

2022
TMX GROUP LIMITED

Q3

REPORT TO
SHAREHOLDERS

2022





The future
is yours
to see.



Letter from the CEO

2022 has been a turbulent and profoundly challenging year for financial markets, and for a wide range of industries and businesses around the world. Macroeconomic conditions and geopolitical events, shocks to the global supply chain, rising interest rates and an elevated cost of living continue to impact the lives of people across the globe. As we look into the future with hope and optimism, we are confident we can weather these challenges together with the people and businesses across our global community.

September 2022 Year-To-Date Highlights

TMX's strategic efforts to diversify our revenue streams and continually evolve our global business enabled us to deliver positive performance for the first nine months of the year in challenging capital markets conditions. Our operating results demonstrate the balance and resiliency of our business model, with higher revenue from capital formation, derivatives trading and clearing and global solutions, insights and analytics (GSIA).

Capital Formation

Revenue from capital formation in the first nine months of 2022 increased by 5% from last year, reflecting the inclusion of revenue from AST Canada (acquired in August 2021), and higher revenue from sustaining listing fees. Partially offsetting this year-over-year increase was lower revenue from additional listing fees, reflecting a decrease in the number of financing transactions and dollars raised on Toronto Stock Exchange (TSX) and TSX Venture Exchange (TSXV). Through 2022, inflation concerns, rising interest rates and increased volatility subdued capital raising activities in Canada and across the world.

We continue to be a leader in new listings and new international listings among global exchanges. Along with our efforts to promote our two-tiered growth platform beyond our borders, we are taking important steps to ensure Canada's public markets remain the most viable, efficient path to success for emerging companies. This summer TSXV launched Venture Forward, an initiative designed to find collaborative ways to strengthen Canada's public venture market.

Derivatives Trading & Clearing

Excluding BOX Holdings Group LLC (BOX)¹ revenue from derivatives trading and clearing was up 2% in the first nine months of 2022 compared to last year. The increase was driven by higher revenue from Canadian Derivatives Clearing Corporation due to higher repo dealer activity and fee changes, partially offset by a decline in revenue from Montreal Exchange reflecting

¹ Consolidated January 3, 2022.

termination fees related to a market-making program and a retroactive client billing credit, as well as a slightly unfavourable product and client mix. The declines in revenue were partially offset by the impact of a 3% increase in volumes compared with last year.

GSIA

Trayport's revenue in the first nine months of the year increased by 4% from 2021, or 13% in Sterling, driven by a 17% increase in average trader subscribers, annual price adjustments and consultancy revenue. The increase was partially offset by an unfavourable foreign exchange impact due to a stronger Canadian dollar relative to Sterling. As uncertainties around conflict in Ukraine continue to drive volatility in global energy markets, Trayport's core network empowers clients to connect with execution venues and clearing houses across key power and natural gas markets.

Revenue from TMX Datalinx (including Co-location) also increased by 4% compared with last year. The increase reflected higher revenues from data feed and co-location, the impact of 2022 price adjustments as well as a favourable foreign exchange impact from a stronger U.S. dollar relative to the Canadian dollar. The increases were partially offset by lower revenue from usage based quotes.

Looking Ahead

Going into the final weeks of 2022, I want to thank our people for their dedication in bringing TMX's purpose to life—*to make markets better and empower bold ideas*. We strive to serve our country's economy and the people in our communities by building a stable and robust infrastructure at the centre of our market. TMX is committed to working with our vast group of stakeholders to help push the evolution of our capital markets ecosystem, and to ensure we maintain our competitive edge into the future.

I look forward to updating you on our full year 2022 results and accomplishments early next year.



John McKenzie

Chief Executive Officer
TMX Group
October 27, 2022

MD&A

Management's Discussion and Analysis

TMX Group Limited

MANAGEMENT'S DISCUSSION AND ANALYSIS

October 26, 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 (Q3/22) and the nine months ended September 30, 2022 (FNM/22), compared with the quarter (Q3/21) and the nine months ended September 30, 2021 (FNM/21) and as at September 30, 2022 and December 31, 2021. This MD&A should be read together with our unaudited condensed consolidated interim financial statements as at September 30, 2022 and December 31, 2021, and for the quarters and the nine months ended September 30, 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 and the nine months ended September 30, 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.

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 \$18.0 million (previously approximately \$20.0 million) over the sixteen month period from September 1, 2021 to December 31, 2022 (previously August 31, 2022), which includes information technology expenses as well as costs related to consolidating our office facilities. We expect total revenue and expense synergies of approximately \$10.0 million (previously \$8.0 million), which will be substantially achieved by the end of 2024. We expect at least \$3.5 million (previously \$3.0 million) of these revenue and expense synergies by the end of 2022, approximately \$5.0 million by the end of 2023, and approximately \$10.0 million by the end of 2024. In the nine months ended September 30, 2022 we realized approximately \$2.7 million of synergies. In 2021 (post August 12, 2021 acquisition) and the nine months ended September 30, 2022, we spent approximately \$3.4 million and \$9.6 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 entered into a transitional services agreement (TSA) with AST for the twelve month period from August 13, 2021 to August 12, 2022 which was concluded on schedule. The total costs related to the TSA were approximately \$4.4 million (previously expected \$5.0 million), incurred evenly over the term of the TSA. In 2021 (post August 12, 2021 acquisition) and in 2022 until August 12, 2022 when the TSA concluded, we spent approximately \$2.0 million and \$2.4 million, respectively related to the TSA.

TSX Trust (including AST Canada) - Net Interest Income

Net Interest Income

Based on CAD and USD balances and client contracts at September 30, 2022, a 25 basis points movement in the interest rate corresponds to approximately \$2.5 million of revenue in TSX Trust (including AST Canada). Actual revenue for future periods will also depend on activity in those quarters.

S&P/TSX Battery Metals Index³

Toronto Stock Exchange (TSX) announced the launch of the S&P/TSX Battery Metals Index on June 2, 2022. The new index measures the performance of TSX and TSX Venture Exchange (TSXV) listed companies that are focused on the production and exploration of select metals, which are significant inputs in the decarbonization of the transportation sector.

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

Venture Forward

On June 28, 2022, TSX Venture Exchange launched a new initiative called "Venture Forward". Venture Forward is a multi-month initiative that involves engagement with issuers, investors, advisors, and other representatives from across our stakeholder community to discuss and gather insight on how Canada's unique public venture ecosystem can take action to innovate, adapt and evolve over the coming years. In keeping with our corporate purpose, TSX Venture Exchange and Toronto Stock Exchange are committed to making markets better and empowering bold ideas. We believe it is vital to lead the evolution of Canada's public venture market to ensure it remains the world's leading ecosystem for launching early-stage companies and funding their growth. As part of the first stage of Venture Forward, detailed feedback was received from over 575 market participants.

Equities and Fixed Income Trading and Clearing⁴

Discretionary Order Types

In April 2022, we entered into an agreement with IEX, a U.S. based stock exchange, to promote new discretionary order types, such as Discretionary Limit (D-Limit) and Discretionary Peg (D-Peg), currently being explored and tailored for best execution in Canada.

TSX DRK

We continue to make progress on the expansion of TSX's Dark Trading offering (TSX DRK) 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, 27% in FNM/21, to 31% in FNM/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).

Pricing

In April 2022 we received regulatory approval for price changes on continuous trading for securities with price per share less than \$1 with a positive impact of approximately 2% from 2021 revenue in Equities and fixed income trading on an annualized basis.

⁴ 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.

Derivatives Trading and Clearing⁵

Montreal Exchange

CGF

In December 2018, Montreal Exchange (MX) relaunched the Five-Year Government of Canada Bond Futures (CGF) with the support of market makers in a revenue share agreement. Since the relaunch, the average daily volume of CGF has increased from approximately 1,600 contracts in 2018 to over 40,000 contracts in the nine months ended September 30, 2022. In July 2022, we initiated the termination of the agreement with the CGF market makers which resulted in a one-time reduction in CGF revenue in Q3/22. We expect the final incentives for the program to be incurred in Q2/24.

Extended Trading Hours

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. Volumes during extended trading hours remained flat at approximately 5% of total volumes in MX interest rate products⁶ and MX equity index futures⁷, in FNM/22 compared to FNM/21. Our five year target for volumes traded during extended hours is 15% of total volumes.

Pricing

In January 2022 we received regulatory approval for price changes on S&P/TSX 60 Index⁸ Standard Futures (SXF) trading fees and interest rate derivatives clearing fees with an aggregate positive impact of approximately 2% to 3% from 2021 revenue in Derivatives Trading and Clearing (excluding BOX) on an annualized basis.

Global Solutions, Insights and Analytics (GSIA)⁹

Trayport

Ventriks

In June 2022, Trayport signed a partnership agreement and acquired a minority interest in Ventriks Ltd., a cloud data technology company that offers a platform for data acquisition, integration and business intelligence. The Ventriks solution complements Trayport's existing suite of data, automated and algorithmic tools and will further enhance decision making and the trading experience.

⁵ 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.

⁶ 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.

⁷ SXF - S&P/TSX 60 Index Standard Futures and SXM - S&P/TSX 60 Index Mini Futures.

⁸ The S&P/TSX 60 Index (the "Index") is the product of S&P Dow Jones Indices LLC or its affiliates ("SPDJI") and TSX Inc. ("TSX"). Standard & Poor's® and S&P® are registered trademarks of Standard & Poor's Financial Services LLC ("S&P"); Dow Jones® is a registered trademark of Dow Jones Trademark Holdings LLC ("Dow Jones"); and TSX® is a registered trademark of TSX. SPDJI, Dow Jones, S&P, their respective affiliates and TSX do not sponsor, endorse, sell or promote any products based on the Index and none of such parties make any representation regarding the advisability of investing in such product(s) nor do they have any liability for any errors, omissions or interruptions of the Index or any data related thereto.

⁹ 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.

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. Trayport continues to work closely with IncubEx, with a focus on building liquidity in the physical voluntary carbon market.

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 LOGICLY¹⁰, 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 Processor data feed. These pricing changes largely came into effect in the first half of 2022, which better aligned 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. In June 2022, we also received regulatory approval for pricing changes on Co-location Services which will come into effect on September 1st, 2022. 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 Platform¹¹

The CDS modernization project involves the replacement of certain legacy systems at CDS including those related to clearing and settlement, as well as an expanded scope to address entitlement payment systems. In September 2022 the industry testing phase of the program commenced, representing an important milestone towards implementation. Since the commencement of the modernization project 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 \$13.1 million in FNM/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 FNM/22. Overall, we expect to incur between approximately \$120 and \$135 million in 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.

Ratings Upgrade by DBRS Morningstar

On October 7, 2022 DBRS Limited (DBRS Morningstar) upgraded the ratings of TMX Group, including our Issuer Rating and Senior Unsecured Debt rating to AA (low) from A (high) and our Commercial Paper (CP) rating to R-1 (middle) from R-1 (low). Additionally, DBRS Morningstar changed the trends on all ratings to Stable from Positive¹².

¹⁰ TMX is the trademark of TSX Inc. and LOGICLY is the trademark of SigmaLogic Inc. and is used under license.

¹¹ 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.

¹² Source: Extracted from DBRS Morningstar press release, October 7, 2022

Our Continued Focus on Health & Safety, and Resiliency

The health and safety of our people, our clients and the entire capital markets community has been and continues to be our top priority. We continue to focus on resiliency and demonstrate this through ongoing resiliency testing including our latest participation in a Finance Sector wide crisis exercise in June 2022 and our Disaster Recovery exercise completed in September 2022. TMX Group remains firmly focused on serving our clients with excellence, providing our markets with continuity, and executing against our global growth strategy.

MARKET CONDITIONS AND OUTLOOK¹³

Geopolitical conflict led to market uncertainty which contributed to increased volatility in the first nine months of 2022, while equity trading volumes decreased in the nine months ended September 30, 2022 as retail trading activity, which peaked in Q1/21, returned to lower levels. The average CBOE Volatility Index (VIX) was 25.8 in the nine months ended September 30, 2022, compared with 19.8 in the nine months ended September 30, 2021. Overall, Canadian equities trading volumes were down 30% in the nine months ended September 30, 2022 compared with the nine months ended September 30, 2021.¹⁴ Across all of our equities markets, overall trading volumes were down 22% in the nine months ended September 30, 2022 compared with the nine months ended September 30, 2021 with trading volumes on TSX, TSXV, and TSX Alpha Exchange (Alpha) decreasing by 2%, 50%, and 27%, respectively. In Canadian derivatives trading, the volume of contracts traded on MX was up 3% in the nine months ended September 30, 2022 compared to the nine months ended September 30, 2021. In the nine months ended September 30, 2022, we saw increased trading in equity options, index futures, and bond futures somewhat offset by reduced trading in short-term interest rate contracts.

On TSX, the total amount of financing dollars raised decreased by 52% from the nine months ended September 30, 2021 to the nine months ended September 30, 2022, and the total number of financings decreased by 29% over the same period. On TSXV (including NEX) there was a 46% decrease in the total amount of financing dollars raised, while the total number of financings declined 31% in the nine months ended September 30, 2022 over the nine months ended September 30, 2021.

On October 26, 2022, the Bank of Canada increased its target for the overnight rate to 3¼%, with the Bank Rate at 4% and the deposit rate at 3¼%. The Bank is also continuing its policy of quantitative tightening. Inflation around the world remains high and broadly based. Overall, the Bank projects that global growth will slow from 3% in 2022 to about 1½% in 2023, and then pick back up to roughly 2½% in 2024. This is a slower pace of growth than was projected in the Bank's July Monetary Policy Report (MPR). In Canada, the economy continues to operate in excess demand and labour markets remain tight. The demand for goods and services is still running ahead of the economy's ability to supply them, putting upward pressure on domestic inflation. Businesses continue to report widespread labour shortages and, with the full reopening of the economy, strong demand has led to a sharp rise in the price of services¹⁵.

The effects of recent policy rate increases by the Bank are becoming evident in interest-sensitive areas of the economy: housing activity has retreated sharply, and spending by households and businesses is softening. Also, the slowdown in international demand is beginning to weigh on exports. Economic growth is expected to stall through the end of this year and the first half of next year as the effects of higher interest rates spread through the economy. The Bank projects GDP growth will slow from 3¼% this year to just under 1% next year and 2% in 2024¹⁵.

In the last three months, CPI inflation has declined from 8.1% to 6.9%, primarily due to a fall in gasoline prices. However, price pressures remain broadly based, with two-thirds of CPI components increasing more than 5% over the past year. The Bank's preferred measures of core inflation are not yet showing meaningful evidence that underlying

¹³ 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.

¹⁴ Source: IIROC (excluding intentional crosses, includes all Canadian equities).

¹⁵ Source: Extracted from the Bank of Canada press release, October 26, 2022

price pressures are easing. Near-term inflation expectations remain high, increasing the risk that elevated inflation becomes entrenched¹⁶.

The Bank expects CPI inflation to ease as higher interest rates help rebalance demand and supply, price pressures from global supply disruptions fade, and the past effects of higher commodity prices dissipate. CPI inflation is projected to move down to about 3% by the end of 2023, and then return to the 2% target by the end of 2024. Given elevated inflation and inflation expectations, as well as ongoing demand pressures in the economy, the Governing Council expects that the policy interest rate will need to rise further¹⁶.

¹⁶ Source: Extracted from the Bank of Canada press release, October 26, 2022

RESULTS OF OPERATIONS

Non-GAAP Measures

Adjusted net income is a non-GAAP measure¹⁷, and adjusted earnings per share, adjusted diluted earnings per share, and adjusted earnings per share CAGR are non-GAAP ratios¹⁸, and do not have standardized meanings prescribed by GAAP and are, therefore, unlikely to be comparable to similar measures presented by other companies.

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

We present adjusted earnings per share, adjusted diluted earnings per share, and adjusted net income to indicate ongoing financial performance from period to period, exclusive of a number of adjustments as outlined under the headings "Adjusted Net Income and Adjusted Earnings Per Share Reconciliation for Q3/22 and Q3/21" and "Adjusted Net Income and Adjusted Earnings Per Share Reconciliation for FNM/22 and FNM/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 headings "Adjusted Earnings Per Share Reconciliation for Q3/22 and Q3/21" and "Adjusted Net Income and Adjusted Earnings Per Share Reconciliation for FNM/22 and FNM/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 in Q1/22, recognized in the consolidated income statements as other income. BOX is included in the Derivatives Trading & Clearing operating segment.

A well-diversified market model has enabled BOX to capture market share in its core operating segments as evident by record quarterly equity options market share of 7% in Q3/22 and record daily equity option market share of over 10% on October 5, 2022¹⁹. Overall, BOX contributed to the increase in net income, adjusted net income²⁰, diluted earnings per share, and adjusted diluted earnings per share²¹ in Q3/22 and FNM/22 compared to Q3/21 and FNM/21 respectively, as a result of improved operating performance and our increased economic interest.

¹⁷ As defined in National Instrument 52-112 Non-GAAP and Other Financial Measures Disclosure.

¹⁸ As defined in National Instrument 52-112 Non-GAAP and Other Financial Measures Disclosure.

¹⁹ Source: The OCC website, volume by exchange report.

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

²¹ Adjusted earnings per share is a non-GAAP ratio, see discussion under the heading "Non-GAAP Measures".

Quarter ended September 30, 2022 (Q3/22) Compared with Quarter ended September 30, 2021 (Q3/21)

The information below reflects the financial statements of TMX Group for Q3/22 compared with Q3/21.

(in millions of dollars, except per share amounts)	Q3/22	Q3/21	\$ increase / (decrease)	% increase / (decrease)
Revenue	\$269.3	\$231.3	\$38.0	16%
Operating expenses	144.2	121.9	22.3	18%
Income from operations	125.1	109.4	15.7	14%
Net income attributable to equity holders of TMX Group	81.0	76.9	4.1	5%
Adjusted net income ²²	93.7	88.7	5.0	6%
Earnings per share				
Basic	1.46	1.37	0.09	7%
Diluted	1.45	1.36	0.09	7%
Adjusted Earnings per share ²³				
Basic	1.69	1.58	0.11	7%
Diluted	1.68	1.57	0.11	7%
Cash flows from operating activities	112.5	117.7	(5.2)	(4)%

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 Q3/22 was \$81.0 million, or \$1.46 per common share on a basic and \$1.45 on a diluted basis, compared with a net income attributable to equity holders of TMX Group of \$76.9 million, or \$1.37 per common share on a basic and \$1.36 on a diluted basis, for Q3/21. The increase in net income attributable to equity holders of TMX Group reflects an increase in Income from operations of \$15.7 million from Q3/21 to Q3/22 driven by an increase in revenue of \$38.0 million partially offset by an increase in operating expenses of \$22.3 million. The increase in revenue included approximately \$30.5 million related to BOX Holdings (consolidated January 3, 2022), and \$6.3 million related to AST Canada (acquired August 12, 2021). The increase in operating expenses included approximately \$16.6 million related to AST Canada (acquired August 12, 2021), and BOX (consolidated January 3, 2022), of which \$4.1 million related to amortization of acquired intangibles for AST Canada and BOX, and \$2.9 million related to AST Canada integration costs. Partially offsetting these increases to operating expenses were \$3.3 million lower short term employee performance incentive plan costs, \$1.1 million lower acquisition and related costs, and \$0.4 million lower AST Canada TSA costs.

The increase in earnings per share was also partially attributable to a decrease in the number of weighted average common shares outstanding from Q3/21 to Q3/22.

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

²³ Adjusted earnings per share is a non-GAAP ratio, see discussion under the heading "Non-GAAP Measures".

Adjusted Net Income²⁴ and Adjusted Earnings per Share²⁵ Reconciliation for Q3/22 and Q3/21

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 Q3/21 and Q3/22 related to the 2012 Maple transaction (TSX, TSXV, MX, CDS, Alpha, Shorcan), TSX Trust, Trayport (including VisoTech and Tradesignal), AST Canada, and BOX; and is a component of *Depreciation and amortization expenses*.
2. Integration costs related to integrating the AST Canada acquisition in Q3/21 and Q3/22. These costs are included in *Depreciation and amortization, Information and trading systems, Compensation and benefits and Selling, general and administration*.
3. A decrease in deferred income tax liabilities which decreased *income tax expenses* in Q3/22 relating to a decrease in the Pennsylvania and Nebraska future income tax rates.
4. Acquisition and related costs associated with the acquisition of AST Canada (acquired August 12, 2021) in Q3/21. These costs are included in *Selling general, and administration and Compensation and benefits*.

	Pre-tax		Tax		After-tax			
(in millions of dollars) (unaudited)	Q3/22	Q3/21	Q3/22	Q3/21	Q3/22	Q3/21	\$ increase / (decrease)	% increase / (decrease)
Net income attributable to equity holders of TMX Group					\$81.0	\$76.9	\$4.1	5%
Adjustments related to:								
Amortization of intangibles related to acquisitions ²⁶	14.2	12.5	3.4	2.2	10.8	10.3	0.5	5%
Acquisition and related costs ²⁷	—	1.1	—	0.1	—	1.0	(1.0)	(100)%
Integration costs ²⁸	3.5	0.7	0.9	0.2	2.6	0.5	2.1	420%
Change in deferred income tax liabilities relating to changes in future tax rates ²⁹	—	—	0.7	—	(0.7)	—	(0.7)	n/a
Adjusted net income ³⁰					\$93.7	\$88.7	\$5.0	6%

Adjusted net income increased by 6% from \$88.7 million in Q3/21 to \$93.7 million in Q3/22 largely driven by higher revenue partially offset by higher operating expenses.

²⁴ Adjusted net income is a non-GAAP measure, see discussion under the heading "Non-GAAP Measures".

²⁵ Adjusted earnings per share is a non-GAAP ratio, see discussion under the heading "Non-GAAP Measures".

²⁶ Includes amortization expense of acquired intangibles including BOX, AST Canada, and Tradesignal in Q3/22 and AST Canada in Q3/21.

²⁷ Includes costs related to the acquisition of AST Canada (acquired August 12, 2021) in Q3/21. See *Initiatives and Accomplishments - Capital Formation - AST Canada transaction* for more details.

²⁸ 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.

²⁹ Future reductions in income tax rates in Pennsylvania and Nebraska

³⁰ Adjusted net income is a non-GAAP measure, see discussion under the heading "Non-GAAP Measures".

	Q3/22		Q3/21	
(unaudited)	Basic	Diluted	Basic	Diluted
Earnings per share	\$1.46	\$1.45	\$1.37	\$1.36
Adjustments related to:				
Amortization of intangibles related to acquisitions ³¹	0.19	0.19	0.18	0.18
Acquisition and related costs ³²	—	—	0.02	0.02
Integration costs ³³	0.05	0.05	0.01	0.01
Change in deferred income tax liabilities relating to changes in future tax rates ³⁴	(0.01)	(0.01)	—	—
Adjusted earnings per share ³⁵	\$1.69	\$1.68	\$1.58	\$1.57
Weighted average number of common shares outstanding	55,608,536	55,823,139	56,011,348	56,386,556

Adjusted diluted earnings per share increased by 7% from \$1.57 in Q3/21 to \$1.68 in Q3/22 largely driven by higher revenue partially offset by higher operating expenses. The increase in adjusted earnings per share was partially due to a decrease in the number of weighted average common shares outstanding from Q3/21 to Q3/22.

³¹ Includes amortization expense of acquired intangibles including BOX, AST Canada, and Tradesignal in Q3/22, and AST Canada in Q3/21.

³² Includes costs related to the acquisition of AST Canada (acquired August 12, 2021) in Q3/21. See *Initiatives and Accomplishments - Capital Formation - AST Canada transaction* for more details.

³³ 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.

³⁴ Q3/22 Includes decrease in deferred income tax liabilities due to future reductions in income tax rates in Pennsylvania and Nebraska.

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

Revenue

(in millions of dollars)	Q3/22	Q3/21	\$ increase	% increase
Capital Formation	\$62.5	\$60.2	\$2.3	4%
Equities and Fixed Income Trading and Clearing	54.0	51.9	2.1	4%
Derivatives Trading and Clearing	62.0	32.9	29.1	88%
Global Solutions, Insights and Analytics	88.0	85.9	2.1	2%
Other	2.8	0.4	2.4	600%
	\$269.3	\$231.3	\$38.0	16%

Revenue was \$269.3 million in Q3/22, up \$38.0 million or 16% from \$231.3 million in Q3/21 attributable to increases across all segments. The increase in revenue from Q3/21 to Q3/22 included approximately \$30.5 million related to BOX Holdings (consolidated January 3, 2022), and \$6.3 million related to AST Canada (acquired August 12, 2021). Revenue excluding BOX, and AST Canada remained flat from Q3/21 to Q3/22.

Capital Formation³⁶

(in millions of dollars)	Q3/22	Q3/21	\$ increase / (decrease)	% increase / (decrease)
Initial listing fees	\$4.1	\$6.1	\$(2.0)	(33)%
Additional listing fees	17.6	21.4	(3.8)	(18)%
Sustaining listing fees	20.3	19.6	0.7	4%
Other issuer services	20.5	13.1	7.4	56%
	\$62.5	\$60.2	\$2.3	4%

- *Initial listing fees* in Q3/22 decreased from Q3/21 due to lower revenue in TSX and slightly lower revenue in TSXV. The amount of deferred *initial listing fee* revenue decreased in Q3/22 compared with Q3/21. We recognized \$3.9 million in *initial listing fees* received in 2021 and 2022 in Q3/22 compared with \$5.7 million *initial listing fees* received in 2020 and 2021 in Q3/21.
- Based on *initial listing fees* billed in 2021 and the nine months ended September 30, 2022, the following amounts have been deferred to be recognized in Q4/22, Q1/23, Q2/23, and Q3/23: \$2.8 million, \$1.7 million, \$0.8 million and \$0.1 million respectively. Total *initial listing fees* revenue for future quarters will also depend on listing activity in those quarters.

³⁶ The "Capital Formation" section contains certain forward-looking statements. Please refer to "Caution Regarding Forward Looking Information" for a discussion of risks and uncertainties related to such statements.

- *Additional listing fees* in Q3/22 decreased compared to Q3/21 reflecting a decrease in both the total number of financings and total financing dollars raised on TSX and TSXV. The decrease in additional listing fee revenue on TSX reflected a decrease of 18% in the number of transactions billed below the maximum fee, partially offset by an increase of 4% in the number of transactions billed at the maximum listing fee of \$250,000 from Q3/21 to Q3/22.
- 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 Q3/21 to Q3/22 reflecting an increase in the market capitalization of issuers at December 31, 2021 compared with December 31, 2020.
- *Other issuer services* revenue in Q3/22 was higher compared to Q3/21 primarily due to the inclusion of revenue from AST Canada (acquired August 12, 2021) which increased by approximately \$6.3 million in Q3/22 (based on a complete quarter) compared to Q3/21 (based on approximately a half quarter). Excluding AST Canada, *Other issuer services* revenue increased 13% in Q3/22 compared with Q3/21, reflecting higher net interest income, partially offset by lower transfer agent fees, and corporate trust revenue.

Equities and Fixed Income Trading and Clearing

(in millions of dollars)	Q3/22	Q3/21	\$ increase / (decrease)	% increase / (decrease)
Equities and fixed income trading	\$28.2	\$25.9	\$2.3	9%
Equities and fixed income clearing, settlement, depository and other services (CDS)	25.8	26.0	(0.2)	(1)%
	\$54.0	\$51.9	\$2.1	4%

- *Equities Trading* revenue increased in Q3/22 compared with Q3/21 driven by higher TSX volume, favourable product mix within TSX, and the impact of April 2022 price changes on continuous trading for securities with price per share less than \$1, which more than offset the lower volumes on TSXV and Alpha. The overall volume of securities traded on our equities marketplaces decreased by 8% (32.9 billion securities in Q3/22 versus 35.9 billion securities in Q3/21). There was an increase in volumes of 9% on TSX, and decrease in volumes of 36% on TSXV, and 22% on Alpha in Q3/22 compared with Q3/21.
- There was higher fixed income trading revenue from Q3/21 to Q3/22 reflecting increased activity in Government of Canada bonds.
- CDS revenue decreased slightly from Q3/21 to Q3/22 reflecting lower issuer services, account transfer online notification (ATON) revenues, and lower pass-through liquidity facility fees, partially offset by higher interest income on clearing funds and custodial revenues.
- Excluding intentional crosses, for TSX and TSXV listed issues, our combined domestic equities trading market share was approximately 66% in Q3/22, up 1% from approximately 65% in Q3/21³⁷. We only trade securities that are listed on TSX or TSXV.
- Excluding intentional crosses, in all listed issues in Canada, our combined domestic equities trading market share was approximately 60% in Q3/22, up 6% from approximately 54% in Q3/21.³⁸

³⁷ Source: IIROC.

³⁸ Source: IIROC.

Derivatives Trading and Clearing

(in millions of dollars)	Q3/22	Q3/21	\$ increase/ (decrease)	% increase/ (decrease)
Derivatives Trading and Clearing (excl. BOX)	\$31.5	\$32.9	\$(1.4)	(4)%
BOX	30.5	0.0	30.5	n/a
	\$62.0	\$32.9	\$29.1	88%

Derivatives Trading and Clearing (excl. BOX)

The decrease in revenue in Derivatives Trading and Clearing (excl. BOX) was driven by an 11% decrease in MX revenue, partially offset by an 11% increase in CDCC revenue. The MX & CDCC revenue in Q3/22 reflected a one-time reduction related to the Five-Year Government of Canada Bond Futures (CGF) market making termination fees, and a retroactive client billing credit, amounting to approximately \$4.7 million. The decrease in MX revenue was partially offset by a 6% volume increase from Q3/21 to Q3/22 (37.0 million contracts traded in Q3/22 vs. 35.0 million contracts traded in Q3/21), and the impact of the pricing changes on S&P/TSX 60 Index Standard Futures (SXF) trading fees which came into effect in January 2022. The increase in CDCC revenue related largely to higher volumes, increased REPO dealer activity, and interest rate derivatives clearing fee changes which came into effect in January 2022.

BOX

As a result of the consolidation of BOX (January 3, 2022), we recognized \$30.5 million of BOX revenue in Q3/22. Volumes on BOX were up 44% from Q3/21 to Q3/22 (168.6 million contracts traded in Q3/22 versus 117.1 million contracts traded in Q3/21). BOX market share in equity options was 7% in Q3/22, up 2% from 5% in Q3/21).

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

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

Global Solutions, Insights and Analytics

(in millions of dollars)	Q3/22	Q3/21	\$ increase/ (decrease)	% increase/ (decrease)
Trayport	\$37.4	\$37.9	\$(0.5)	(1)%
TMX Datalinx including Co-location	50.6	48.0	2.6	5%
	\$88.0	\$85.9	\$2.1	2%

The increase in *Global Solutions, Insights and Analytics (GSIA)* revenue in Q3/22 compared with Q3/21 was driven by higher revenue from data feeds, co-location, benchmark and indices, impact of 2022 price adjustments and a favourable impact from a Canadian dollar relative to a stronger U.S. dollar, partially offset by lower revenue from usage based quotes, and slightly lower revenue from Trayport (including Tradesignal) due to an unfavorable FX impact from Canadian dollar relative to a weaker GBP.

Trayport

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

	Q3/22	Q2/22	Q1/22	Q4/21	Q3/21	Q2/21	Q1/21	Q4/20
Trader Subscribers ³⁹	6,607	6,413	6,366	6,135	5,677	5,483	5,392	5,259
Total Subscribers ⁴⁰	27,355	27,460	27,782	27,473	26,620	26,196	25,889	25,259
Revenue (in millions of CAD)	\$37.4	\$38.5	\$40.7	\$38.9	\$37.9	\$36.5	\$37.3	\$35.3
Average CAD-GBP FX rate	1.53	1.59	1.67	1.71	1.72	1.71	1.75	1.73
Revenue (in millions of GBP)	£24.4	£24.2	£24.3	£22.7	£22.0	£21.3	£21.3	£20.4

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 decreased by 1% from Q3/21 to Q3/22. In GBP, revenue from Trayport, was £24.4 million (based on CAD-GBP FX rate of 1.53) in Q3/22 up 11% over Q3/21. The decrease in Trayport revenue from Q3/21 to Q3/22 was primarily driven by an unfavourable FX impact of \$4.5 million due to a weaker GBP compared to CAD, mostly offset by a 16% increase in trader subscribers and annual price adjustments.

TMX Datalinx including Co-location

Revenue from TMX Datalinx including Co-location increased by 5% from Q3/21 to Q3/22. There were higher revenues related to increases in data feeds, co-location, benchmarks and indices, and the impact of 2022 price adjustments, partially offset by revenue from lower usage based quotes. There was a favourable FX impact of approximately \$0.9 million from a Canadian dollar relative to a stronger U.S. dollar in Q3/22 compared with Q3/21.

- The average number of professional market data subscriptions for TSX and TSXV products was down 3% in Q3/22 compared with Q3/21 (103,900 professional market data subscriptions in Q3/22 compared with 106,861 in Q3/21).
- The average number of MX professional market data subscriptions was up 4% in Q3/22 from Q3/21 (20,359 MX professional market data subscriptions in Q3/22 compared with 19,660 in Q3/21).

³⁹ Previous amounts have been restated based on current data.

⁴⁰ Previous amounts have been restated based on current data. This restatement includes additional connectivity users at exchanges.

Other

(in millions of dollars)	Q3/22	Q3/21	\$ increase	% increase
	\$2.8	\$0.4	\$2.4	600%

- The increase in *Other* revenue reflected higher net foreign exchange gains on net monetary assets in Q3/22 compared to Q3/21.

Operating expenses

(in millions of dollars)	Q3/22	Q3/21	\$ increase	% increase
Compensation and benefits	\$67.4	\$63.4	\$4.0	6%
Information and trading systems	23.0	14.7	8.3	56%
Selling, general and administration	24.9	21.4	3.5	16%
Depreciation and amortization	28.9	22.4	6.5	29%
	\$144.2	\$121.9	\$22.3	18%

Operating expenses in Q3/22 were \$144.2 million, up \$22.3 million or 18%, from \$121.9 million in Q3/21. The increase in expenses from Q3/21 to Q3/22 included approximately \$16.6 million related to BOX (consolidated January 3, 2022), and AST Canada (acquired August 12, 2021), of which \$4.1 million related to amortization of acquired intangibles for AST Canada and BOX, and \$2.9 million for AST Canada integration costs. There were also higher expenses related to higher headcount and payroll costs, increased expenses for travel and entertainment and IT costs related to software licensing, server, cloud and professional services.

Partially offsetting these increases were approximately \$3.3 million lower short term employee performance incentive plan costs, lower legal and consulting fees, and \$0.4 million lower AST Canada's TSA expenses in Q3/22 compared to Q3/21. We also incurred \$1.1 million in AST Canada acquisition related costs in Q3/21.

Excluding expenses from BOX and AST Canada, operating expenses increased by 5% in Q3/22 compared with Q3/21.

Compensation and benefits

(in millions of dollars)	Q3/22	Q3/21	\$ increase	% increase
	\$67.4	\$63.4	\$4.0	6%

- *Compensation and benefits* expenses in Q3/22 were \$67.4 million, up \$4.0 million or 6%, from \$63.4 million in Q3/21. The increase included approximately \$3.1 million related to BOX and AST Canada from Q3/21 to Q3/22, including \$0.1 million lower acquisition related expenses. There were higher payroll and headcount costs somewhat offset by approximately \$3.3 million lower short term employee performance incentive plan costs.
- There were 1,659 TMX Group employees at September 30, 2022 (excluding BOX) versus 1,549 employees at September 30, 2021 reflecting an increase in headcount attributable to investing in the various growth areas of our business.

Information and trading systems

(in millions of dollars)	Q3/22	Q3/21	\$ increase	% increase
	\$23.0	\$14.7	\$8.3	56%

- The increase in *Information and trading systems* expenses in Q3/22 compared with Q3/21 reflected higher expenses related to BOX and AST Canada of \$4.8 million, including integration costs related to AST Canada of \$0.8 million. There were also increased software license and maintenance costs, as well as increased costs for cloud services, server costs and IT professional services.

Selling, general and administration

(in millions of dollars)	Q3/22	Q3/21	\$ increase	% increase
	\$24.9	\$21.4	\$3.5	16%

- *Selling, general and administration* expenses increased by \$3.5 million in Q3/22 compared with Q3/21 reflecting \$1.9 million of costs related to BOX and AST Canada. There were higher expenses in Q3/22 due to higher travel and entertainment, bad debt expense, marketing and sponsorship costs and higher charitable donations. These increases were somewhat offset by lower legal and consulting fees, and \$0.4 million related to AST Canada TSA costs.
- We also incurred \$1.0 million in AST Canada acquisition related costs in Q3/21.

Depreciation and amortization

(in millions of dollars)	Q3/22	Q3/21	\$ increase	% increase
	\$28.9	\$22.4	\$6.5	29%

- There were higher *Depreciation and amortization* costs of \$6.5 million from Q3/21 to Q3/22, reflecting approximately \$6.8 million of increased amortization related to AST Canada (acquired August 12, 2021) and BOX (consolidated January 3, 2022). These increases included \$4.1 million related to the amortization of intangibles for AST Canada and BOX and \$2.1 million integration costs related to AST Canada.
- The *Depreciation and amortization* costs in Q3/22 of \$28.9 million included \$14.2 million, net of NCI, related to amortization of intangibles related to acquisitions (19 cents per basic and diluted share).
- The *Depreciation and amortization* costs in Q3/21 of \$22.4 million included \$12.5 million related to amortization of intangibles related to acquisitions (18 cents per basic and diluted share).

Additional Information

Share of income (loss) from equity accounted investees

(in millions of dollars)	Q3/22	Q3/21	\$ (decrease)	% (decrease)
	(\$0.4)	\$4.1	\$(4.5)	(110)%

- In Q3/22, our share of (loss) income from equity accounted investees decreased by \$4.5 million primarily due to a change in accounting relating to BOX (consolidated January 3, 2022) and CanDeal⁴¹. For Q3/22 our share of (loss) income from equity accounted investees includes only ETFLogic and Ventriks Ltd. compared with Q3/21, which included BOX and CanDeal⁴¹.

Net finance costs

(in millions of dollars)	Q3/22	Q3/21	\$ (decrease)	% (decrease)
	\$7.7	\$9.2	\$(1.5)	(16)%

- The decrease in net finance costs from Q3/21 to Q3/22 reflected lower net interest expense due to higher finance income as a result of higher interest rates.

Income tax expense and effective tax rate

Income Tax Expense (in millions of dollars)		Effective Tax Rate (%)	
Q3/22	Q3/21	Q3/22	Q3/21
\$25.4	\$27.4	22%	26%

Excluding adjustments, primarily related to the item noted below, the effective tax rate would have been approximately 26%, excluding NCI, for Q3/22.

- In Q3/22, Pennsylvania and Nebraska announced future reductions in income tax rates, which decreased the deferred income tax liabilities, resulting in a corresponding decrease in income tax expense.

Net income attributable to non-controlling interests

(in millions of dollars)	Q3/22	Q3/21	\$ increase
	\$10.6	—	\$10.6

- 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.

⁴¹ Effective February 28, 2022, TMX discontinued the application of the equity method of accounting for CanDeal.

Segments

The following information reflects TMX Group's segment results for Q3/22 compared to Q3/21. *Derivatives Trading & Clearing* includes BOX, see *Results of Operations - BOX* for more details.

Q3/22

(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	\$ 62.5	\$ 54.0	\$ 62.0	\$ 88.0	\$ 2.8	\$ 269.3
Inter-segment revenue	0.1	0.5	—	0.1	(0.7)	—
Total revenue	62.6	54.5	62.0	88.1	2.1	269.3
Income (loss) from operations	25.1	25.0	34.5	55.5	(15.0)	125.1

Q3/21

(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	\$ 60.2	\$ 51.9	\$ 32.9	\$ 85.9	\$ 0.4	\$ 231.3
Inter-segment revenue	0.1	0.5	—	0.1	(0.7)	—
Total revenue	60.3	52.4	32.9	86.0	(0.3)	231.3
Income (loss) from operations	32.6	26.3	16.3	56.9	(22.7)	109.4

Income (loss) from operations

The decrease in *Income from operations* from *Capital Formation* primarily reflected higher operating expenses in Q3/22 compared with Q3/21 from the inclusion of AST Canada, including approximately \$2.9 million in integration costs partially offset by \$0.4 million lower TSA fees related to AST Canada. The higher operating expenses were partially offset by higher revenue, driven by TSX Trust which includes AST Canada (acquired August 12, 2021), somewhat offset by lower revenue from initial listing fees and additional listing fees in Q3/22 compared with Q3/21.

The decrease in *Income from operations* from *Equities and Fixed Income Trading and Clearing* reflected higher operating expenses in Q3/22 compared with Q3/21, partially offset by higher revenue. The increase in revenue was driven by higher fixed income trading revenue due to increased activity in Government of Canada bonds, and higher *Equities trading revenue* due to higher TSX volume, favourable product mix within TSX, and the impact of April 2022 price changes on continuous trading for securities with price per share less than \$1, which more than offset the lower volumes on TSXV and Alpha.

The increase in *Income from operations* from *Derivatives Trading and Clearing* primarily reflected higher revenue in Q3/22 compared with Q3/21 including \$30.5 million from BOX (consolidated January 2022), and increased revenue from CDCC, partially offset by lower MX revenue. The MX & CDCC revenue in Q3/22 reflected a one-time reduction related to the Five-Year Government of Canada Bond Futures (CGF) market making termination fees, and a retroactive client billing credit, amounting to approximately \$4.7 million. The increases were partially offset by higher operating expenses in Q3/22 compared with Q3/21.

The decrease in *Income from operations* from *Global Solutions, Insights and Analytics* reflected higher operating expenses in Q3/22 compared with Q3/21, slightly lower revenue from Trayport, partially offset by higher TMX Datalinx including co-location revenue. Revenue from Trayport decreased by 1% from Q3/21 to Q3/22. In GBP, revenue from Trayport, was £24.4 million (based on CAD-GBP FX rate of 1.53) in Q3/22 up 11% over Q3/21. The decrease in Trayport revenue from Q3/21 to Q3/22 was primarily driven by an unfavourable FX impact of \$4.5 million due to a weaker GBP compared to CAD and slightly lower brokers revenue, mostly offset by a 16% increase in trader subscribers and annual price adjustments. Revenue from TMX Datalinx including Co-location increased by 5% from Q3/21 to Q3/22. There were higher revenues related to increases in data feeds, co-location, benchmarks and indices, and the impact of 2022 price adjustments, partially offset by revenue from lower usage based quotes. There was a favourable FX impact of approximately \$0.9 million from a Canadian dollar relative to a stronger U.S. dollar in Q3/22 compared with Q3/21.

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 decreased in Q3/22 compared to Q3/21 reflecting lower unallocated expenses and project-related fees, partially offset by higher amortization of purchased intangibles related to BOX and AST Canada.

Nine months ended September 30, 2022 (FNM/22) Compared with nine months ended September 30, 2021 (FNM/21)

The information below reflects the financial statements of TMX Group for the nine months ended September 30, 2022 (FNM/22) compared with the nine months ended September 30, 2021 (FNM/21).

(in millions of dollars, except per share amounts)	FNM/22	FNM/21	\$ increase / (decrease)	% increase / (decrease)
Revenue	\$842.5	\$728.3	\$114.2	16%
Operating expenses	437.3	353.3	84.0	24%
Income from operations	405.2	375.0	30.2	8%
Net income attributable to equity holders of TMX Group	440.5	250.6	189.9	76%
Adjusted net income ⁴²	301.7	302.2	(0.5)	(0)%
Earnings per share (attributable to equity holders of TMX Group)				
Basic	7.90	4.46	3.44	77%
Diluted	7.86	4.43	3.43	77%
Adjusted Earnings per share ⁴³				
Basic	5.41	5.38	0.03	1%
Diluted	5.38	5.35	0.03	1%
Cash flows from operating activities	343.2	338.4	4.8	1%

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 FNM/22 was \$440.5 million, or \$7.90 per common share on a basic and \$7.86 per common share on a diluted basis, compared with a net income attributable to equity holders of TMX Group of \$250.6 million, or \$4.46 per common share on a basic and \$4.43 on a diluted basis, for FNM/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 FNM/22, a decrease in income tax expense compared to FNM/21, where we incurred a \$19.8 million expense due to a U.K. corporate income tax rate change, and an increase in income from operations of \$30.2 million. The increase in income from operations from FNM/21 to FNM/22 was driven by an increase in revenue of \$114.2 million, which included \$90.8 million related to BOX (consolidated January 3, 2022) and \$27.4 million higher revenue related to AST Canada (acquired August 12, 2021), somewhat offset by an increase in operating expenses of \$84.0 million. The increase in operating expenses from FNM/21 to FNM/22 included approximately \$68.8 million related to AST Canada (acquired August 12, 2021), BOX (consolidated January 3, 2022), and Tradesignal (acquired June 1, 2021), of which \$13.5 million related to amortization of acquired intangibles for AST Canada and BOX, \$1.8 million related to AST Canada TSA costs, and \$9.0 million related to AST Canada integration costs. The increase in operating expenses were partially offset by \$10.0 million lower short term employee performance incentive plan costs, and \$1.8 million lower acquisition related expenses.

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

⁴² Adjusted net income is a non-GAAP measure, see discussion under the heading "Non-GAAP Measures".

⁴³ Adjusted earnings per share is a non-GAAP ratio, see discussion under the heading "Non-GAAP Measures".

Adjusted Net Income⁴⁴ and Adjusted Earnings per Share⁴⁵ Reconciliation for FNM/22 and FNM/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 the nine months ended September 30, 2021 and the nine months ended September 30, 2022 related to the 2012 Maple transaction (TSX, TSXV, MX, CDS, Alpha, Shorcan), TSX Trust, Trayport (including VisoTech and Tradesignal), AST Canada, and BOX; and is a component of *Depreciation and amortization expenses*.
2. Acquisition and related costs in the nine months ended September 30, 2021 associated with acquiring AST Canada (acquired August 12, 2021), and the equity investments in ETFLogic (February 2022) and Ventriks (June 2022) in the nine months ended September 30, 2022. These costs are included in *Selling general, and administration* and *Compensation and benefits*.
3. Integration costs related to integrating the AST Canada acquisition in the nine months ended September 30, 2021 the nine months ended September 30, 2022. These costs are included in *Selling, general and administration, Depreciation and amortization, Compensation and benefits and Information and trading systems*.
4. Gain resulting from the revaluation of our interest in BOX upon acquisition of voting control (effective January 3, 2022) in the nine months ended September 30, 2022. This gain is included in *Other Income*.
5. An increase in deferred income tax liabilities which increased *income tax expenses* in the nine months ended September 30, 2021 relating to an increase in the U.K. corporate income tax rate from 19% to 25%, effective April 1, 2023. A decrease in deferred income tax liabilities which decreased *income tax expenses* in the nine months ended September 30, 2022 relating to a decrease in the Pennsylvania and Nebraska future income tax rates.

⁴⁴ Adjusted net income is a non-GAAP measure, see discussion under the heading "Non-GAAP Measures".

⁴⁵ Adjusted earnings per share is a non-GAAP ratio, see discussion under the heading "Non-GAAP Measures".

	Pre-tax		Tax		After-tax			
(in millions of dollars) (unaudited)	FNM/2 2	FNM/2 1	FNM/2 2	FNM/2 1	FNM/22	FNM/21	\$ increase / (decrease)	% increase / (decrease)
Net income attributable to equity holders of TMX Group					\$440.5	\$250.6	\$189.9	76%
Adjustments related to:								
Amortization of intangibles related to acquisitions ⁴⁶	43.2	36.5	10.9	7.2	32.3	29.3	3.0	10%
Acquisition and related costs ⁴⁷	0.4	2.3	—	0.3	0.4	2.0	(1.6)	(80%)
Integration costs ⁴⁸	9.6	0.7	2.5	0.2	7.1	0.5	6.6	1,320%
Gain on BOX ⁴⁹	(177.9)	—	—	—	(177.9)	—	(177.9)	n/a
Change in deferred income tax liabilities relating to changes in future tax rates ⁵⁰	—	—	0.7	(19.8)	(0.7)	19.8	(20.5)	(104%)
Adjusted net income ⁵¹					\$301.7	\$302.2	(\$0.5)	(0)%

Adjusted net income remained essentially unchanged from \$302.2 million in the nine months ended September 30, 2021 to \$301.7 million in the nine months ended September 30, 2022.

⁴⁶ Includes amortization expense of acquired intangibles including AST Canada in FNM/21, and BOX, AST Canada, and Tradesignal in FNM/22.

⁴⁷ Includes costs related to the acquisition of AST Canada (acquired August 12, 2021) and Tradesignal (acquired June 1, 2021) in FNM/21, and the equity investment in ETFLogic (February 2022) and Ventriks Ltd. (June 2022) in FNM/22. See Initiatives and Accomplishments - Capital Formation - AST Canada transaction, Global Solutions, Insights & Analytics - ETFLogic and Ventriks for more details.

⁴⁸ 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.

⁴⁹ Gain resulting from the revaluation of our interest in BOX upon acquisition of voting control (effective January 3, 2022). See Other Income for more details.

⁵⁰ FNM/22 includes decrease in deferred income tax liabilities due to future reductions in income tax rates in Pennsylvania and Nebraska, and FNM/21 includes increase in deferred income tax liabilities relating to a change in the future U.K. tax rate.

⁵¹ Adjusted net income is a non-GAAP measure, see discussion under the heading "Non-GAAP Measures".

(unaudited)	FNM/22		FNM/21	
	Basic	Diluted	Basic	Diluted
Earnings per share (attributable to equity holders of TMX Group)	\$7.90	\$7.86	\$4.46	\$4.43
Adjustments related to:				
Amortization of intangibles related to acquisitions ⁵²	0.57	0.57	0.52	0.52
Acquisition and related costs ⁵³	0.01	0.01	0.04	0.04
Integration costs ⁵⁴	0.13	0.13	0.01	0.01
Gain on BOX ⁵⁵	(3.19)	(3.18)	—	—
Change in deferred income tax liabilities relating to a change in the future income tax rate ⁵⁶	(0.01)	(0.01)	0.35	0.35
Adjusted earnings per share ⁵⁷	\$5.41	\$5.38	\$5.38	\$5.35
Weighted average number of common shares outstanding	55,779,045	56,038,051	56,148,192	56,536,290

Adjusted diluted earnings per share increased by 1% from \$5.35 in FNM/21 to \$5.38 in FNM/22 largely driven by higher income from operations. Decrease in the number of weighted average common shares outstanding from FNM/21 to FNM/22 also contributed to the increase in adjusted earnings per share.

⁵² Includes amortization expense of acquired intangibles including BOX, AST Canada, and Tradesignal in FNM/22.

⁵³ Includes costs related to the acquisition of AST Canada (acquired August 12, 2021) and Tradesignal (acquired June 1, 2021) in FNM/21, and the equity investment in ETFLogic (February 2022) and Ventriks Ltd. (June 2022) in FNM/22. See Initiatives and Accomplishments - Capital Formation - AST Canada transaction, Global Solutions, Insights & Analytics - ETFLogic and Ventriks for more details.

⁵⁴ 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.

⁵⁵ Gain resulting from the revaluation of our interest in BOX upon acquisition of voting control (effective January 3, 2022). See Other Income for more details.

⁵⁶ FNM/22 includes decrease in deferred income tax liabilities due to future reductions in income tax rates in Pennsylvania and Nebraska, and FNM/21 includes increase in deferred income tax liabilities relating to a change in the future U.K. tax rate.

⁵⁷ Adjusted earnings per share is a non-GAAP ratio, see discussion under the heading "Non-GAAP Measures".

Revenue

(in millions of dollars)	FNM/22	FNM/21	\$ increase / (decrease)	% increase / (decrease)
Capital Formation	\$199.7	\$190.5	\$9.2	5%
Equities and Fixed Income Trading and Clearing	175.0	177.9	(2.9)	(2)%
Derivatives Trading and Clearing	197.6	104.3	93.3	89%
Global Solutions, Insights and Analytics	266.5	255.5	11.0	4%
Other	3.7	0.1	3.6	3,600%
	\$842.5	\$728.3	\$114.2	16%

Revenue was \$842.5 million in FNM/22 up \$114.2 million or 16% compared with \$728.3 million in FNM/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 from FNM/21 to FNM/22 included \$90.8 million of revenue for BOX (consolidated January 3, 2022), \$27.4 million for AST Canada (acquired August 12, 2021), and \$0.3 million for Tradesignal (acquired June 1, 2021). Excluding revenue from BOX, AST Canada, and Tradesignal, revenue was down 1% in FNM/22 compared with FNM/21.

Capital Formation

(in millions of dollars)	FNM/22	FNM/21	\$ increase / (decrease)	% increase / (decrease)
Initial listing fees	\$15.0	\$15.4	\$(0.4)	(3)%
Additional listing fees	62.9	84.0	(21.1)	(25)%
Sustaining listing fees	60.7	57.7	3.0	5%
Other issuer services	61.1	33.4	27.7	83%
	\$199.7	\$190.5	\$9.2	5%

- *Initial listing fees* in FNM/22 decreased from FNM/21 reflecting a decline in the amount of deferred *initial listing fee* revenue recognized in FNM/22 compared with FNM/21 on TSX, partially offset by higher revenue in TSXV. We recognized *initial listing fees* received in 2021 and 2022 of \$14.4 million in FNM/22 compared with *initial listing fees* received in 2020 and 2021 of \$14.0 million in FNM/21.
- Based on *initial listing fees* billed in 2021 and the nine months ended September 30, 2022, the following amounts have been deferred to be recognized in Q4/22, Q1/23, Q2/23, and Q3/23: \$2.8 million, \$1.7 million, \$0.8 million and \$0.1 million respectively. Total *initial listing fees* revenue for future quarters will also depend on listing activity in those quarters.
- *Additional listing fees* in FNM/22 decreased compared to FNM/21 reflecting a decrease in both the number of financings and total financing dollars raised on TSX and TSXV. The decrease in *additional listing fee* revenue on TSX reflected a decrease of 20% in the number of transactions billed at the maximum listing fee of \$250,000 from FNM/21 to FNM/22, and a 13% 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 FNM/21 to FNM/22 reflecting an increase in the market capitalization of issuers at December 31, 2021 compared with December 31, 2020.
- *Other issuer services* revenue in FNM/22 was higher compared to FNM/21 primarily due to the inclusion of revenue from AST Canada (acquired August 12, 2021) of approximately \$27.4 million reflecting 9 months of revenue in 2022 compared to approximately 1.5 months in 2021. Excluding AST Canada, *Other issuer services* revenue increased 1% in FNM/22 compared with FNM/21, reflecting higher net interest income, partially offset by lower transfer agent fee and corporate trust revenue.

Equities and Fixed Income Trading and Clearing

(in millions of dollars)	FNM/22	FNM/21	\$ (decrease)	% (decrease)
Equities and fixed income trading	\$94.5	\$96.2	(\$1.7)	(2)%
Equities and fixed Income clearing, settlement, depository and other services (CDS)	80.5	81.7	(1.2)	(1)%
	\$175.0	\$177.9	(\$2.9)	(2)%

- *Equities Trading* revenue decreased in FNM/22 compared with FNM/21 driven by lower volumes partially offset by a favourable product mix, and the impact of April 2022 price changes on continuous trading for securities with price per share less than \$1. The overall volume of securities traded on our equities marketplaces decreased by 22% (116.8 billion securities in FNM/22 versus 149.5 billion securities in FNM/21). There were decreases in volumes of 2% on TSX, 50% on TSXV and 27% on Alpha in FNM/22 compared with FNM/21.
- There was higher *fixed income trading* revenue from FNM/21 to FNM/22 reflecting increased activity in Government of Canada bonds partially offset by decreased activity in swaps and credits.
- CDS revenue decreased from FNM/21 to FNM/22 mainly due to lower account transfer online notification (ATON), corporate actions, issuer services, international revenue, and pass-through liquidity facility fees, partially offset by higher interest income on clearing funds and custodial revenues.
- Excluding intentional crosses, for TSX and TSXV listed issues, our combined domestic equities trading market share was approximately 66% in FNM/22, up 1% from 65% in FNM/21.⁵⁸ 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 59% in FNM/22, up 7% from 52% in FNM/21⁵⁹.

⁵⁸ Source: IIROC.

⁵⁹ Source: IIROC.

Derivatives Trading and Clearing

(in millions of dollars)	FNM/22	FNM/21	\$ increase	% increase
Derivatives Trading and Clearing (excl. BOX)	\$106.8	\$104.3	\$2.5	2%
BOX	90.8	—	90.8	n/a
	\$197.6	\$104.3	\$93.3	89%

Derivatives Trading and Clearing (excl. BOX)

The increase in revenue in *Derivatives Trading and Clearing (excl. BOX)* was driven by a 13% increase in CDCC revenue partially offset by a 2% decrease in MX revenue. The MX & CDCC revenue in FNM/22 reflected a one-time reduction related to the Five-Year Government of Canada Bond Futures (CGF) market making termination fees, and a retroactive client billing credit, amounting to approximately \$3.9 million. The CDCC revenue increase mainly related to REPO dealer activity and interest rate derivative clearing fee changes. MX revenue was further decreased by unfavourable changes to product and client mix, partially offset by a 3% increase in volume from FNM/21 to FNM/22 (112.8 million contracts traded in FNM/22 versus 109.1 million contracts traded in FNM/21), and the impact of the pricing changes on S&P/TSX 60 Index Standard Futures (SXF) trading fees which came into effect in January 2022.

BOX

As a result of the consolidation of BOX (January 3, 2022), we recognized \$90.8 million of BOX revenue in FNM/22. Volumes on BOX were up 38% from FNM/21 to FNM/22 (444.7 million contracts traded in FNM/22 versus 321.5 million contracts traded in FNM/21). BOX market share in equity options was 6% in FNM/22, up 1% from 5% in FNM/21.

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

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

Global Solutions, Insights and Analytics

(in millions of dollars)	FNM/22	FNM/21	\$ increase	% increase
Trayport	\$116.6	\$111.7	\$4.9	4%
TMX Datalinx including Co-location	149.9	143.8	6.1	4%
	\$266.5	\$255.5	\$11.0	4%

The increase in *Global Solutions, Insights and Analytics (GSIA)* revenue in FNM/22 compared with FNM/21 was driven by increased revenue from Trayport as well as higher revenue from data feeds and co-location, impact of 2022 price adjustments and a favourable impact from a Canadian dollar relative to a stronger U.S. dollar, partially offset by a decreases in usage based quotes and an unfavourable impact from dollar relative to a weaker GBP.

Trayport

The following table summarizes the average number of Trayport subscribers (excluding VisoTech and Tradesignal) over the last eight quarters⁶⁰:

	Q3/22	Q2/22	Q1/22	Q4/21	Q3/21	Q2/21	Q1/21	Q4/20
Trader Subscribers	6,607	6,413	6,366	6,135	5,677	5,483	5,392	5,259
Total Subscribers	27,355	27,460	27,782	27,473	26,620	26,196	25,889	25,259
Revenue (in millions of CAD)	\$37.4	\$38.5	\$40.7	\$38.9	\$37.9	\$36.5	\$37.3	\$35.3
Average CAD-GBP FX rate	1.53	1.59	1.67	1.71	1.72	1.71	1.75	1.73
Revenue (in millions of GBP)	£24.4	£24.2	£24.3	£22.7	£22.0	£21.3	£21.3	£20.4

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 4% from FNM/21 to FNM/22. In GBP, revenue from Trayport, was £72.9 million (based on CAD-GBP FX rate of 1.60) in FNM/22 up 13% over FNM/21. The increase in Trayport revenue from FNM/21 to FNM/22 was primarily driven by a 17% increase in traders subscribers, annual price adjustments, and one-time consultancy revenue for development services of £0.4 million, which was partially offset by an unfavourable FX impact of \$9.2 million due to a weaker GBP compared to CAD. Approximately \$1.6 million (£1.0 million, based on CAD-GBP FX rate of 1.60) of revenue related to Tradesignal (acquired June 1, 2021) was included in FNM/22 versus approximately \$1.3 million (£0.8 million, based on CAD-GBP FX rate of 1.69) in FNM/21.

⁶⁰ Previous amounts have been restated based on current data.

TMX Datalinx including Co-location

Revenue from TMX Datalinx including Co-location increased by 4% from FNM/21 to FNM/22. There were higher revenues related to increases in data feeds, co-location, and impact of 2022 price adjustments partially offset by decreases in revenue from usage based quotes in FNM/22 compared with FNM/21. There was a favourable impact of approximately \$1.9 million from Canadian dollar relative to a stronger U.S. dollar in FNM/22 compared with FNM/21.

- The average number of professional market data subscriptions for TSX and TSXV products was down 2% in FNM/22 compared to FNM/21 (103,957 professional market data subscriptions in FNM/22 compared with 105,669 in FNM/21.)
- The average number of MX professional market data subscriptions increased 4% from FNM/21 to FNM/22 (20,309 MX professional market data subscriptions in FNM/22 compared with 19,483 in FNM/21).

Other

(in millions of dollars)	FNM/22	FNM/21	\$ increase	% increase
	\$3.7	0.1	\$3.6	3,600%

The increase in *Other* revenue reflected higher net foreign exchange gains on net monetary assets in FNM/22 compared with FNM/21.

Operating expenses

(in millions of dollars)	FNM/22	FNM/21	\$ increase	% increase
Compensation and benefits	\$205.1	\$185.5	\$19.6	11%
Information and trading systems	64.6	45.2	19.4	43%
Selling, general and administration	82.8	58.5	24.3	42%
Depreciation and amortization	84.8	64.1	20.7	32%
	\$437.3	\$353.3	\$84.0	24%

Operating expenses in FNM/22 were \$437.3 million, up \$84.0 million or 24%, from \$353.3 million in FNM/21. The increase reflected approximately \$68.8 million of expenses included in FNM/22 related to BOX (consolidated January 3, 2022), AST Canada (acquired August 12, 2021), and Tradesignal (acquired June 1, 2021) from FNM/21 to FNM/22, of which approximately \$13.5 million related to amortization of acquired intangibles for AST Canada, BOX and Tradesignal, \$1.8 million related to AST Canada's TSA, and \$9.0 million related to AST Canada integration costs. There were increased headcount and payroll costs, increased costs related to our long term employee performance incentive plan of approximately \$3.4 million, and increased expenses for travel and entertainment. In addition, there were higher expenses in FNM/22 due to the release of a provision for restoration costs for our data centre in FNM/21.

Partially offsetting these increases was lower short term employee performance incentive plan costs of approximately \$10.0 million, lower severance, and lower acquisition related costs of \$1.8 million. Excluding expenses from BOX, AST Canada, and Tradesignal, operating expenses increased 4% in FNM/22 compared with FNM/21.

Compensation and benefits

(in millions of dollars)	FNM/22	FNM/21	\$ increase	% increase
	\$205.1	\$185.5	\$19.6	11%

- The increase in *Compensation and benefits* expenses reflected approximately \$17.4 million in the nine months ended September 30, 2022 related to BOX, AST Canada and Tradesignal, including integration costs related to AST Canada of \$1.2 million. There were higher headcount and payroll costs, including merit increases, and higher long term employee performance incentive plan costs of approximately \$3.2 million. These increases were somewhat offset by lower short term employee performance incentive plan costs of approximately \$10.0 million as well as lower severance costs, and lower acquisition related costs of \$0.5 million in FNM/22 compared to FNM/21.
- There were 1,659 TMX Group employees at September 30, 2022 (excluding BOX) versus 1,549 employees at September 30, 2021 reflecting an increase in headcount attributable to investing in the various growth areas of our business.

Information and trading systems

(in millions of dollars)	FNM/22	FNM/21	\$ increase	% increase
	\$64.6	\$45.2	\$19.4	43%

- The increase in *Information and trading systems* expenses from FNM/21 to FNM/22 reflected higher expenses related to BOX, AST Canada, and Tradesignal of \$13.0 million, including \$1.2 million related to AST Canada's TSA, and integration costs related to AST Canada of approximately \$1.3 million. There were also increased software license and maintenance costs, higher technology professional services, as well as increased costs for cloud services.

Selling, general and administration

(in millions of dollars)	FNM/22	FNM/21	\$ increase	% increase
	\$82.8	\$58.5	\$24.3	42%

- Selling, general and administration* expenses increased by \$24.3 million in FNM/22 compared with FNM/21 primarily due to \$17.9 million of costs related to BOX, AST Canada and Tradesignal, including \$0.6 million related to AST Canada's TSA and integration costs of approximately \$3.8 million. There were higher expenses in FNM/22 due to the release of a provision for restoration costs for our data centre in FNM/21 and higher travel and entertainment and marketing expenses in FNM/22 compared with FNM/21. Partially offsetting these increases were lower legal fees and lower acquisition related expenses of \$1.4 million.

Depreciation and amortization

(in millions of dollars)	FNM/22	FNM/21	\$ increase	% increase
	\$84.8	\$64.1	\$20.7	32%

- There were higher *Depreciation and amortization* costs reflecting approximately \$20.5 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), including \$2.8 million integration costs related to AST Canada. These increases included \$13.5 million related to the amortization of intangibles for AST Canada, BOX, and Tradesignal and \$2.8 million integration costs related to AST Canada.
- The *Depreciation and amortization* costs in FNM/22 of \$84.8 million included \$43.2 million, net of NCI, related to amortization of intangible assets related to acquisitions (57 cents per basic and diluted share).
- The *Depreciation and amortization* costs in FNM/21 of \$64.1 million included \$36.5 million related to amortization of intangible assets related to acquisitions (52 cents per basic and diluted share).

Additional Information

Share of (loss) income from equity accounted investees

(in millions of dollars)	FNM/22	FNM/21	\$ (decrease)	% (decrease)
	\$(0.8)	\$18.4	\$(19.2)	(104)%

- In FNM/22, our share of (loss) income from equity accounted investees decreased by \$19.2 million primarily due to a change in accounting relating to BOX (consolidated January 3, 2022) and CanDeal⁶¹. For FNM/22, our share of (loss) income from equity accounted investees includes CanDeal⁶¹, ETFLogic and Ventriks compared with FNM/21, which included BOX and CanDeal⁶¹.

Other income

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

- In FNM/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)	FNM/22	FNM/21	\$ (decrease)	% (decrease)
	\$25.3	\$27.1	\$(1.8)	(7)%

- The decrease in net finance costs for FNM/22 compared to FNM/21 reflected lower net interest expense largely due to higher finance income resulting from higher interest rates, somewhat offset by higher costs relating to the Series F Debentures issued February 2021.

⁶¹ 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 (%)	
FNM/22	FNM/21	FNM/22	FNM/21
\$85.7	\$115.7	15%	32%

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

- In FNM/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).
- In FNM/22, we recognized a deferred tax asset relating to historical tax losses not previously recognized for VisoTech, resulting in a corresponding decrease in income tax expense of \$0.9 million.
- In FNM/22, Pennsylvania and Nebraska announced future reductions in income tax rates, which decreased the deferred income tax liabilities, resulting in a corresponding decrease in income tax expense.
- In FNM/21, the previously announced increase in the U.K. corporate income tax rate from 19% to 25%, effective April 1, 2023, was substantively enacted. This rate change increased net deferred income tax liabilities, resulting in a corresponding increase in income tax expense of \$19.8 million.

Net income attributable to non-controlling interests

(in millions of dollars)	FNM/22	FNM/21	\$ increase
	\$30.8	—	\$30.8

- 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 September 30, 2022	as at December 31, 2021	\$ increase
	\$3,886.9	\$3,706.1	\$180.8

- As at September 30, 2022, there were 55,616,406 common shares issued and outstanding and 824,557 options outstanding under the share option plan.
- As at October 24, 2022, there were 55,617,006 common shares issued and outstanding and 823,362 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 \$440.5 million, proceeds received on the exercise of options of \$20.7 million, less dividend payments to shareholders of TMX Group of \$138.9 million. In addition, 555,000 of our common shares were repurchased in FNM/22 under a normal course issuer bid for \$73.7 million.

Segments

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

FNM/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	\$ 199.7	\$ 175.0	\$ 197.6	\$ 266.5	\$ 3.7	\$ 842.5
Inter-segment revenue	0.2	1.5	—	0.2	(1.9)	—
Total revenue	199.9	176.5	197.6	266.7	1.8	842.5
Income (loss) from operations	83.2	87.3	115.0	171.8	(52.1)	405.2

FNM/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	\$ 190.5	\$ 177.9	\$ 104.3	\$ 255.5	\$ 0.1	\$ 728.3
Inter-segment revenue	0.2	1.5	—	0.2	(1.9)	—
Total revenue	190.7	179.4	104.3	255.7	(1.8)	728.3
Income (loss) from operations	114.6	94.5	47.9	165.0	(47.0)	375.0

Income (loss) from operations

The decrease in *Income from operations* from *Capital Formation* primarily reflected higher operating expenses in FNM/22 compared with FNM/21 from the inclusion of AST Canada, including approximately \$9.0 million in integration costs and \$1.8 million in TSA fees related to AST Canada. The higher operating expenses were partially offset by higher revenue, including \$27.4 million related to AST Canada, and higher *sustaining listing fees*, somewhat offset by lower revenue from *additional listing fees* in FNM/22 compared with FNM/21.

The decrease in *Income from operations* from *Equities and Fixed Income Trading and Clearing* in FNM/22 compared with FNM/21 was driven by higher operating expenses and lower revenue due to lower equity volumes partially offset by higher fixed income trading, a favourable product mix in equity trading, and the impact of April 2022 price changes on continuous trading for securities with price per share less than \$1.

The increase in *Income from operations* from *Derivatives Trading and Clearing* primarily reflected higher revenue in FNM/22 compared with FNM/21 including \$90.8 million from BOX (consolidated January 2022), and increased revenue from CDCC, partially offset by lower MX revenue. The MX & CDCC revenue in FNM/22 reflected a one-time reduction related to the Five-Year Government of Canada Bond Futures (CGF) market making termination fees, and a retroactive client billing credit, amounting to approximately \$3.9 million. The increases were partially offset by higher operating expenses in FNM/22 compared with FNM/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 trader subscribers, partially offset by \$9.2 million of FX due to lower GBP versus CAD in FNM/22 compared with FNM/21. Within TMX Datalinx including co-location, there were higher revenues related to increases in data feeds, co-location, impact of 2022 price adjustments and a favourable FX impact of approximately \$1.9 million from Canadian dollar relative to a stronger U.S. dollar, partially offset by decreases in usage based quotes revenue in FNM/22 compared with FNM/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 FNM/22 compared to FNM/21 reflecting higher amortization of purchased intangibles related to BOX and AST Canada, and increased project-related fees in FNM/22 compared with FNM/21, partially offset by lower amount of unallocated expenses. Lastly there was a decrease in FNM/21 expenses related to the release of a provision for restoration costs for our data centre.

LIQUIDITY AND CAPITAL RESOURCES

Summary of Cash Flows

Q3/22 compared with Q3/21

(in millions of dollars)	Q3/22	Q3/21	\$ increase / (decrease) in cash
Cash flows from operating activities	\$112.5	\$117.7	\$(5.2)
Cash flows from (used in) financing activities	(56.5)	(52.1)	(4.4)
Cash flows from (used in) investing activities	(12.6)	(155.6)	143.0

- In Q3/22, *Cash flows from operating activities* decreased compared with Q3/21. There was a decrease in cash from trade and other receivables, and prepaid expenses as well as an increase in income taxes paid. The decreases in cash were partially offset by higher income from operations (excluding depreciation and amortization).
- In Q3/22, *Cash flows used in financing activities* were higher than in Q3/21 reflecting a decrease in cash related to net credit and liquidity facilities drawn. There was also a decrease in cash due to an increase in interest paid and dividends paid to equity holders as well as a decrease in proceeds from exercised options. The decreases in cash were largely offset by a decrease in cash used to repurchase shares under our normal course issuer bid program of \$18.3 million.
- In Q3/22, *Cash flows used in investing activities* were lower than in Q3/21 due to a cash outflow in Q3/21 related to the acquisition of AST Canada, net of cash acquired, of \$131.6 million in Q3/21. In addition, there was a decrease in the net purchase of marketable securities and in additions to premises and equipment and intangible assets.

FNM/22 compared with FNM/21

(in millions of dollars)	FNM/22	FNM/21	\$ increase / (decrease) in cash
Cash flows from operating activities	\$343.2	\$338.4	\$4.8
Cash flows from (used in) financing activities	(234.8)	(106.3)	(128.5)
Cash flows from (used in) investing activities	27.2	(193.2)	220.4

- In FNM/22, *Cash flows from operating activities* increased slightly compared with FNM/21 reflecting higher income from operations (excluding depreciation and amortization) and an increase in cash related to 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 FNM/22, *Cash flows used in financing activities* were higher than in FNM/21. This decrease in cash was driven by an increase in dividends paid to non-controlling interests of \$25.5 million, an increase in dividends paid to equity holders of \$13.1 million, an increase in share repurchases under our normal course issuer bid program of \$7.9 million as well as increased interest paid in FNM/22. In addition, we received proceeds from the issuance of our Series F Debentures of \$250.0 million in FNM/21. These decreases in cash were partially offset by a decrease in net repayments of Commercial Paper of \$160.0 million, an increase in cash related to net credit and liquidity facilities drawn of \$10.2 million, and an increase in proceeds from exercised options of \$5.7 million.

- In FNM/22, there were *cash flows from investing activities* of \$27.2 million compared with *cash flows used in investing activities* of \$193.2 million in FNM/21. This was largely attributable to net cash inflows relating to acquisition of subsidiaries, net of cash acquired, of \$213.3 million and an increase in cash of \$19.1 million from the decrease in purchases of marketable securities in FNM/22 compared with FNM/21. Partially offsetting this increase was an increase in cash used in the acquisition of an equity accounted investment of \$11.2 million and a decrease in cash related to dividends received of \$5.7 million.

Summary of Cash Position and Other Matters⁶²

Cash, Cash Equivalents and Marketable Securities

(in millions of dollars)	As at September 30, 2022	As at December 31, 2021	\$ increase
Cash and cash equivalents	\$401.0	\$264.3	\$136.7
Marketable securities	\$79.8	\$77.3	\$2.5
Cash, cash equivalents and marketable securities	\$480.8	\$341.6	\$139.2

We had \$480.8 million of cash, cash equivalents and marketable securities as at September 30, 2022. There was an increase in cash, cash equivalents and marketable securities primarily reflecting cash flows from operating activities of \$343.2 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 \$17.4 million, and proceeds from exercised options of \$20.7 million. Offsetting these increases in cash and cash equivalents were cash outflows for dividends to our shareholders of \$138.9 million, cash outflows for dividends to non-controlling interests of \$25.5 million, repurchases of our shares under a normal course issuer bid of \$73.7 million, additions to premises and equipment and intangible assets of \$36.6 million, cash outflows relating to the acquisition of equity accounted investment of \$11.2 million, repayment of lease liabilities of \$7.2 million, and interest paid, net of interest received of \$25.0 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 September 30, 2022, there was no Commercial Paper outstanding.

⁶² 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.

Total Assets

(in millions of dollars)	As at September 30, 2022	As at December 31, 2021	\$ (decrease)
	\$62,482.0	\$63,199.4	(\$717.4)

- Our consolidated balance sheet as at September 30, 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 \$717.4 million from December 31, 2021 reflected lower collateral balances in CDS at September 30, 2022, partially offset by the increased CDCC clearing margin deposit and REPO balances, as well as the inclusion of BOX assets.

Debentures, Credit and Liquidity Facilities

Debentures

As of September 30, 2022, TMX Group had the following Debentures outstanding:

(in millions of dollars)	As at September 30, 2022	As at December 31, 2021	\$ increase
Series B - Non-Current Debentures	\$249.9	\$249.8	\$0.1
Series D - Non-Current Debentures	\$299.4	\$299.3	\$0.1
Series E - Non-Current Debentures	\$199.3	\$199.2	\$0.1
Series F - Non-Current Debentures	\$248.9	\$248.8	\$0.1
	\$997.5	\$997.1	\$0.4

For additional information on the Debentures, please see discussion under the heading "**Ratings Upgrade by DBRS Morningstar**" in the **Initiatives AND Accomplishments** section of the Q3/22 MD&A, and **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 September 30, 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 September 30, 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 September 30, 2022, CDCC had drawn \$19.4 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\$1,500.0 million, or Canadian dollar equivalent, that can be drawn in either United States (US) or Canadian currency. On September 27, 2022, CDS Clearing increased this liquidity facility to the current amount (previously US\$720.0 million). The maturity date remains 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 September 30, 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)	Sep 30 2022	Jun 30 2022	Mar 31 2022	Dec 31 2021	Sep 30 2021	Jun 30 2021	Mar 31 2021	Dec 31 2020
Capital Formation	\$62.5	\$73.3	\$63.9	\$67.2	\$60.2	\$69.2	\$61.1	\$50.6
Equities and Fixed Income Trading	28.2	31.6	34.7	29.4	25.9	29.4	40.9	30.6
Equities and fixed Income - clearing, settlement, depository and other services (CDS)	25.8	27.3	27.4	28.6	26.0	27.9	27.8	25.7
Derivatives Trading & Clearing	62.0	64.1	71.5	38.2	32.9	33.9	37.5	30.8
Global Solutions, Insights and Analytics	88.0	88.8	89.7	89.1	85.9	84.6	85.0	82.6
Other	2.8	1.0	(0.1)	(0.1)	0.4	—	(0.3)	(0.8)
Revenue	269.3	286.1	287.1	252.4	231.3	245.0	252.0	219.5
Operating expenses	144.2	147.8	145.3	136.2	121.9	112.1	119.3	113.4
Income from operations	125.1	138.3	141.8	116.2	109.4	132.9	132.7	106.1
Net income attributable to equity holders of TMX Group	81.0	92.1	267.4	87.9	76.9	77.3	96.4	71.8
Earnings per share								
Basic	1.46	1.65	4.78	1.57	1.37	1.38	1.71	1.27
Diluted	1.45	1.64	4.75	1.56	1.36	1.37	1.70	1.26

Q3/22 compared with Q2/22

- Revenue was \$269.3 million in Q3/22, down \$16.8 million from Q2/22 reflecting lower *Capital Formation revenue, which was primarily due to lower additional listing fee revenue and Other issuer services revenue, Equities and Fixed Income Trading & Clearing, Derivatives Trading & Clearing* revenue excluding BOX, which was primarily driven by a reduction in revenue related to Five-Year Government of Canada Bond Futures (CGF) market making termination fees and a retroactive client billing credit, and lower Global Solutions, Insights and Analytics revenue due to continued decline in GBP compared to CAD. This was partially offset by higher BOX volumes from Q2/22 to Q3/22.
- Operating expenses in Q3/22 were \$144.2 million, down \$3.6 million or 2% from \$147.8 million in Q2/22. The decrease in costs included a decrease of \$1.4 million related to AST Canada integration, and \$0.6 million in AST Canada TSA costs in Q3/22 compared with Q2/22. There were also decreases in revenue related expenses, director fees and consulting. These were partially offset by increases in headcount and payroll costs, technology spending, and legal fees.
- Income from operations decreased from Q2/22 to Q3/22 due to lower revenue, partially offset by lower operating expenses.

- *Net income attributable to equity holders of TMX Group* in Q3/22 was \$81.0 million, or \$1.46 per common share on a basic and \$1.45 on a diluted basis, compared with \$92.1 million, or \$1.65 per common share on a basic and \$1.64 on a diluted basis for Q2/22. The decrease in *net income attributable to equity holders of TMX Group* and earnings per share was driven by lower *income from operations* in Q3/22 compared with Q2/22. In addition, there were decreases in income tax expense of \$0.7 million and \$0.9 million relating to income tax rate changes of Pennsylvania and Nebraska in Q3/22 and historical tax losses in VisoTech not previously recognized in Q2/22 respectively.

Q2/22 compared with Q1/22

- *Revenue* was \$286.1 million in Q2/22, down \$1.0 million from Q1/22 reflecting lower *Equities and Fixed Income Trading*, and *Derivatives Trading & Clearing* revenue, which was primarily driven by lower BOX volumes. This was mostly offset by higher *Capital Formation* revenue, driven by higher Other issuer services revenue and additional listing fee revenue from Q1/22 to Q2/22.
- *Operating expenses* in Q2/22 were \$147.8 million, up \$2.5 million or 2% from \$145.3 million in Q1/22. The increase in costs included an increase of \$3.7 million related to AST Canada integration in Q2/22 compared with Q1/22. There were also increases in technology spending, director fees, travel and performance incentives. These were partially offset by lower salaries and payroll taxes of \$3.2 million, lower legal fees and termination allowances.
- *Income from operations* decreased from Q1/22 to Q2/22 due to lower revenue and higher operating expenses.
- *Net income attributable to equity holders of TMX Group* in Q2/22 was \$92.1 million, or \$1.65 per common share on a basic and \$1.64 on a diluted basis, compared with net income of \$267.4 million, or \$4.78 per common share on a basic and \$4.75 on a diluted basis for Q1/22. The decrease 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 lower *income from operations* in Q2/22 compared with Q1/22. In addition, there was a decrease in income tax expense of \$0.9 million in Q2/22 relating to historical tax losses in VisoTech not previously recognized.

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 significant 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 September 30, 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 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	September 30, 2022	December 31, 2021
Assets			
Current Assets:			
Cash and cash equivalents		\$ 401.0	\$ 264.3
Restricted cash and cash equivalents		212.1	180.0
Marketable securities		79.8	77.3
Trade and other receivables		152.6	132.6
Balances of Participants and Clearing Members		55,925.9	57,113.5
Other current assets		39.8	32.6
Total Current Assets		56,811.2	57,800.3
Non-Current Assets:			
Goodwill and intangible assets		5,452.2	5,156.9
Right-of-use assets		83.2	84.3
Deferred income tax assets		20.7	24.7
Other non-current assets	9	114.7	133.2
Total Non-Current Assets		5,670.8	5,399.1
Total Assets		\$ 62,482.0	\$ 63,199.4
Liabilities and Equity			
Current Liabilities:			
Trade and other payables		\$ 122.6	\$ 152.8
Participants' tax withholdings		212.1	180.0
Balances of Participants and Clearing Members		55,925.9	57,113.5
Credit and liquidity facilities drawn	7	19.4	2.0
Other current liabilities		81.8	70.7
Total Current Liabilities		56,361.8	57,519.0
Non-Current Liabilities:			
Debt	7	997.5	997.1
Lease liabilities		89.7	88.3
Deferred income tax liabilities		875.3	844.9
Other non-current liabilities		49.2	44.0
Total Non-Current Liabilities		2,011.7	1,974.3
Total Liabilities		58,373.5	59,493.3
Equity:			
Share capital		2,825.2	2,875.8
Contributed surplus		10.9	11.8
Retained earnings		1,130.4	817.1
Accumulated other comprehensive (loss) income		(79.6)	1.4
Total Equity attributable to equity holders of the Company		3,886.9	3,706.1
Non-controlling interests	2	221.6	—
Total Equity		4,108.5	3,706.1
Total Liabilities and Equity		\$ 62,482.0	\$ 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)**(Unaudited)*

		For the three months ended September 30		For the nine months ended September 30	
	Note	2022	2021	2022	2021
Revenue	3	\$ 269.3	\$ 231.3	\$ 842.5	\$ 728.3
REPO and collateral interest:					
Interest income		262.2	11.1	397.1	32.8
Interest expense		(262.2)	(11.1)	(397.1)	(32.8)
Net REPO and collateral interest		—	—	—	—
Total revenue		269.3	231.3	842.5	728.3
Compensation and benefits		67.4	63.4	205.1	185.5
Information and trading systems		23.0	14.7	64.6	45.2
Selling, general and administration		24.9	21.4	82.8	58.5
Depreciation and amortization		28.9	22.4	84.8	64.1
Total operating expenses		144.2	121.9	437.3	353.3
Income from operations		125.1	109.4	405.2	375.0
Share of (loss) income from equity accounted investees	9	(0.4)	4.1	(0.8)	18.4
Other income	2	—	—	177.9	—
Net finance costs		(7.7)	(9.2)	(25.3)	(27.1)
Income before income tax expense		117.0	104.3	557.0	366.3
Income tax expense	6	25.4	27.4	85.7	115.7
Net income		\$ 91.6	\$ 76.9	\$ 471.3	\$ 250.6
Net income attributable to:					
Equity holders of the Company		\$ 81.0	\$ 76.9	\$ 440.5	\$ 250.6
Non-controlling interests	2	10.6	—	30.8	—
		\$ 91.6	\$ 76.9	\$ 471.3	\$ 250.6
Earnings per share (attributable to equity holders of the Company):					
Basic	5	\$ 1.46	\$ 1.37	\$ 7.90	\$ 4.46
Diluted	5	\$ 1.45	\$ 1.36	\$ 7.86	\$ 4.43

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 September 30		For the nine months ended September 30	
	Note	2022	2021	2022	2021
Net income		\$ 91.6	\$ 76.9	\$ 471.3	\$ 250.6
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)		—	—	11.7	8.1
Total items that will not be reclassified to the consolidated income statements		—	—	11.7	8.1
Items that may be reclassified subsequently to the consolidated income statements:					
Unrealized gain (loss) on translating financial statements of foreign operations		20.6	(2.1)	(64.1)	(19.5)
Total items that may be reclassified subsequently to the consolidated income statements		20.6	(2.1)	(64.1)	(19.5)
Total comprehensive income		\$ 112.2	\$ 74.8	\$ 418.9	\$ 239.2
Total comprehensive income attributable to:					
Equity holders of the Company		\$ 86.3	\$ 74.8	\$ 371.2	\$ 239.2
Non-controlling interests	2	25.9	—	47.7	—
		\$ 112.2	\$ 74.8	\$ 418.9	\$ 239.2

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 nine months ended September 30, 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	—	—	—	—	—	199.4	199.4
Net income		—	—	—	440.5	440.5	30.8	471.3
Other comprehensive (loss) income:								
Unrealized (loss) income on translating financial statements of foreign operations		—	—	(81.0)	—	(81.0)	16.9	(64.1)
Actuarial gain on defined benefit pension and other post-retirement benefit plans, net of taxes		—	—	—	11.7	11.7	—	11.7
Total comprehensive (loss) income		—	—	(81.0)	452.2	371.2	47.7	418.9
Dividends to equity holders	10	—	—	—	(138.9)	(138.9)	—	(138.9)
Dividends to non-controlling interests	2	—	—	—	—	—	(25.5)	(25.5)
Proceeds from exercised share options		20.7	—	—	—	20.7	—	20.7
Cost of exercised share options		2.4	(2.4)	—	—	—	—	—
Cost of share option plan		—	1.5	—	—	1.5	—	1.5
Shares repurchased under normal course issuer bid	10	(73.7)	—	—	—	(73.7)	—	(73.7)
Balance at September 30, 2022		\$2,825.2	\$ 10.9	\$ (79.6)	\$ 1,130.4	\$ 3,886.9	\$ 221.6	\$4,108.5

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 nine months ended September 30, 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		—	—	—	250.6	250.6
Other comprehensive income (loss):						
Unrealized loss on translating financial statements of foreign operations		—	—	(19.5)	—	(19.5)
Actuarial gain on defined benefit pension and other post-retirement benefit plans, net of taxes		—	—	—	8.1	8.1
Total comprehensive income (loss)		—	—	(19.5)	258.7	239.2
Dividends to equity holders	10	—	—	—	(125.8)	(125.8)
Proceeds from exercised share options		15.0	—	—	—	15.0
Cost of exercised share options		1.5	(1.5)	—	—	—
Cost of share option plan		—	1.5	—	—	1.5
Shares repurchased under normal course issuer bid	10	(65.8)	—	—	—	(65.8)
Balance at September 30, 2021		\$ 2,894.3	\$ 11.1	\$ 1.1	\$ 769.1	\$ 3,675.6

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 September 30		For the nine months ended September 30	
(Unaudited)	Note	2022	2021	2022	2021
Cash flows from (used in) operating activities:					
Income before income taxes		\$ 117.0	\$ 104.3	\$ 557.0	\$ 366.3
Adjustments to determine net cash flows:					
Depreciation and amortization		28.9	22.4	84.8	64.1
Net finance costs		7.7	9.2	25.3	27.1
Other income	2	—	—	(177.9)	—
Share of loss (income) from equity accounted investees		0.4	(4.1)	0.8	(18.4)
Cost of share option plan		0.5	0.5	1.5	1.5
Unrealized foreign exchange gain		(1.9)	(0.2)	(2.4)	(0.3)
Changes in:					
Trade and other receivables, and prepaid expenses		9.3	33.8	(6.4)	(5.2)
Trade and other payables		3.1	(2.8)	(57.2)	(23.2)
Provisions		0.1	—	2.3	(0.2)
Deferred revenue		(23.6)	(22.1)	14.9	29.9
Other assets and liabilities		1.3	2.0	7.6	(14.3)
Income taxes paid		(30.3)	(25.3)	(107.1)	(88.9)
		112.5	117.7	343.2	338.4
Cash flows from (used in) financing activities:					
Interest paid		(9.1)	(3.6)	(27.6)	(19.5)
Repayment of lease liabilities		(2.5)	(2.0)	(7.2)	(6.1)
Proceeds from exercised options		1.4	3.8	20.7	15.0
Shares repurchased under normal course issuer bid	10	—	(18.3)	(73.7)	(65.8)
Dividends paid to equity holders	10	(46.2)	(43.1)	(138.9)	(125.8)
Dividend paid to non-controlling interests	2	—	—	(25.5)	—
Proceeds from issuance of debentures	7	—	—	—	250.0
Credit facility and debt financing fees	7	—	—	—	(1.3)
Net movement of Commercial Paper	7	—	—	—	(160.0)
Credit and liquidity facilities drawn, net	7	(0.1)	11.1	17.4	7.2
		(56.5)	(52.1)	(234.8)	(106.3)
Cash flows from (used in) investing activities:					
Interest received		1.6	0.5	2.6	1.1
Dividends received		—	—	—	5.7
Additions to premises and equipment and intangible assets		(11.6)	(15.7)	(36.6)	(40.0)
Acquisition of subsidiaries, net of cash acquired	2	—	(131.6)	74.9	(138.4)
Acquisition of equity accounted investment	9	—	—	(11.2)	—
Marketable securities, net		(2.6)	(8.8)	(2.5)	(21.6)
		(12.6)	(155.6)	27.2	(193.2)
Increase (decrease) in cash and cash equivalents					
Cash and cash equivalents, beginning of the period		355.4	350.5	264.3	222.1
Unrealized foreign exchange loss (gain) on cash and cash equivalents held in foreign currencies		2.2	—	1.1	(0.5)
Cash and cash equivalents, end of the period		\$ 401.0	\$ 260.5	\$ 401.0	\$ 260.5

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 September 30, 2022 and December 31, 2021, and for the three and nine months ended September 30, 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 significant 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 October 26, 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		199.4
Total consideration	\$	407.0
Identifiable assets acquired and liabilities assumed:		
Cash and cash equivalents	\$	77.5
Trade and other receivables		12.7
Intangible assets		318.0
Goodwill		69.4
Deferred tax liabilities		(45.1)
Other assets and liabilities, net		(25.5)
Fair value of net assets acquired	\$	407.0

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	\$ 25.3	\$ (9.6)	\$ 321.8	24 years
Technology	5.3	0.4	(1.5)	4.2	1-5 years
Trade name	6.6	0.6	—	7.2	Indefinite
Total	\$ 318.0	\$ 26.3	\$ (11.1)	\$ 333.2	

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

As at (and for the nine-month period then ended)	September 30, 2022
Current assets	\$ 108.1
Non-current assets	344.2
Current liabilities	(16.6)
Non-current liabilities	(5.9)
Net assets (100%)	\$ 429.8
Net assets attributable to NCI (52.11%) §	224.0
Revenue	\$ 90.8
Net income	\$ 51.9
Other comprehensive income	32.4
Total comprehensive income (100%)	\$ 84.3
Net income attributable to NCI (52.11%)	27.0
Other comprehensive income attributable to NCI (52.11%)	16.9
Cash flows from operating activities	\$ 46.5
Cash flows used in financing activities (dividends to NCI: \$25.5)	(44.9)
Cash flows used in investing activities	(4.0)
Net decrease in cash and cash equivalents	\$ (2.4)

§ The difference with the NCI of \$221.6 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 and nine months ended September 30, 2022, the Company did not incur any acquisition and related costs (three and nine months ended September 30, 2021 - \$1.0 and \$2.1, respectively, included in 'compensation and benefits' and 'selling, general and administration' in the consolidated income statements).

As part of the AST Canada integration, the acquired AST Canada leased premises will be abandoned throughout 2022. Consequently, right-of-use and other related assets recognized at the acquisition of AST Canada have been accelerated for depreciation in accordance with the abandonment plan. Provisions for onerous contracts and decommissioning costs have also been recognized. During the three and nine months ended September 30, 2022, the Company recognized depreciation and amortization expenses of \$2.0 and \$2.6 and selling, general and administration expenses of nil and \$2.1, respectively, as part of the abandonment plan.

(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 allocation, 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	\$ (0.4)	\$ (0.3)	\$ 4.6	22 years
Technology	0.7	(0.1)	(0.2)	0.4	5 years
Trade name	0.6	—	—	0.6	Indefinite
Total	\$ 6.6	\$ (0.5)	\$ (0.5)	\$ 5.6	

During the three and nine months ended September 30, 2022, the Company did not incur any acquisition and related costs (three and nine months ended September 30, 2021 - nil and \$0.2, respectively, 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 September 30		For the nine months ended September 30	
Global Solutions, Insights & Analytics	2022	2021	2022	2021
Trayport	\$ 37.4	\$ 37.9	\$ 116.6	\$ 111.7
TMX Datalinx including Co-location	50.6	48.0	149.9	143.8
	88.0	85.9	266.5	255.5
Capital Formation				
Initial listing fees	4.1	6.1	15.0	15.4
Additional listing fees	17.6	21.4	62.9	84.0
Sustaining fees	20.3	19.6	60.7	57.7
Other issuer services	20.5	13.1	61.1	33.4
	62.5	60.2	199.7	190.5
Derivatives Trading & Clearing				
Derivatives Trading & Clearing (excluding BOX)	31.5	32.9	106.8	104.3
BOX	30.5	—	90.8	—
	62.0	32.9	197.6	104.3
Equities and Fixed Income Trading & Clearing				
Equities and fixed income trading	28.2	25.9	94.5	96.2
Equities and fixed income clearing, settlement, depository and other services (CDS)	25.8	26.0	80.5	81.7
	54.0	51.9	175.0	177.9
Other	2.8	0.4	3.7	0.1
Total Revenue	\$ 269.3	\$ 231.3	\$ 842.5	\$ 728.3

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							September 30, 2022
	Global Solutions Insights & Analytics	Capital Formation	Derivatives Trading & Clearing	Equities and Fixed Income Trading & Clearing	Other		Total
Revenue (external)	\$ 88.0	\$ 62.5	\$ 62.0	\$ 54.0	\$ 2.8	\$	269.3
Inter-segment revenue	0.1	0.1	—	0.5	(0.7)		—
Total revenue	\$ 88.1	\$ 62.6	\$ 62.0	\$ 54.5	\$ 2.1	\$	269.3
Income (loss) from operations	\$ 55.5	\$ 25.1	\$ 34.5	\$ 25.0	\$ (15.0)	\$	125.1
Selected items:							
Depreciation and amortization	\$ 2.6	\$ 2.2	\$ 1.5	—	\$ 22.6	\$	28.9

For the three months ended							September 30, 2021
	Global Solutions Insights & Analytics	Capital Formation	Derivatives Trading & Clearing	Fixed Income Trading & Clearing	Other		Total
Revenue (external)	\$ 85.9	\$ 60.2	\$ 32.9	\$ 51.9	\$ 0.4	\$	231.3
Inter-segment revenue	0.1	0.1	—	0.5	(0.7)		—
Total revenue	\$ 86.0	\$ 60.3	\$ 32.9	\$ 52.4	\$ (0.3)	\$	231.3
Income (loss) from operations	\$ 56.9	\$ 32.6	\$ 16.3	\$ 26.3	\$ (22.7)	\$	109.4
Selected items:							
Depreciation and amortization	\$ 2.4	\$ 1.2	\$ 0.4	\$ 0.1	\$ 18.3	\$	22.4

For the nine months ended

September 30, 2022

	Global Solutions Insights & Analytics	Capital Formation	Derivatives Trading & Clearing	Equities and Fixed Income Trading & Clearing	Other	Total
Revenue (external)	\$ 266.5	\$ 199.7	\$ 197.6	\$ 175.0	\$ 3.7	\$ 842.5
Inter-segment revenue	0.2	0.2	—	1.5	(1.9)	—
Total revenue	\$ 266.7	\$ 199.9	\$ 197.6	\$ 176.5	\$ 1.8	\$ 842.5
Income (loss) from operations	\$ 171.8	\$ 83.2	\$ 115.0	\$ 87.3	\$ (52.1)	\$ 405.2
Selected items:						
Depreciation and amortization	\$ 7.8	\$ 4.4	\$ 4.3	\$ 0.1	\$ 68.2	\$ 84.8

For the nine months ended

September 30, 2021

	Global Solutions Insights & Analytics	Capital Formation	Derivatives Trading & Clearing	Equities and Fixed Income Trading & Clearing	Other	Total
Revenue (external)	\$ 255.5	\$ 190.5	\$ 104.3	\$ 177.9	\$ 0.1	\$ 728.3
Inter-segment revenue	0.2	0.2	—	1.5	(1.9)	—
Total revenue	\$ 255.7	\$ 190.7	\$ 104.3	\$ 179.4	\$ (1.8)	\$ 728.3
Income (loss) from operations	\$ 165.0	\$ 114.6	\$ 47.9	\$ 94.5	\$ (47.0)	\$ 375.0
Selected items:						
Depreciation and amortization	\$ 7.2	\$ 1.3	\$ 1.1	\$ 0.3	\$ 54.2	\$ 64.1

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	September 30, 2022	September 30, 2021
Net income attributable to the equity holders of the Company	\$ 81.0	\$ 76.9
Weighted average number of common shares outstanding – basic	55,608,536	56,011,348
Effect of dilutive share options	214,603	375,208
Weighted average number of common shares outstanding – diluted	55,823,139	56,386,556
Basic earnings per share	\$ 1.46	\$ 1.37
Diluted earnings per share	\$ 1.45	\$ 1.36

For the nine months ended	September 30, 2022	September 30, 2021
Net income attributable to the equity holders of the Company	\$ 440.5	\$ 250.6
Weighted average number of common shares outstanding – basic	55,779,045	56,148,192
Effect of dilutive share options	259,006	388,098
Weighted average number of common shares outstanding – diluted	56,038,051	56,536,290
Basic earnings per share	\$ 7.90	\$ 4.46
Diluted earnings per share	\$ 7.86	\$ 4.43

NOTE 6 – INCOME TAXES

Current and deferred income taxes receivable and payable are measured based on income tax rates that are enacted or substantively enacted at the reporting date in the countries where the Company operates.

The Company's effective tax rate for the three and nine months ended September 30, 2022 was 22% and 15% respectively (three and nine months ended September 30, 2021 - 26% and 32%). The Company's effective tax rates were impacted by the following factors in the periods.

The revaluation of our interest in BOX upon acquisition of voting control (effective January 3, 2022) resulted in a non-taxable gain, which reduced the effective tax rate for the nine months ended September 30, 2022.

On May 24, 2021, the UK corporate income tax rate increase from 19% to 25% (effective April 1, 2023) was substantively enacted. Net deferred income tax liabilities were increased by \$19.8 as a result, with a corresponding increase in deferred income tax expense of nil and \$19.8 for the three and nine months ended September 30, 2021, respectively.

NOTE 7 – DEBT, CREDIT AND LIQUIDITY FACILITIES

(A) DEBT

The Company has the following debt outstanding at:

				September 30, 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	\$ 249.9	\$ 249.8
Series D Debentures	2.997%	December 11, 2024	300.0	299.4	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	248.9	248.8
Debentures				997.5	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				997.5	997.1
Less: current portion of debt				—	—
Non-current debt				\$ 997.5	\$ 997.1

(i) Debentures

During the three and nine months ended September 30, 2022, the Company recognized interest expense on its Series B, Series D, Series E and Series F debentures of \$2.9, \$2.3, \$1.9 and \$1.3 and \$8.5, \$6.9, \$5.7 and \$3.9 respectively (three and nine months ended September 30, 2021 – \$2.9, \$2.3, \$1.9 and \$1.3 and \$8.4, \$7.2, \$5.8 and \$3.3, respectively).

The debentures have received a rating of AA (low) with Stable trend from DBRS Morningstar ("DBRS").

(ii) Commercial paper

During the three and nine months ended September 30, 2022, the Company issued Commercial Paper with a cumulative amount of \$nil and \$300.0, respectively at interest rates ranging from 0.26% to 1.59% (three and nine months ended September 30, 2021 – \$560.0 and \$912.0, respectively at interest rates ranging from 0.17% to 0.24%). During the same period, the Company repaid Commercial Paper with a cumulative amount of \$nil and \$300.0, respectively at interest rates ranging from 0.26% to 1.59% (three and nine months ended September 30, 2021 – \$560.0 and \$1,072.0, respectively at interest rates ranging from 0.17% to 0.25%).

The Commercial Paper received a rating of R-1 (middle) with Stable trend from DBRS.

(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 (September 30, 2022 – nil); and (ii) inter-company notes payable outstanding to CDS Clearing, CDCC, CDS Limited and Shorcan Brokers Limited (September 30, 2022 – 40.4).

(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	September 30, 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\$1,500.0	—	—
CDCC syndicated revolving standby liquidity facility	—	February 24, 2023	\$ 100.0	19.4	2.0
CDCC syndicated REPO facility	—	February 24, 2023	\$ 33,312.0	—	—
Total credit and liquidity facilities drawn				\$ 19.4	\$ 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\$1,500.0 (increased from US\$720.0 effective September 27, 2022), 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 September 30, 2022, CDCC had drawn \$19.4 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.

	Debt	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	—	17.4	(9.6)	7.8
Other (non-cash)	0.4	—	11.9	12.3
Balance at September 30, 2022	\$ 997.5	\$ 19.4	\$ 99.9	\$ 1,116.8

NOTE 8 – FINANCIAL INSTRUMENTS

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

	September 30, 2022		December 31, 2021	
	Carrying amount	Fair value	Carrying amount	Fair value
Assets at fair value through profit or loss				
Marketable securities	\$ 79.8	\$ 79.8	\$ 77.3	\$ 77.3
Total return swaps	0.2	0.2	—	—
	80.0	80.0	77.3	77.3
Assets at fair value through other comprehensive income				
Investment in CanDeal (Note 9b)	5.5	5.5	—	—
	5.5	5.5	—	—
Assets at amortized cost				
Cash and cash equivalents	401.0	401.0	264.3	264.3
Restricted cash and cash equivalents	212.1	212.1	180.0	180.0
Trade and other receivables	152.6	152.6	132.6	132.6
Clearing Members cash collateral	8,992.0	8,992.0	5,537.2	5,537.2
Balances of Clearing Members	42,308.6	42,308.6	40,407.5	40,407.5
Balances of Participants	4,625.3	4,625.3	11,168.8	11,168.8
	56,691.6	56,691.6	57,690.4	57,690.4
Liabilities at fair value through profit or loss				
Total return swaps	(0.1)	(0.1)	(0.4)	(0.4)
	(0.1)	(0.1)	(0.4)	(0.4)
Liabilities at amortized cost				
Other trade and other payables	(76.7)	(76.7)	(89.4)	(89.4)
Accrued interest payable	(5.8)	(5.8)	(5.7)	(5.7)
Participants' tax withholdings	(212.1)	(212.1)	(180.0)	(180.0)
Clearing Members cash collateral	(8,992.0)	(8,992.0)	(5,537.2)	(5,537.2)
Balances of Clearing Members	(42,308.6)	(42,308.6)	(40,407.5)	(40,407.5)
Balances of Participants	(4,625.3)	(4,625.3)	(11,168.8)	(11,168.8)
Credit and liquidity facilities drawn	(19.4)	(19.4)	(2.0)	(2.0)
Debentures	(997.5)	(927.8)	(997.1)	(1,033.1)
	\$ (57,237.4)	\$ (57,167.7)	\$ (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				September 30, 2022	
Asset/(Liability)	Level 1	Level 2	Level 3	Total	
Marketable securities	\$ 79.8	\$ —	\$ —	\$ 79.8	
Total return swaps, net	—	0.1	—	0.1	
Investment in CanDeal (Note 9b)	—	—	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, net	—	(0.4)	—	(0.4)	

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

NOTE 9 – 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 10 – 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 the NCIB in the period are as follows:

For the three months ended	September 30, 2022			September 30, 2021		
	Number of shares repurchased	Average price	Total paid	Number of shares repurchased	Average price	Total paid
NCIB 2020	— \$	— \$	—	— \$	— \$	—
NCIB 2021	— \$	— \$	—	140,000 \$	130.67 \$	18.3
NCIB 2022	— \$	— \$	—	— \$	— \$	—
Total	—	\$	—	140,000	\$	18.3

For the nine months ended	September 30, 2022			September 30, 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	— \$	— \$	—	420,000 \$	130.48 \$	54.8
NCIB 2022	555,000 \$	132.75 \$	73.7	— \$	— \$	—
Total	555,000	\$	73.7	506,600	\$	65.8

(B) DIVIDENDS

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

For the nine months ended	September 30, 2022		September 30, 2021	
	Dividend per share	Total paid	Dividend per share	Total paid
Dividend paid in March	\$ 0.83	\$ 46.4	\$ 0.70	\$ 39.4
Dividend paid in June	\$ 0.83	\$ 46.3	\$ 0.77	\$ 43.3
Dividend paid in September	\$ 0.83	\$ 46.2	\$ 0.77	\$ 43.1
Total dividends paid	\$	138.9	\$	125.8

On October 26, 2022, the Company's Board of Directors declared a dividend of 83 cents per share. This dividend will be paid on November 24, 2022 to shareholders of record on November 10, 2022 and is estimated to amount to \$46.2.

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 November 24, 2022 to shareholders of record at the close of business on November 10, 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 Q3 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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