revenue from BOX (consolidated January 2022) which is included in *Derivatives Trading & Clearing*. There were also increases in revenue from *Equities and Fixed Income Trading* and *GSIA*, partially offset by decreases in *Capital Formation* and *CDS*. Excluding BOX, revenue increased 1% from Q4/21 to Q1/22.
- *Operating expenses* in Q1/22 were \$145.3 million, up \$9.1 million or 7% from \$136.2 million in Q4/21. The increase in costs included an increase of \$11.7 million related to BOX and AST Canada in Q1/22 compared with Q4/21. There were also increases in salaries and payroll taxes of \$5.2 million, and higher long term employee performance incentive plan costs of \$3.1 million. Partially offsetting these increases, there were lower short term employee performance incentive plan costs of \$5.8 million, lower information technology spend, lower severance, lower marketing spend, and decreased consulting fees. Excluding BOX, operating expenses decreased 1% from Q4/21 to Q1/22.
- *Income from operations* increased from Q4/21 to Q1/22 largely due to higher revenue partially offset by higher operating expenses.
- *Net income attributable to equity holders of TMX Group* in Q1/22 was \$267.4 million, or \$4.78 per common share on a basic and \$4.75 on a diluted basis, compared with net income 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* and earnings per share was driven by a non-cash gain in Q1/22 resulting from the revaluation of our interest in BOX upon acquisition of voting control (January 2022), as well as higher *income from operations* in Q1/22 compared with Q4/21. In addition, there was a decrease in income tax expense of \$3.9 million in Q4/21

relating to the carryforward of net operating losses related to TMX Atrium Wireless (sold April 2017) that was not previously recognized.

For additional information on the seven previous quarter, please see Select Annual and Quarterly financial information in our 2021 Annual MD&A.

Accounting and Control Matters

Changes in accounting policies

The following amendments were effective for TMX Group from January 1, 2022:

- IAS 37, *Provisions, Contingent Liabilities and Contingent Assets* (Onerous Contracts — Costs of Fulfilling a Contract); and
- Reference to the Conceptual framework (Amendments to IFRS 3)

There was no impact on the interim financial statements as a result of their adoption.

Changes in Internal Control over Financial Reporting

There were no changes to internal control over financial reporting (ICFR) during the quarter ended March 31, 2022 that materially affected, or are reasonably likely to materially affect, our ICFR.

CAUTION REGARDING FORWARD-LOOKING INFORMATION

This MD&A 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 MD&A. 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 MD&A include, but are not limited to, growth objectives; our target dividend payout ratio; the ability of TMX Group to de-leverage and the timing thereof; 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 2020 to 2021); future changes to TMX Group's anticipated statutory income tax rate for 2022; 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 expected integration costs related to AST Canada and the timing thereof, the expected cost of the transitional services agreement related to AST Canada, 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, 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) 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 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 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; 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 incurrence of AST Canada integration costs; 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; 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 post-trade systems;
- no significant changes to our effective tax rate, recurring revenue, and number of shares outstanding;
- moderate levels of market volatility;
- 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 the COVID-19 pandemic 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 MD&A. 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 2021 Annual MD&A which is incorporated by reference into this MD&A.

Financial Statements

TMX GROUP LIMITED**Condensed Consolidated Interim Balance Sheets***(In millions of Canadian dollars)**(Unaudited)*

	Note	March 31, 2022	December 31, 2021
Assets			
Current Assets:			
Cash and cash equivalents	\$	310.5	\$ 264.3
Restricted cash and cash equivalents		204.1	180.0
Marketable securities		102.2	77.3
Trade and other receivables		185.0	132.6
Balances of Participants and Clearing Members		44,478.6	57,113.5
Other current assets		36.8	32.6
Total Current Assets		45,317.2	57,800.3
Non-Current Assets:			
Goodwill and intangible assets		5,489.3	5,156.9
Right-of-use assets		89.5	84.3
Deferred income tax assets		16.1	24.7
Other non-current assets	8	116.0	133.2
Total Non-Current Assets		5,710.9	5,399.1
Total Assets	\$	51,028.1	\$ 63,199.4
Liabilities and Equity			
Current Liabilities:			
Trade and other payables	\$	112.1	\$ 152.8
Participants' tax withholdings		204.1	180.0
Balances of Participants and Clearing Members		44,478.6	57,113.5
Credit and liquidity facilities drawn	6	21.7	2.0
Other current liabilities		123.5	70.7
Total Current Liabilities		44,940.0	57,519.0
Non-Current Liabilities:			
Debt	6	997.2	997.1
Lease liabilities		93.9	88.3
Deferred income tax liabilities		883.7	844.9
Other non-current liabilities		44.7	44.0
Total Non-Current Liabilities		2,019.5	1,974.3
Total Liabilities		46,959.5	59,493.3
Equity:			
Share capital		2,873.9	2,875.8
Contributed surplus		11.2	11.8
Retained earnings		1,049.7	817.1
Accumulated other comprehensive (loss) income		(49.4)	1.4
Total Equity attributable to equity holders of the Company		3,885.4	3,706.1
Non-controlling interests	2	183.2	—
Total Equity		4,068.6	3,706.1
Total Liabilities and Equity	\$	51,028.1	\$ 63,199.4

See accompanying notes which form an integral part of these condensed consolidated interim financial statements.

TMX GROUP LIMITED**Condensed Consolidated Interim Income Statements***(In millions of Canadian dollars, except per share amounts)*

<i>(Unaudited)</i>	<i>Note</i>	For the three months ended March 31	
		2022	2021
Revenue	3	\$ 287.1	\$ 252.0
REPO and collateral interest:			
Interest income		25.9	10.9
Interest expense		(25.9)	(10.9)
Net REPO and collateral interest		—	—
Total revenue		287.1	252.0
Compensation and benefits		71.3	64.9
Information and trading systems		20.0	14.6
Selling, general and administration		25.8	18.4
Depreciation and amortization		28.2	21.4
Total operating expenses		145.3	119.3
Income from operations		141.8	132.7
Share of (loss) income from equity accounted investees	8	(0.1)	6.5
Other income	2	177.9	—
Net finance costs		(8.9)	(9.1)
Income before income tax expense		310.7	130.1
Income tax expense		31.5	33.7
Net income		\$ 279.2	\$ 96.4
Net income attributable to:			
Equity holders of the Company		\$ 267.4	\$ 96.4
Non-controlling interests	2	11.8	—
		\$ 279.2	\$ 96.4
Earnings per share (attributable to equity holders of the Company):			
Basic	5	\$ 4.78	\$ 1.71
Diluted	5	\$ 4.75	\$ 1.70

See accompanying notes which form an integral part of these condensed consolidated interim financial statements.

TMX GROUP LIMITED**Condensed Consolidated Interim Statements of Comprehensive Income***(In millions of Canadian dollars)**(Unaudited)***For the three months ended March 31**

	Note	2022	2021
Net income		\$ 279.2	\$ 96.4
Other comprehensive income (loss):			
Items that will not be reclassified to the consolidated income statements:			
Actuarial gain on defined benefit pension and other post-retirement benefit plans, net of tax expense of \$4.2 (2021 - actuarial gain, net of tax expense of \$2.9)		11.6	8.1
Total items that will not be reclassified to the consolidated income statements		11.6	8.1
Items that may be reclassified subsequently to the consolidated income statements:			
Unrealized loss on translating financial statements of foreign operations		(54.9)	(7.7)
Total items that may be reclassified subsequently to the consolidated income statements		(54.9)	(7.7)
Total comprehensive income		\$ 235.9	\$ 96.8
Total comprehensive income attributable to:			
Equity holders of the Company		\$ 228.2	\$ 96.8
Non-controlling interests	2	7.7	—
		\$ 235.9	\$ 96.8

See accompanying notes which form an integral part of these condensed consolidated interim financial statements.

TMX GROUP LIMITED**Condensed Consolidated Interim Statements of Changes in Equity***(In millions of Canadian dollars)**(Unaudited)*

For the three months ended March 31, 2022

	Note	Share capital	Contributed surplus	Accumulated other comprehensive income (loss)	Retained earnings	Total attributable to equity holders	Non-controlling interests	Total equity
Balance at January 1, 2022		\$2,875.8	\$ 11.8	\$ 1.4	\$ 817.1	\$ 3,706.1	\$ —	\$3,706.1
Acquisition of non-controlling interests through change in control	2	—	—	—	—	—	201.0	201.0
Net income		—	—	—	267.4	267.4	11.8	279.2
Other comprehensive (loss) income:								
Unrealized loss on translating financial statements of foreign operations		—	—	(50.8)	—	(50.8)	(4.1)	(54.9)
Actuarial gain on defined benefit pension and other post-retirement benefit plans, net of taxes		—	—	—	11.6	11.6	—	11.6
Total comprehensive (loss) income		—	—	(50.8)	279.0	228.2	7.7	235.9
Dividends to equity holders	9	—	—	—	(46.4)	(46.4)	—	(46.4)
Dividends to non-controlling interests	2	—	—	—	—	—	(25.5)	(25.5)
Proceeds from exercised share options		9.4	—	—	—	9.4	—	9.4
Cost of exercised share options		1.1	(1.1)	—	—	—	—	—
Cost of share option plan		—	0.5	—	—	0.5	—	0.5
Shares repurchased under normal course issuer bid	9	(12.4)	—	—	—	(12.4)	—	(12.4)
Balance at March 31, 2022		\$2,873.9	\$ 11.2	\$ (49.4)	\$ 1,049.7	\$ 3,885.4	\$ 183.2	\$4,068.6

See accompanying notes which form an integral part of these condensed consolidated interim financial statements.

TMX GROUP LIMITED**Condensed Consolidated Interim Statements of Changes in Equity***(In millions of Canadian dollars)**(Unaudited)***For the year ended March 31, 2021**

	<i>Note</i>	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		—	—	—	96.4	96.4
Other comprehensive income (loss):						
Unrealized loss on translating financial statements of foreign operations		—	—	(7.7)	—	(7.7)
Actuarial gain on defined benefit pension and other post-retirement benefit plans, net of taxes		—	—	—	8.1	8.1
Total comprehensive income (loss)		—	—	(7.7)	104.5	96.8
Dividends to equity holders	9	—	—	—	(39.4)	(39.4)
Proceeds from exercised share options		6.7	—	—	—	6.7
Cost of exercised share options		0.7	(0.7)	—	—	—
Cost of share option plan		—	0.5	—	—	0.5
Shares repurchased under normal course issuer bid	9	(28.9)	—	—	—	(28.9)
Balance at March 31, 2021		\$ 2,922.1	\$ 10.9	\$ 12.9	\$ 701.3	\$ 3,647.2

See accompanying notes which form an integral part of these condensed consolidated interim financial statements.

TMX GROUP LIMITED**Condensed Consolidated Interim Statements of Cash Flows***(In millions of Canadian dollars)*

(In millions of Canadian dollars)		For the three months ended March 31	
(Unaudited)	Note	2022	2021
Cash flows from (used in) operating activities:			
Income before income taxes		\$ 310.7	\$ 130.1
Adjustments to determine net cash flows:			
Depreciation and amortization		28.2	21.4
Net finance costs		8.9	9.1
Other income	2	(177.9)	—
Share of income from equity accounted investees		0.1	(6.5)
Cost of share option plan		0.5	0.5
Unrealized foreign exchange loss		0.2	—
Changes in:			
Trade and other receivables, and prepaid expenses		(43.2)	(49.8)
Trade and other payables		(74.7)	(53.1)
Provisions		—	(0.2)
Deferred revenue		63.6	65.5
Other assets and liabilities		2.9	(1.9)
Income taxes paid		(40.6)	(36.5)
		78.7	78.6
Cash flows from (used in) financing activities:			
Interest paid		(3.6)	(1.1)
Repayment of lease liabilities		(2.3)	(2.1)
Proceeds from exercised options		9.4	6.7
Shares repurchased under normal course issuer bid	9	(12.4)	(28.9)
Dividends paid to equity holders	9	(46.4)	(39.4)
Dividend paid to non-controlling interests	2	(25.5)	—
Proceeds from issuance of debentures	6	—	250.0
Credit facility and debt financing fees	6	—	(1.3)
Net movement of Commercial Paper	6	—	(160.0)
Credit and liquidity facilities drawn, net	6	19.7	6.6
		(61.1)	30.5
Cash flows from (used in) investing activities:			
Interest received		0.4	0.2
Dividends received		—	5.7
Additions to premises and equipment and intangible assets		(11.6)	(11.4)
Acquisition of subsidiaries, net of cash acquired	2	74.9	—
Acquisition of equity accounted investment	8	(9.7)	—
Marketable securities, net		(24.9)	5.5
		29.1	—
Increase (decrease) in cash and cash equivalents			
Cash and cash equivalents, beginning of the period		264.3	222.1
Unrealized foreign exchange loss on cash and cash equivalents held in foreign currencies		(0.5)	(0.3)
Cash and cash equivalents, end of the period		\$ 310.5	\$ 330.9

See accompanying notes which form an integral part of these condensed consolidated interim financial statements.

TMX GROUP LIMITED

Notes to the Condensed Consolidated Interim Financial Statements

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

GENERAL INFORMATION

TMX Group Limited is a company domiciled in Canada and incorporated under the Business Corporations Act (Ontario). The registered office is located at 100 Adelaide Street West, Toronto, Ontario, Canada.

TMX Group Limited controls, directly or indirectly, a number of entities which operate exchanges, markets, and clearinghouses primarily for capital markets in Canada, and provides select services globally.

The unaudited condensed consolidated interim financial statements as at March 31, 2022 and December 31, 2021, and for the three months ended March 31, 2022 and 2021 (the “interim financial statements”), comprise the accounts of TMX Group Limited and its subsidiaries (collectively referred to as the “Company”), and the Company’s interests in equity accounted investees.

NOTE 1 – BASIS OF PREPARATION

STATEMENT OF COMPLIANCE

The interim financial statements have been prepared by management in accordance with International Financial Reporting Standards (“IFRS”) and IFRS Interpretations Committee (“IFRIC”) interpretations, as issued by the International Accounting Standards Board (“IASB”), for the preparation of interim financial statements, and they are in compliance with IAS 34, *Interim Financial Reporting*.

The interim financial statements do not contain all disclosures required by IFRS for annual financial statements, but have been prepared using the same accounting policies and methods of application as those used in the most recently prepared audited annual consolidated financial statements. Accordingly, the interim financial statements should be read in conjunction with the audited annual consolidated financial statements of the Company for the year ended December 31, 2021.

The following amendments were effective for the Company from January 1, 2022:

- IAS 37, *Provisions, Contingent Liabilities and Contingent Assets* (Onerous Contracts — Costs of Fulfilling a Contract); and
- Reference to the Conceptual framework (Amendments to IFRS 3)

There was no impact on the interim financial statements as a result of their adoption.

The interim financial statements were approved by the Company’s Board of Directors on May 2, 2022.

USE OF ESTIMATES AND JUDGEMENTS

The preparation of the interim financial statements in conformity with IFRS requires management to make judgements, estimates and assumptions that affect the reported amounts of assets, liabilities and contingent liabilities at the date of the interim financial statements and the reported amounts of revenue and expenses during the reporting period. The judgements, estimates and associated assumptions are based on historical experience and other factors that management considers to be relevant. The areas of significant judgement and estimation were identified in the Company’s audited annual consolidated financial statements for the year ended December 31, 2021. Actual results could differ from these estimates and assumptions made.

Judgements, estimates and underlying assumptions are reviewed on an ongoing basis, and revisions to accounting estimates are recognized in the period in which the estimates are revised and in any future periods affected.

NOTE 2 – ACQUISITIONS OF SUBSIDIARIES**(A) BOX**

In February 2021, BOX Holdings Group LLC ("BOX") commenced a unit buy-back with certain members that was concluded on January 3, 2022, which resulted in the Company's economic and voting interests increasing to 47.89% and 51.43%, respectively. As a result, effective January 3, 2022, the Company obtained voting control over BOX and commenced consolidating the entity. The transaction has been accounted for as a business combination in accordance with IFRS 3, *Business Combinations*. Thus, upon obtaining control, the Company remeasured its previously held interest, resulting in a gain of \$177.9, recognized in the consolidated income statements as other income. BOX is included in the Derivatives Trading & Clearing operating segment.

The Company estimated the fair value of its previously held interest in BOX (i.e. the purchase consideration) using the income approach. The income approach is a valuation technique that calculates the fair value of a business based on the present value of future expected cash flows. This valuation involves significant subjectivity and estimation uncertainty, including assumptions related to the future revenues of the acquired business and the discount rate.

The following tables summarize the estimated provisional fair values of the assets and liabilities acquired. The Company will finalize the measurement of the values below as it obtains the information necessary to complete the measurement process, no later than twelve months following the date of acquisition of control. Any changes resulting from facts and circumstances that existed as of the date of acquisition of control will result in retrospective adjustments to the provisional amounts below, recognized at the acquisition dates.

Consideration:

Fair value of previously held interest in BOX	\$	207.6
Non-controlling interests ("NCI"), based on the proportionate interest in the recognized amounts of BOX's identifiable net assets		201.0
Total consideration	\$	408.6
Identifiable assets acquired and liabilities assumed:		
Cash and cash equivalents	\$	77.5
Trade and other receivables		12.7
Intangible assets		318.0
Goodwill		67.9
Deferred tax liabilities		(45.1)
Other assets and liabilities, net		(22.4)
Fair value of net assets acquired	\$	408.6

The goodwill recorded on acquisition of control is attributable to the expected growth in the customer base. None of the goodwill recognized is deductible for income tax purposes.

Intangible assets acquired comprise the following:

Intangible assets	Acquisition date fair value	Foreign exchange	Accumulated amortization	Net book value	Useful life
Customer relationships	\$ 306.1	\$ (5.7)	\$ (3.2)	\$ 297.2	24 years
Technology	5.3	(0.1)	(0.5)	4.7	1-5 years
Trade name	6.6	(0.1)	—	6.5	Indefinite
Total	\$ 318.0	\$ (5.9)	\$ (3.7)	\$ 308.4	

The following table summarizes the post-acquisition financial information related to BOX, before any intra-group eliminations:

As at (and for the three-month period then ended)	March 31, 2022
Current assets	\$ 69.1
Non-current assets	317.7
Current liabilities	(24.6)
Non-current liabilities	(5.6)
Net assets (100%)	\$ 356.6
Net assets attributable to NCI (52.11%) §	\$ 185.8
Revenue	\$ 33.0
Net income	\$ 22.7
Other comprehensive loss	(7.9)
Total comprehensive income (100%)	\$ 14.8
Net income attributable to NCI (52.11%)	\$ 11.8
Other comprehensive loss attributable to NCI (52.11%)	\$ (4.1)
Cash flows from operating activities	\$ 21.3
Cash flows used in financing activities (dividends to NCI: \$25.5)	(44.5)
Cash flows used in investing activities	(2.1)
Net decrease in cash and cash equivalents	\$ (25.3)

§ The difference with the NCI of \$183.2 on the consolidated balance sheet is the result of the dividends to NCI being based on the economic interest percentage in effect in 2021, prior to the acquisition of control.

(B) AST CANADA

On August 12, 2021, the Company completed the acquisition of AST Investor Services Inc. (Canada) ("ASTIS") and its subsidiary AST Trust Company (Canada) ("AST Trust") (collectively, "AST Canada") for \$165.0, adjusted for certain items (see below). The acquisition has been accounted for as a business combination with the Company consolidating 100% of the results of AST Canada's operations from the date of acquisition.

On August 31, 2021, through a series of post-closing legal and tax steps, ASTIS distributed its shares of AST Trust to its parent, TMX Group Limited, and on September 1, 2021, AST Trust and TSX Trust amalgamated to form a newly amalgamated corporation continued as TSX Trust. ASTIS was renamed TMX Investor Solutions Inc.

AST Canada is included in the Capital Formation operating segment, under TSX Trust (note 4).

The following table summarizes the final purchase price allocation, based on the estimated fair values as of August 12, 2021:

Purchase consideration:	
Base purchase price	\$ 165.0
Working capital adjustments	2.2
Closing debt	(0.5)
Company transaction expenses and other adjustments	(2.1)
Total purchase consideration	\$ 164.6
Fair value of identifiable assets acquired and liabilities assumed:	
Cash and cash equivalents	\$ 30.9
Trade and other receivables	10.2
Intangible assets	94.7
Goodwill	45.8
Deferred tax liabilities, net	(12.6)
Other assets and liabilities, net	(4.4)
Fair value of net assets acquired	\$ 164.6

In determining the purchase price allocation, the Company considered, among other factors, the intended future use of acquired assets, analysis of historical financial performance and estimates of future performance of AST Canada. The goodwill recorded on acquisition is largely reflective of the synergies resulting from combining AST Canada's complementary portfolio of services with those of TSX Trust business to enhance and broaden the scope and scale of TSX Trust's business. None of the goodwill recognized is deductible for income tax purposes.

During the three months ended March 31, 2022, the Company did not incur any acquisition and related costs (three months ended March 31, 2021 - \$0.6, included in 'Selling, general and administration' in the consolidated income statements).

(C) TRADESIGNAL

On June 1, 2021, the Company completed the acquisition of Tradesignal, a provider of rule-based trading and technical chart analysis software, for €6.5 (\$9.6). The acquisition has been accounted for as a business combination with the Company consolidating 100% of the results of Tradesignal's operations. Tradesignal, renamed Trayport Germany GmbH ("Trayport Germany") on July 22, 2021, is included in the Global Solutions, Insights & Analytics operating segment, under Trayport (note 4).

The following table summarizes the final purchase price, based on the estimated fair values as of June 1, 2021:

Purchase consideration:		
Base purchase price	\$	9.6
Working capital adjustments		0.4
Total purchase consideration	\$	10.0
Fair value of identifiable assets acquired and liabilities assumed:		
Cash and cash equivalents	\$	2.0
Intangible assets		6.6
Goodwill		4.7
Deferred tax liabilities, net		(2.1)
Other assets and liabilities, net		(1.2)
Fair value of net assets acquired	\$	10.0

In determining the purchase price allocation, the Company considered, among other factors, the intended future use of acquired assets, analysis of historical financial performance and estimates of future performance of Trayport Germany. The goodwill recorded reflects expected revenue synergies from combining Trayport Germany with the Company's existing businesses. None of the goodwill recognized is deductible for income tax purposes.

Intangible assets acquired comprise the following:

Intangible assets	Acquisition date fair value	Foreign exchange	Accumulated amortization	Net book value	Useful life
Customer relationships	\$ 5.3	\$ (0.3)	\$ (0.3)	\$ 4.7	22 years
Technology	0.7	—	(0.1)	0.6	5 years
Trade name	0.6	—	—	0.6	Indefinite
Total	\$ 6.6	\$ (0.3)	\$ (0.4)	\$ 5.9	

During the three months ended March 31, 2022, the Company did not incur any acquisition and related costs (three months ended March 31, 2021 - \$0.1, included in 'Selling, general and administration' in the consolidated income statements).

NOTE 3 – REVENUE

The Company's primary contracts from customers are disaggregated by major products and service lines below, and categorized by operating segments as identified and disclosed in note 4.

	For the three months ended March 31	
Global Solutions, Insights & Analytics	2022	2021
Trayport	\$ 40.7	\$ 37.3
TMX Datalinx including Co-location	49.0	47.7
	89.7	85.0
Capital Formation		
Initial listing fees	5.9	4.0
Additional listing fees	20.8	29.8
Sustaining fees	20.1	18.5
Other issuer services	17.1	8.8
	63.9	61.1
Derivatives Trading & Clearing		
Derivatives Trading & Clearing (excluding BOX)	38.5	37.5
BOX	33.0	—
	71.5	37.5
Equities and Fixed Income Trading & Clearing		
Equities and fixed income trading	34.7	40.9
Equities and fixed income clearing, settlement, depository and other services (CDS)	27.4	27.8
	62.1	68.7
Other	(0.1)	(0.3)
Total Revenue	\$ 287.1	\$ 252.0

NOTE 4 – SEGMENT INFORMATION

The Company has four reportable segments:

- **Global Solutions, Insights & Analytics:** We deliver equities data, index data as well as integrated data sets to fuel high-value proprietary and third party analytics which help clients make better trading and investment decisions. We also provide solutions to European and global wholesale energy markets for price discovery, trade execution, post-trade transparency and straight through processing. The Company's operations included in the Global Solutions, Insights & Analytics segment are TMX Datalinx, Co-Location, and Trayport.
- **Capital Formation:** Our exchanges are integral to the efficient operation of the capital markets. We continually support the capital markets community by providing companies of all types and at all stages of development with access to equity capital, while also providing market oversight to ensure market integrity. The Company's operations included in the Capital Formation segment are: Toronto Stock Exchange, a national stock exchange serving the senior equities market; TSX Venture Exchange, a national stock exchange serving the public venture equity market, and TSX Trust, a provider of corporate trust, registrar, transfer agency and foreign exchange services.
- **Derivatives Trading & Clearing:** We are accelerating new product creation and leveraging our unique market position to benefit from increasing demand for derivatives products both in Canada and globally. The Company's operations included in the Derivatives Trading and Clearing segment are Montréal Exchange, a national derivatives exchange; and Canadian Derivatives Clearing Corporation ("CDCC"), a clearinghouse for options and futures contracts and certain over-the-counter products and fixed income repurchase agreements. Effective January 3, 2022, the Derivatives Trading & Clearing segment includes the operations of BOX, a United States ("US") equity options market (note 2).

- Equities and Fixed Income Trading & Clearing:** We operate fair and transparent markets, with innovative, efficient, and reliable platforms for equities and fixed income trading and clearing. The Company's operations included in the Equities and Fixed Income Trading & Clearing segment are the trading operations of Toronto Stock Exchange, TSX Venture Exchange, and TSX Alpha Exchange; CDS Clearing and Depository Services Inc. ("CDS Clearing"), an automated facility for the clearing and settlement of equities and fixed income transactions and custody of securities in Canada and Shorcan Brokers Limited, a fixed income inter-dealer broker.

The Company has certain revenue and corporate costs not allocated to the operating segments. Revenue related to foreign exchange gains and losses and other services are presented in the Other segment. Costs and expenses related to the amortization of purchased intangibles, along with certain consolidation and elimination adjustments, are also presented in the Other segment.

Information related to each reportable segment is as follows:

For the three months ended								March 31, 2022		
	Global Solutions Insights & Analytics		Capital Formation		Derivatives Trading & Clearing		Equities and Fixed Income Trading & Clearing		Other	Total
Revenue (external)	\$	89.7	\$	63.9	\$	71.5	\$	62.1	\$ (0.1)	\$ 287.1
Inter-segment revenue		—		—		—		0.5	(0.5)	—
Total revenue	\$	89.7	\$	63.9	\$	71.5	\$	62.6	\$ (0.6)	\$ 287.1
Income (loss) from operations	\$	59.0	\$	26.5	\$	44.5	\$	31.5	\$ (19.7)	\$ 141.8
Selected items:										
Depreciation and amortization	\$	2.6	\$	1.1	\$	1.4	\$	0.1	\$ 23.0	\$ 28.2

For the three months ended							March 31, 2021			
	Global Solutions Insights & Analytics		Capital Formation		Derivatives Trading & Clearing		Equities and Fixed Income Trading & Clearing		Other	Total
Revenue (external)	\$	85.0	\$	61.1	\$	37.5	\$	68.7	\$ (0.3)	252.0
Inter-segment revenue		0.1		—		—		0.5	(0.6)	—
Total revenue	\$	85.1	\$	61.1	\$	37.5	\$	69.2	\$ (0.9)	252.0
Income (loss) from operations	\$	53.9	\$	38.5	\$	17.9	\$	39.2	\$ (16.8)	132.7
Selected items:										
Depreciation and amortization	\$	3.0	\$	—	\$	0.4	\$	0.1	\$ 17.9	21.4

NOTE 5 – EARNINGS PER SHARE

Basic earnings per share is determined by dividing the net income attributable to the equity holders of the Company by the weighted average number of common shares outstanding during the reporting period. Diluted earnings per share is determined by dividing the net income attributable to the equity holders of the Company by the weighted average number of common shares outstanding during the reporting period, adjusted for the effects of all potential dilutive common shares arising from share options granted to employees.

Basic and diluted earnings per share for the period are as follows:

For the three months ended	March 31, 2022	March 31, 2021
Net income attributable to the equity holders of the Company	\$ 267.4	\$ 96.4
Weighted average number of common shares outstanding – basic	55,935,420	56,237,215
Effect of dilutive share options	304,619	397,117
Weighted average number of common shares outstanding – diluted	56,240,039	56,634,332
Basic earnings per share	\$ 4.78	\$ 1.71
Diluted earnings per share	\$ 4.75	\$ 1.70

NOTE 6 – DEBT, CREDIT AND LIQUIDITY FACILITIES

(A) DEBT

The Company has the following debt outstanding at:

				March 31, 2022	December 31, 2021
	Interest rate	Maturity date(s)	Principal/ Authorized amount	Carrying amount	Carrying amount
Series B Debentures	4.461%	October 3, 2023	\$ 250.0	\$ 249.8	\$ 249.8
Series D Debentures	2.997%	December 11, 2024	300.0	299.3	299.3
Series E Debentures	3.779%	June 5, 2028	200.0	199.3	199.2
Series F Debentures	2.016%	February 12, 2031	250.0	248.8	248.8
Debentures				997.2	997.1
Commercial Paper	n/a	n/a	400.0	—	—
Commercial Paper				—	—
TMX Group Limited credit facility	1 month B.A./ LIBOR + 107.5	May 2, 2024	400.0	—	—
Credit facility				—	—
Total debt				997.2	997.1
Less: current portion of debt				—	—
Non-current debt				\$ 997.2	\$ 997.1

(i) Debentures

During the three months ended March 31, 2022, the Company recognized interest expense on its Series B, Series D, Series E and Series F debentures of \$2.8, \$2.3, \$1.9 and \$1.3 respectively (three months ended March 31, 2021 – \$2.8, \$2.6, \$2.0 and \$0.7, respectively).

(ii) Commercial paper

During the three months ended March 31, 2022, the Company issued and repaid Commercial Paper with a cumulative amount of \$170.0 and \$170.0, respectively at interest rates ranging from 0.26% to 0.55% (three months ended March 31, 2021 – \$177.0 and \$337.0, respectively at interest rates ranging from 0.20% to 0.25%).

(iii) TMX Group Limited credit facility

The facility continues to provide 100% backstop to the commercial paper program and can also be used for general corporate purposes. The amount available to be drawn under the TMX Group Limited credit facility is limited to \$400.0 less the aggregate amount, at any point in time, of: (i) Commercial Paper outstanding (March 31, 2022 – nil); and (ii) inter-company notes payable outstanding to CDS Clearing and CDCC (March 31, 2022 – \$3.8).

(B) OTHER CREDIT AND LIQUIDITY FACILITIES

The Company has the following credit and liquidity facilities that were amended or drawn and outstanding at:

	Interest rate [†]	Maturity date	Authorized	March 31, 2022 Carrying amount	December 31, 2021 Carrying amount
CDS Clearing secured standby liquidity facility	—	March 21, 2023	\$ 2,000.0	\$ —	\$ —
CDS Clearing secured standby liquidity facility	—	March 21, 2023	US\$720.0	—	—
CDCC syndicated revolving standby liquidity facility	—	February 24, 2023	\$ 100.0	21.7	2.0
CDCC syndicated REPO facility	—	February 24, 2023	\$ 33,312.0	—	—
Total credit and liquidity facilities drawn				\$ 21.7	\$ 2.0

[†]The interest rate charged on borrowings under the credit and liquidity facilities vary as the actual rate will be based on the prevailing market rates at the time of draw.

(i) CDS Clearing facilities

CDS Clearing maintains a secured standby liquidity facility of US\$720.0, or Canadian dollar equivalent, that can be drawn in either United States ("US") or Canadian currency. On March 22, 2022, CDS Clearing extended the maturity date to March 21, 2023.

CDS Clearing also has a secured standby liquidity facility of \$2,000.0, or US equivalent, that can be drawn in either Canadian or US currency. On March 22, 2022, CDS Clearing extended the maturity date to March 21, 2023.

(ii) CDCC syndicated revolving standby liquidity and syndicated REPO facilities

CDCC maintains a \$33,312.0 REPO uncommitted facility (December 31, 2021 – \$27,012.0) that is in place to provide end of day liquidity in the event that CDCC is unable to clear the daylight liquidity facilities to zero. On February 25, 2022, CDCC extended this facility to February 24, 2023.

CDCC also maintains a \$100.0 syndicated revolving standby liquidity facility (December 31, 2021 – \$100.0) to provide end of day liquidity in the event that CDCC is unable to clear the daylight liquidity facilities to zero. Advances under the facility are secured by collateral in the form of securities that have been received by, or pledged to, CDCC. On February 25, 2022, CDCC extended this facility to February 24, 2023.

As at March 31, 2022, CDCC had drawn \$21.7 to facilitate a failed REPO settlement. The amount is fully offset by liquid securities included in cash and cash equivalents and was fully repaid subsequent to the reporting date.

(C) RECONCILIATION OF LIABILITIES ARISING FROM FINANCING ACTIVITIES

The table below details changes in the Company's liabilities arising from financing activities, including both cash and non-cash changes. Liabilities arising from financing activities are those for which cash flows were, or future cash flows will be, classified in the Company's consolidated statement of cash flows as arising from financing activities.

	Debtentures	CDCC syndicated revolving standby liquid facility	Lease liabilities	Total
Balance at December 31, 2021	\$ 997.1	\$ 2.0	\$ 97.6	\$ 1,096.7
Financing cash flows	—	19.7	(3.2)	16.5
Other (non-cash)	0.1	—	9.4	9.5
Balance at March 31, 2022	\$ 997.2	\$ 21.7	\$ 103.8	\$ 1,122.7

NOTE 7 – FINANCIAL INSTRUMENTS

The classification of the Company's financial instruments, along with their carrying amounts and fair values are as follows:

	March 31, 2022		December 31, 2021	
	Carrying amount	Fair value	Carrying amount	Fair value
Assets at fair value through profit or loss				
Marketable securities	\$ 102.2	\$ 102.2	\$ 77.3	\$ 77.3
Total return swaps	0.6	0.6	—	—
	102.8	102.8	77.3	77.3
Assets at fair value through other comprehensive income				
Investment in CanDeal	5.5	5.5	—	—
	5.5	5.5	—	—
Assets at amortized cost				
Cash and cash equivalents	310.5	310.5	264.3	264.3
Restricted cash and cash equivalents	204.1	204.1	180.0	180.0
Trade and other receivables	185.0	185.0	132.6	132.6
Clearing Members cash collateral	6,632.2	6,632.2	5,537.2	5,537.2
Balances of Clearing Members	33,344.7	33,344.7	40,407.5	40,407.5
Balances of Participants	4,501.7	4,501.7	11,168.8	11,168.8
	45,178.2	45,178.2	57,690.4	57,690.4
Liabilities at fair value through profit or loss				
Total return swaps	(0.2)	(0.2)	(0.4)	(0.4)
	(0.2)	(0.2)	(0.4)	(0.4)
Liabilities at amortized cost				
Other trade and other payables	(63.5)	(63.5)	(89.4)	(89.4)
Accrued interest payable	(11.3)	(11.3)	(5.7)	(5.7)
Participants' tax withholdings	(204.1)	(204.1)	(180.0)	(180.0)
Clearing Members cash collateral	(6,632.2)	(6,632.2)	(5,537.2)	(5,537.2)
Balances of Clearing Members	(33,344.7)	(33,344.7)	(40,407.5)	(40,407.5)
Balances of Participants	(4,501.7)	(4,501.7)	(11,168.8)	(11,168.8)
Credit and liquidity facilities drawn	(21.7)	(21.7)	(2.0)	(2.0)
Debentures	(997.2)	(972.8)	(997.1)	(1,033.1)
	\$ (45,776.4)	\$ (45,752.0)	\$ (58,387.7)	\$ (58,423.7)

The carrying amount of the Company's financial instruments approximate their fair values at each reporting date, with the exception of the debentures. The fair values of the debentures were obtained using Level 2 observable market prices as inputs.

FAIR VALUE MEASUREMENT

The categories within the fair value hierarchy of the Company's financial instruments carried at fair value are as follows:

As at	March 31, 2022			
	Level 1	Level 2	Level 3	Total
Asset/(Liability)				
Marketable securities	\$ 102.2	\$ —	\$ —	\$ 102.2
Total return swaps	—	0.4	—	0.4
Investment in CanDeal	—	—	5.5	5.5

As at	December 31, 2021				
Asset/(Liability)		Level 1	Level 2	Level 3	Total
Marketable securities	\$	77.3	\$ —	\$ —	77.3
Total return swaps		—	(0.4)	—	(0.4)

There were no transfers during the periods between any of the levels.

NOTE 8 – INVESTMENTS IN EQUITY ACCOUNTED INVESTEEES

(A) ETFLOGIC

On February 18, 2022, the Company acquired minority equity interest in SigmaLogic, Inc. (DBA ETFLogic), a US-based fintech company and provider of analytics and portfolio tools, for US\$7.6 (\$9.7). The investment will further support the collaboration between TMX Datalinx and ETFLogic. The proportion of ownership interest is the same as the proportion of voting rights held.

(B) CANDEAL

Effective February 28, 2022, the Company discontinued the application of the equity method of accounting for its investment in CanDeal Group Inc. ("CanDeal") as the voting power of the Company on the Board of Directors of CanDeal decreased to less than 20%, indicating a loss of significant influence. The retained interest was remeasured to its fair value of \$5.5, approximating the carrying value of the investment under the equity method.

As the Company intends to hold the investment for the long term for strategic purposes, the retained interest has been designated as a financial asset measured at fair value through other comprehensive income ("FVTOCI"). The fair value is derived from significant unobservable inputs and is therefore categorized as Level 3.

NOTE 9 – SHARE CAPITAL AND DIVIDENDS

(A) SHARE REPURCHASES

On January 8, 2021, the Company completed its purchase of its common shares under the normal course issuer bid ("NCIB"), which commenced on March 4, 2020 ("NCIB 2020") as the Company reached the maximum number of 560,000 shares available for repurchase.

On November 29, 2021, the Company completed its purchase of its common shares under the NCIB, which commenced on March 8, 2021 ("NCIB 2021") as the Company reached the maximum number of 560,000 shares available for repurchase.

On February 25, 2022, the Company announced that the Toronto Stock Exchange ("TSX") accepted its new NCIB ("NCIB 2022") under which it can purchase for cancellation up to a maximum number of 560,000 of its common shares. The purchases will be made at prevailing market prices at the time of acquisition and in accordance with the rules and policies of the TSX. Purchases under the NCIB 2022 were eligible to commence on March 4, 2022 and will terminate on March 3, 2023, or on such earlier date as the Company completes its purchases.

Common shares purchased under NCIB in the period are as follows:

For the three months ended	March 31, 2022			March 31, 2021		
	Number of shares repurchased	Average price	Total paid	Number of shares repurchased	Average price	Total paid
NCIB 2020	— \$	— \$	—	86,600 \$	126.88 \$	11.0
NCIB 2021	— \$	— \$	—	140,000 \$	128.24 \$	17.9
NCIB 2022	94,819 \$	130.31 \$	12.4	— \$	— \$	—
Total	94,819	\$	12.4	226,600	\$	28.9

(B) DIVIDENDS

Dividends recognized and paid to equity holders of the Company in the period are as follows:

For the three months ended	March 31, 2022		March 31, 2021	
	Dividend per share	Total paid	Dividend per share	Total paid
Dividend paid in March	\$ 0.83	\$ 46.4	\$ 0.70	\$ 39.4

On May 2, 2022, the Company's Board of Directors declared a dividend of 83 cents per share. This dividend will be paid on June 3, 2022 to shareholders of record on May 20, 2022 and is estimated to amount to \$46.4.

Investor Contact Information

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Le rapport est également disponible en français.

Dividend Information

The Board of Directors of TMX Group Limited declared a dividend of \$0.83 on each common share outstanding, payable on June 3, 2022 to shareholders of record at the close of business on May 20, 2022. TMX Group hereby advises that this dividend is an "eligible dividend" for Canadian income tax purposes. Shareholders with questions regarding the tax treatment of dividends should consult with their own tax advisors or contact their local office of the Canada Revenue Agency and where applicable, the provincial taxation authorities.

Normal Course Issuer Bid

On February 25, 2022, TMX Group announced that its normal course issuer bid ("NCIB") had been accepted by Toronto Stock Exchange ("TSX"). TMX Group intends to repurchase up to 560,000 of its common shares through the facilities of the TSX, representing approximately 1% of its common shares outstanding on February 22, 2022. TMX Group will make purchases in accordance with TSX requirements and the price TMX Group will pay for any such common shares will be the market price of such shares at the time of acquisition. The purchases were eligible to commence on March 4, 2022 and will terminate on March 3, 2023, or on such earlier date as TMX Group completes its purchases. All repurchased shares will be cancelled.

The Company also entered into a pre-defined plan with its designated broker to allow for the repurchase of common shares at times when the TMX Group ordinarily would not be active in the market due to its own internal trading blackout periods, insider trading rules or otherwise.

A copy of our Notice of Intention to Make an NCIB may be obtained, without charge, by contacting Investor Relations as outlined above.

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Forward-Looking Information

This report contains forward-looking statements, which are not historical facts but are based on certain assumptions and reflect TMX Group's current expectations. These forward-looking statements are subject to a number of risks and uncertainties that could cause actual results or events to differ materially from current expectations. 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 report. Please see "Caution regarding Forward-Looking Information" in the Q1 2022 Management's Discussion and Analysis for some of the risk factors that could cause actual events or results to differ materially from current expectations.

For more information

Please contact TMX Group if you have any additional questions or require further clarification.

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