



TMX Group Limited Reports Results for Fourth Quarter and Full Year 2021

- Revenue of \$252.4 million, up 15% from \$219.5 million in Q4/20
- Diluted earnings per share of \$1.56, up 24% from \$1.26 in Q4/20
- Adjusted diluted earnings per share¹ of \$1.77, up 24% over \$1.43 in Q4/20
- Cash flows from operating activities of \$103.0 million, up 2% from \$100.6 million in Q4/20
- Increased quarterly dividend by 6 cents per common share, up 8% to 83 cents per common share

February 7, 2022 (TORONTO) – TMX Group Limited [TSX:X] (“TMX Group”) today announced results for the full year and fourth quarter ended December 31, 2021.

Commenting on 2021 and the company's outlook, John McKenzie, Chief Executive Officer of TMX Group, said:

“TMX’s excellent 2021 results, highlighted by double digit revenue and earnings per share growth, reflect an extraordinary year for clients raising capital on our markets and strength across our business model. Year-over-year growth was driven by increased revenue from Capital Formation, Derivatives Trading and Clearing, and Trayport. We are extremely proud of the efforts of our people in driving TMX's success, and thankful for their exemplary efforts in serving our clients and industry stakeholders through all market conditions. As we move forward in 2022, TMX is focused on building our great markets even stronger, innovating and adapting to meet the evolving needs of the marketplace, and accelerating our global growth strategy.”

Commenting on TMX Group's performance in the fourth quarter of 2021, David Arnold, Chief Financial Officer of TMX Group, said:

“We were pleased to deliver very strong financial results this past quarter with revenue growth of 15% and organic revenue growth of 11%². While Equities and Fixed Income Trading revenue was down slightly, we delivered solid growth in each of our other businesses led by Capital Formation, which also reflected the benefit from the AST Canada acquisition. With the mid-teens revenue growth, we were able to report 24% growth in diluted earnings per share and adjusted diluted earnings per share. Given our continued strong performance, our Board increased the quarterly dividend by 8% to 83 cents per common share, consistent with our targeted payout range.”

¹ Adjusted diluted earnings per share is a non-GAAP ratio, see discussion under the heading "Non-GAAP Measures".

² Organic revenue excludes acquisitions (\$8.6 million for AST Canada and \$0.8 million for Tradesignal) from Total revenue.

RESULTS OF OPERATIONS

Non-GAAP Measures

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

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

We present adjusted earnings per share, adjusted diluted earnings per share, and adjusted net income to indicate ongoing financial performance from period to period, exclusive of a number of adjustments as outlined under the heading "Adjusted Net Income and Adjusted Earnings Per Share Reconciliation for Q4/21 and Q4/20" and "Adjusted Net Income and Adjusted Earnings Per Share Reconciliation for 2021 and 2020".

Quarter ended December 31, 2021 (Q4/21) Compared with Quarter ended December 31, 2020 (Q4/20)

The information below reflects the financial statements of TMX Group for Q4/21 compared with Q4/20.

(in millions of dollars, except per share amounts)	Q4/21	Q4/20	\$ increase	% increase
Revenue	\$252.4	\$219.5	\$32.9	15%
Operating expenses	136.2	113.4	22.8	20%
Income from operations	116.2	106.1	10.1	10%
Net income	87.9	71.8	16.1	22%
Adjusted net income ³	99.0	81.3	17.7	22%
Earnings per share				
Basic	1.57	1.27	0.30	24%
Diluted	1.56	1.26	0.30	24%
Adjusted Earnings per share ⁴				
Basic	1.77	1.44	0.33	23%
Diluted	1.77	1.43	0.34	24%
Cash flows from operating activities	103.0	100.6	2.4	2%

³ Adjusted net income is a non-GAAP measure, see discussion under the heading "Non-GAAP Measures".

⁴ Adjusted earnings per share is a non-GAAP ratio, see discussion under the heading "Non-GAAP Measures".

Net Income and Earnings per Share

Net income in Q4/21 was \$87.9 million, or \$1.57 per common share on a basic and \$1.56 on a diluted basis, compared with a net income of \$71.8 million, or \$1.27 per common share on a basic and \$1.26 on a diluted basis for Q4/20. The increase in net income and earnings per share from Q4/20 to Q4/21 was largely driven by an increase in revenue partially offset by an increase in operating expenses. In Q4/21, there were integration costs related to AST Canada (acquired August 12, 2021) of approximately \$2.8 million (4 cents per basic and diluted share), and acquisition and related costs of \$1.0 million (2 cents per basic and diluted share). These decreases to net income were partially offset by \$0.4 million of acquisition and related costs in Q4/20, and an increase in our share of income from BOX from Q4/20 to Q4/21. In Q4/21, there was also a \$3.9 million reduction to income tax expenses related to TMX Atrium Wireless (sold April 2017), including a \$2.9 million (5 cents per basic and diluted share) reversal of a write-off from 2017. The increase in earnings per share was also partially attributable to a decrease in the number of weighted average common shares outstanding from Q4/20 to Q4/21.

Adjusted Net Income⁵ and Adjusted Earnings per Share⁶ Reconciliation for Q4/21 and Q4/20

The following are reconciliations of net income to adjusted net income; and earnings per share to adjusted earnings per share ; the adjustments include:

1. The amortization expenses of intangible assets in Q4/20 and Q4/21 related to the Maple transaction (TSX, TSXV, MX, CDS, Alpha, Shorcan), TSX Trust, Trayport (including Visotech and Tradesignal), and AST Canada; and is a component of *Depreciation and amortization expenses*.
2. An adjustment to deferred income tax liabilities in Q4/21 relating to a change in the U.K. corporate income tax rate effective April 1, 2023. The increase in deferred income tax liabilities of \$19.8 million in Q2/21 was reduced by \$0.2 million in Q4/21 following updated information. This adjustment in deferred income tax liabilities is included in *Income tax expense*, see *Additional Information - Income tax expense and effective tax rate* for more details.
3. Acquisition and related costs in Q4/20 associated with acquiring AST Canada, and Q4/21 associated with acquiring AST Canada and Tradesignal. These costs are included in *Selling general, and administration and Compensation and benefits*.
4. Integration costs related to integrating the AST Canada acquisition in Q4/21. These costs are included in *Selling, general and administration and Compensation and benefits*.
5. A reversal of a write-off of deferred income tax assets in 2017 related to TMX Atrium Wireless (sold April 2017) in Q4/21. This increase in deferred income tax assets is included in *Income tax expense*, see *Additional Information - Income tax expense and effective tax rate* for more details.
6. A reduction in commodity tax provision of \$0.2 million in Q4/20, and is included in *Selling general and administration*.

⁵ Adjusted net income is a non-GAAP measure, see discussion under the heading "Non-GAAP Measures".

⁶ Adjusted earnings per share is a non-GAAP ratio, see discussion under the heading "Non-GAAP Measures".

(in millions of dollars) (unaudited)	Pre-tax		Tax		After-tax			
	Q4/21	Q4/20	Q4/21	Q4/20	Q4/21	Q4/20	\$ increase / (decrease)	% increase / (decrease)
Net income					\$87.9	\$71.8	\$16.1	22%
Adjustments related to:								
Amortization of intangibles related to acquisitions	13.4	11.9	2.2	2.5	11.2	9.4	1.8	19%
Adjustment to deferred income tax liabilities relating to a change in the future U.K. tax rate	—	—	0.2	—	(0.2)	—	(0.2)	n/a
Acquisition and related costs ⁷	1.0	0.4	—	0.1	1.0	0.3	0.7	233%
Integration costs ⁸	2.8	—	0.8	—	2.0	—	2.0	n/a
Reversal of a previous write- off of deferred income tax assets ⁹	—	—	2.9	—	(2.9)	—	(2.9)	n/a
Reduction in commodity tax provision	—	(0.2)	—	—	—	(0.2)	0.2	(100)%
Adjusted net income ¹⁰					\$99.0	\$81.3	\$17.7	22%

Adjusted net income increased by 22% from \$81.3 million in Q4/20 to \$99.0 million in Q4/21 largely driven by higher revenue partially offset by higher operating expenses. There was also an increase in our share of income from BOX partially offset by higher net finance costs.

⁷ Includes costs related to the acquisitions of AST Canada (acquired August 12, 2021), and Tradesignal (acquired June 1, 2021) in Q4/20 and Q4/21. See *Initiatives and Accomplishments - Capital Formation - AST Canada transaction* and *Initiatives and Accomplishments - GSIA - Tradesignal transaction* in the 2021 Annual MD&A for more details.

⁸ Includes costs related to the integration of AST Canada (acquired August 12, 2021). See *Initiatives and Accomplishments - Capital Formation - AST Canada transaction* in the 2021 Annual MD&A for more details.

⁹ Related to TMX Atrium Wireless (sold April 2017).

¹⁰ Adjusted net income is a non-GAAP measure, see discussion under the heading "Non-GAAP Measures".

(unaudited)	Q4/21		Q4/20	
	Basic	Diluted	Basic	Diluted
Earnings per share	\$1.57	\$1.56	\$1.27	\$1.26
Adjustments related to:				
Amortization of intangibles related to acquisitions	0.20	0.20	0.17	0.17
Acquisition and related costs ¹¹	0.02	0.02	—	—
Integration costs ¹²	0.04	0.04	—	—
Reversal of a previous write-off of deferred income tax assets ¹³	(0.05)	(0.05)	—	—
Reduction in commodity tax provision	—	—	—	—
Adjusted earnings per share ¹⁴	\$1.78	\$1.77	\$1.44	\$1.43
Weighted average number of common shares outstanding	55,950,887	56,293,788	56,481,774	56,945,696

Adjusted diluted earnings per share increased by 23% from \$1.43 in Q4/20 to \$1.77 in Q4/21 largely driven by higher revenue partially offset by higher operating expenses. The increase in adjusted earnings per share was also partially attributable to an increase in our share of income from BOX, and a decrease in the number of weighted average common shares outstanding from Q4/20 to Q4/21.

¹¹ Includes costs related to the acquisitions of AST Canada (acquired August 12, 2021), and Tradesignal (acquired June 1, 2021) in Q4/20 and Q4/21. See *Initiatives and Accomplishments - Capital Formation - AST Canada transaction* and *Initiatives and Accomplishments - GSIA - Tradesignal transaction* in the 2021 Annual MD&A for more details.

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

¹³ Related to TMX Atrium Wireless (sold April 2017).

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

Revenue

(in millions of dollars)	Q4/21	Q4/20	\$ increase	% increase
Capital Formation	\$67.2	\$50.6	\$16.6	33%
Equities and Fixed Income Trading and Clearing	58.0	56.3	1.7	3%
Derivatives Trading and Clearing	38.2	30.8	7.4	24%
Global Solutions, Insights and Analytics	89.1	82.6	6.5	8%
Other	(0.1)	(0.8)	0.7	88%
	\$252.4	\$219.5	\$32.9	15%

Revenue was \$252.4 million in Q4/21, up \$32.9 million or 15% from \$219.5 million in Q4/20 attributable to increases in revenue from *Capital Formation*, *CDS*, *Derivatives Trading and Clearing*, *Global Solutions, Insights and Analytics*, and *Other* partially offset by a decrease in *Equities and Fixed Income Trading*. Revenue for Q4/21 included approximately \$8.6 million related to AST Canada (acquired August 12, 2021) and approximately \$0.8 million related to Tradesignal (acquired June 1, 2021). Revenue excluding AST Canada and Tradesignal increased by 11% from Q4/20 to Q4/21.

Capital Formation

(in millions of dollars)	Q4/21	Q4/20	\$ increase	% increase
Initial listing fees	\$6.3	\$2.8	\$3.5	125%
Additional listing fees	24.2	22.6	1.6	7%
Sustaining listing fees	19.3	17.5	1.8	10%
Other issuer services	17.4	7.7	9.7	126%
	\$67.2	\$50.6	\$16.6	33%

- *Initial listing fees* in Q4/21 increased from Q4/20 primarily due to an increase in the amount of deferred *initial listing fee* revenue recognized in Q4/21 compared with Q4/20 on TSX and TSXV. We recognized *initial listing fees* received in 2020 and 2021 of \$6.0 million in Q4/21 compared with *initial listing fees* received in 2019 and 2020 of \$2.5 million in Q4/20.
- Based on *initial listing fees* billed in 2020 and 2021, the following amounts have been deferred to be recognized in Q1/22, Q2/22, Q3/22 and Q4/22: \$5.0 million, \$3.3 million, \$1.8 million and \$0.5 million respectively. Total *initial listing fees* revenue for future quarters will also depend on listing activity in those quarters.
- *Additional listing fees* in Q4/21 increased compared to Q4/20 reflecting an increase in *additional listing fee* revenue from Q4/20 to Q4/21 due to increases in both the total number of financings and total financing dollars raised on TSX and TSXV. There was an increase in *additional listing fee* revenue on TSX reflecting a 52% increase in the number

of transactions billed at the maximum listing fee of \$250,000, partially offset by a 6% decrease in the number of transactions billed below the maximum fee from Q4/20 to Q4/21.

- Issuers listed on TSX and TSXV pay annual sustaining listing fees primarily based on their market capitalization at the end of the prior calendar year, subject to minimum and maximum fees. There was an increase in *sustaining listing fees* on both TSX and TSXV from Q4/20 to Q4/21 reflecting an increase in the market capitalization of issuers at December 31, 2020 compared with December 31, 2019.
- *Other issuer services* revenue in Q4/21 increased compared to Q4/20, and included approximately \$8.6 million of revenue related to AST Canada (acquired August 12, 2021). Excluding AST Canada, *Other issuer services* revenue increased 14% primarily due to higher revenue from TSX Trust related to higher transfer agency and corporate trust revenues.

Equities and Fixed Income Trading and Clearing

(in millions of dollars)	Q4/21	Q4/20	\$ increase / (decrease)	% increase / (decrease)
Equities and fixed income trading	\$29.4	\$30.6	(\$1.2)	(4)%
Equities and fixed income clearing, settlement, depository and other services (CDS)	28.6	25.7	2.9	11%
	\$58.0	\$56.3	\$1.7	3%

- *CDS* revenue increased from Q4/20 to Q4/21. There was higher depository, event management fee, international as well as clearing and settlement revenue in Q4/21 compared with Q4/20. The increases in revenue were partially offset by higher rebates and lower network fees.
- There was a decrease in *Equities and Fixed Income Trading* revenue in Q4/21 compared with Q4/20 driven by lower volumes on TSX, TSXV and Alpha. The impact from the lower volumes was somewhat offset by higher yields in Q4/21 compared with Q4/20. There was also a decrease in *Fixed Income Trading* revenue reflecting decreased activity in swaps.
- The overall volume of securities traded on our equities marketplaces decreased by 9% (41.4 billion securities in Q4/21 versus 45.7 billion securities in Q4/20). There were decreases in volumes of 6% on TSX, 17% on TSXV, and 6% on Alpha in Q4/21 compared with Q4/20.
- Excluding intentional crosses, for TSX and TSXV listed issues, our combined domestic equities trading market share was approximately 65% in Q4/21, down 2% from approximately 67% in Q4/20. 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 55% in Q4/21, down 1% from approximately 56% in Q4/20.

Derivatives Trading and Clearing

(in millions of dollars)	Q4/21	Q4/20	\$ increase	% increase
	\$38.2	\$30.8	\$7.4	24%

- There was an increase in Derivatives Trading and Clearing revenue from Q4/20 to Q4/21 driven by higher volumes on MX. The impact from the higher volumes was somewhat offset by lower revenue per contract traded in Q4/21 compared with Q4/20.
- While volumes increased 46% on MX (40.9 million contracts traded in Q4/21 versus 28.0 million contracts traded in Q4/20), there was lower revenue per contract reflecting changes in client mix and product mix. In Q4/21, there was an increase in high volume traders which resulted in lower revenue per contract. In addition, the volume increase was partially driven by contracts with lower yields, including single stock futures which made up 15% of total volumes in Q4/21, compared with 7% in Q4/20.

Global Solutions, Insights and Analytics

(in millions of dollars)	Q4/21	Q4/20	\$ increase	% increase
Trayport	\$38.9	\$35.3	\$3.6	10%
GSIA (excluding Trayport)	50.2	47.3	\$2.9	6%
	\$89.1	\$82.6	\$6.5	8%

The increase in *Global Solutions, Insights and Analytics (GSIA)* revenue in Q4/21 compared with Q4/20 was primarily driven by increased revenue from Trayport (including Tradesignal) and higher usage based quotes, partially offset by unfavorable impacts from a stronger Canadian dollar relative to the U.S. dollar and to the British Pound Sterling (GBP).

Trayport

The following table summarizes the average number of Trayport subscribers (excluding VisoTech and Tradesignal) over the last eight quarters¹⁵:

	Q4/21	Q3/21	Q2/21	Q1/21	Q4/20	Q3/20	Q2/20	Q1/20
Trader Subscribers	6,135	5,677	5,483	5,392	5,259	5,150	4,999	5,192
Total Subscribers	27,473	26,620	26,196	25,889	25,259	24,662	24,277	24,712
Revenue (in millions of CAD)	\$38.9	\$37.9	\$36.5	\$37.3	\$35.3	\$34.2	\$33.5	\$33.7
Average CAD-GBP FX rate	1.71	1.72	1.71	1.77	1.73	1.74	1.70	1.74
Revenue (in millions of GBP)	£22.7	£22.0	£21.3	£21.1	£20.4	£19.6	£19.7	£19.4

¹⁵ Previous amounts have been restated based on current data.

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 10% from Q4/20 to Q4/21. In GBP, revenue from Trayport was £22.7 million (based on CAD-GBP FX rate of 1.71) in Q4/21, up 11% over Q4/20. The increase in Trayport revenue was driven by a 17% increase in Trader Subscribers and 9% growth in Total subscribers in Q4/21 compared with Q4/20. In addition, Q4/21 included approximately \$0.8 million (£0.5 million, based on CAD-GBP FX rate of 1.70) of revenue related to Tradesignal (acquired June 1, 2021).

GSIA (excluding Trayport)

Revenue from GSIA (excluding Trayport) increased by 6% from Q4/20 to Q4/21. There were higher revenues related to increased usage based quotes, subscriptions, co-location, feeds, and benchmarks and indices. The higher revenue was partially offset by an unfavourable impact of approximately \$0.7 million from a stronger Canadian dollar relative to the U.S. dollar in Q4/21 compared with Q4/20.

- The average number of professional market data subscriptions for TSX and TSXV products was up 7% in Q4/21 compared with Q4/20 (108,038 professional market data subscriptions in Q4/21 compared with 101,052 in Q4/20).
- The average number of MX professional market data subscriptions was up 7% in Q4/21 from Q4/20 (20,090 MX professional market data subscriptions in Q4/21 compared with 18,746 in Q4/20).

Other

(in millions of dollars)	Q4/21	Q4/20	\$ increase	% increase
	\$(0.1)	\$(0.8)	\$0.7	88%

- The increase in *Other* revenue reflected lower net foreign exchange losses on net monetary assets in Q4/21 compared with Q4/20.

Operating expenses

(in millions of dollars)	Q4/21	Q4/20	\$ increase	% increase
Compensation and benefits	\$68.0	\$58.2	\$9.8	17%
Information and trading systems	19.4	17.7	1.7	10%
Selling, general and administration	25.8	16.9	8.9	53%
Depreciation and amortization	23.0	20.6	2.4	12%
	\$136.2	\$113.4	\$22.8	20%

Operating expenses in Q4/21 were \$136.2 million, up \$22.8 million or 20%, from \$113.4 million in Q4/20. There were approximately \$13.3 million of expenses included in Q4/21 related to AST Canada (acquired August 12, 2021), including \$1.5 million related to amortization of acquired intangibles (2 cents per basic and diluted share), \$1.3 million related to the transitional services agreement (TSA) with AST, acquisition and related costs of \$0.9 million (2 cents per basic and diluted share), as well as integration costs of \$2.8 million (4 cents per basic and diluted share). The increase in costs was also attributable to higher headcount and payroll costs, increased short term employee incentive plan costs, higher legal costs, as well as increased recoverable expenses in Q4/21 compared with Q4/20. These increases were partially offset by lower severance costs of \$2.0 million, lower long term employee performance incentive plan costs of \$0.9 million, and acquisition and related costs related to AST Canada in Q4/20 of \$0.4 million.

Compensation and benefits

(in millions of dollars)	Q4/21	Q4/20	\$ increase	% increase
	\$68.0	\$58.2	\$9.8	17%

- *Compensation and benefits* costs increased in Q4/21 reflecting higher headcount and payroll costs including merit increases, increased short term employee incentive plan costs of approximately \$1.3 million, as well as approximately \$3.4 million included in Q4/21 related to AST Canada (acquired August 12, 2021). In addition, we incurred integration costs related to AST Canada of \$1.6 million. These increases were somewhat offset by lower severance costs of approximately \$2.0 million and lower long term employee performance incentive plan costs of approximately \$0.9 million.
- There were 1,576 TMX Group employees at December 31, 2021 versus 1,383 employees at December 31, 2020 reflecting an increase in headcount attributable to investing in the various growth areas of our business. The headcount in Q4/21, includes approximately 150 employees for AST Canada (acquired August 12, 2021) and approximately 15 employees for Tradesignal (acquired June 1, 2021).

Information and trading systems

(in millions of dollars)	Q4/21	Q4/20	\$ increase	% increase
	\$19.4	\$17.7	\$1.7	10%

- The increase in *Information and trading systems* expenses from Q4/20 to Q4/21 was primarily attributable to approximately \$2.0 million included in Q4/21 related to AST Canada (acquired August 12, 2021), including \$0.6 million related to the TSA and integration costs of \$0.4 million.

Selling, general and administration

(in millions of dollars)	Q4/21	Q4/20	\$ increase	% increase
	\$25.8	\$16.9	\$8.9	53%

- *Selling, general and administration* expenses increased in Q4/21 compared with Q4/20 attributable to higher legal costs, recoverable expenses, travel and entertainment costs, and increased marketing expenses in Q4/21 compared with Q4/20. There were also approximately \$5.0 million of *selling, general and administration* expenses included in Q4/21 related to AST Canada (acquired August 12, 2021), including \$0.7 million related to the TSA, acquisition and related costs of approximately \$0.9 million, as well as integration costs of \$0.8 million
- These increases in *Selling, general and administration* expenses were partially offset by acquisition and related costs related to AST Canada in Q4/20 of \$0.4 million.

Depreciation and amortization

(in millions of dollars)	Q4/21	Q4/20	\$ increase	% increase
	\$23.0	\$20.6	\$2.4	12%

- There were higher *Depreciation and amortization* costs reflecting increased amortization related to AST Canada (acquired August 12, 2021) of approximately \$1.3 million, as well as Tradesignal (acquired June 1, 2021).
- The *Depreciation and amortization* costs in Q4/21 of \$23.0 million included \$13.4 million related to amortization of intangibles related to acquisitions (20 cents per basic and diluted share).
- The *Depreciation and amortization* costs in Q4/20 of \$20.6 million included \$11.9 million related to amortization of intangibles related to acquisitions (17 cents per basic and diluted share).

Additional Information

Share of (income) loss from equity accounted investees

(in millions of dollars)	Q4/21	Q4/20	\$ increase	% increase
	\$5.8	\$(0.9)	\$6.7	744%

- The increase in our share of income from equity accounted investees of \$6.7 million primarily reflected an increase in our share of income from BOX reflecting higher revenues driven by a 113% increase in volumes from Q4/20 to Q4/21, partially offset by unfavorable impacts from a stronger Canadian dollar relative to the U.S dollar. In Q4/20, we recognized a loss from our share of BOX driven by an increase in our share of long term employee performance incentive plan costs for the full year of 2020.

Net finance costs

(in millions of dollars)	Q4/21	Q4/20	\$ increase	% increase
	\$9.0	\$8.0	\$1.0	13%

- The increase in net finance costs from Q4/20 to Q4/21 largely reflected higher interest expense largely related to the Series F Debentures issued in Q1/21.

Income tax expense and effective tax rate

Income Tax Expense (in millions of dollars)		Effective Tax Rate (%)	
Q4/21	Q4/20	Q4/21	Q4/20
\$25.1	\$25.4	22%	26%

Excluding adjustments, primarily related to items noted below, the effective tax rate would have been approximately 26% for Q4/21 and Q4/20.

- In Q4/21, there was a \$3.9 million increase in our deferred income tax assets, which reduced income tax expense, primarily relating to the carryforward of net operating losses related to TMX Atrium Wireless (sold April 2017) that were not previously recognized. This increase included a reversal of a \$2.9 million (5 cents per basic and diluted share) write off of deferred income tax assets in 2017. In Q1/17, we adjusted our basic and diluted earnings per share for this item. As of Q4/21, we expect these net operating losses to now be fully recoverable.

Summary of Cash Flows

Q4/21 compared with Q4/20

(in millions of dollars)	Q4/21	Q4/20	\$ increase / (decrease) in cash
Cash flows from operating activities	\$103.0	\$100.6	\$2.4
Cash flows used in financing activities	(88.5)	(123.9)	35.4
Cash flows used in investing activities	(10.7)	(30.1)	19.4

- In Q4/21, *Cash flows from operating activities* increased compared with Q4/20 reflecting higher income from operations (excluding depreciation and amortization). This increase was partially offset by decreases in cash related to trade and other receivables, and prepaid expenses, and higher income taxes paid.
- In Q4/21, *Cash flows used in financing activities* increased compared with Q4/20 reflecting decreased cash used for shares repurchased under normal course issuer bid of \$23.5 million and a lower net draw under credit and liquidity facilities of \$8.2 million.
- In Q4/21, *Cash flows used in investing activities* decreased compared with Q4/20 reflecting decreased cash used for additions to premises and equipment and intangible assets of \$11.5 million, and cash used for the net purchase of marketable securities in Q4/20 compared with net sales in Q4/21.

Year ended December 31, 2021 (2021) Compared with Year ended December 31, 2020 (2020)

The information below reflects the financial statements of TMX Group for 2021 compared with 2020.

(in millions of dollars, except per share amounts)	2021	2020	\$ increase	% increase
Revenue	\$980.7	\$865.1	\$115.6	13%
Operating expenses	489.5	449.2	40.3	9%
Income from operations	491.2	415.9	75.3	18%
Net income	338.5	279.7	58.8	21%
Adjusted net income ¹⁶	401.2	334.9	66.3	20%
Earnings per share				
Basic	6.03	4.96	1.07	22%
Diluted	5.99	4.91	1.08	22%
Adjusted Earnings per share ¹⁷				
Basic	7.14	5.93	1.21	20%
Diluted	7.10	5.88	1.22	21%
Cash flows from operating activities	441.4	412.2	29.2	7%

Net Income and Earnings per Share

Net income in 2021 was \$338.5 million, or \$6.03 per common share on a basic and \$5.99 per common share on a diluted basis, compared with a net income of \$279.7 million, or \$4.96 per common share on a basic and \$4.91 on a diluted basis, for 2020. The increase in net income reflected an increase in income from operations of \$75.3 million. The increase in income from operations from 2020 to 2021 was driven by an increase in revenue of \$115.6 million, which included \$13.7 million related to AST Canada (acquired August 12, 2021), slightly offset by an increase in operating expenses of \$40.3 million. The increase in operating expenses included approximately \$21.9 million of expenses included in 2021 related to AST Canada, including \$2.0 million related to amortization of acquired intangibles (3 cents per basic and diluted share), \$2.0 million related to the TSA, acquisition and related costs of \$3.1 million (5 cents per basic and diluted share), as well as integration costs of \$3.4 million (4 cents per basic and diluted share). In 2021, we also incurred a \$19.6 million (35 cents per basic and diluted share) increase in income tax expenses relating to the previously announced increase in the U.K. corporate income tax rate.

These increases in operating expenses were somewhat offset by \$12.4 million (16 cents per basic and diluted share) of net litigation settlement costs in 2020. We also incurred \$1.7 million (3 cents per basic and diluted share) in acquisition and related costs related to AST Canada in 2020. In 2021, there was a \$3.9 million reduction to income tax expenses related to TMX Atrium Wireless (sold April 2017), including a \$2.9 million (5 cents per basic and diluted share) reversal of a deferred tax asset write-off from 2017. There was also an increase in our share of income from BOX partially offset by

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

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

higher net finance cost. The increase in earnings per share was also partially attributable to a decrease in the number of weighted average common shares outstanding from 2020 to 2021.

Adjusted Net Income¹⁸ and Adjusted Earnings per Share¹⁹ Reconciliation for 2021 and 2020

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

1. The amortization expenses of intangible assets in 2020 and 2021 related to the Maple transaction (TSX, TSXV, MX, Alpha, CDS, Shorcan), TSX Trust, Trayport (including Visotech and Tradesignal), and AST Canada; and is a component of *Depreciation and amortization expenses*.
2. An increase in deferred income tax liabilities in 2020 and 2021 relating to a change in the U.K. corporate income tax rate effective April 1, 2023. This increase in deferred income tax liabilities is included in *Income tax expense*, see *Additional Information - Income tax expense and effective tax rate* for more details.
3. Acquisition and related costs in 2020 associated with acquiring AST Canada, and 2021 associated with acquiring AST Canada and Tradesignal. These costs are included in *Selling general, and administration and Compensation and benefits*.
4. Integration costs related to integrating the AST Canada acquisition in 2021. These costs are included in *Selling, general and administration and Compensation and benefits*.
5. A reduction in commodity tax provision of \$1.5 million in 2020, and is included in *Selling general and administration*.
6. A net litigation settlement cost of \$12.4 million incurred in 2020, and is included in *Selling general and administration*.
7. A reversal of a \$2.9 million write-off of deferred income tax assets in 2017 related to TMX Atrium Wireless (sold April 2017) in 2021. This increase in deferred income tax assets is included in *Income tax expense*, see *Additional Information - Income tax expense and effective tax rate* for more details.

¹⁸ Adjusted net income is a non-GAAP measure, see discussion under the heading "Non-GAAP Measures".

¹⁹ Adjusted earnings per share is a non-GAAP ratio, see discussion under the heading "Non-GAAP Measures".

(in millions of dollars) (unaudited)	Pre-tax		Tax		After-tax			
	2021	2020	2021	2020	2021	2020	\$ increase / (decrease)	% increase / (decrease)
Net income					\$338.5	\$279.7	\$58.8	21%
Adjustments related to:								
Amortization of intangibles related to acquisitions	49.9	47.4	9.4	9.3	40.5	38.1	2.4	6%
Increase in deferred income tax liabilities relating to a change in the future U.K. tax rate	—	—	(19.6)	(7.4)	19.6	7.4	12.2	165%
Acquisition and related costs ²⁰	3.4	1.7	0.4	—	3.0	1.7	1.3	76%
Integration costs ²¹	3.4	—	0.9	—	2.5	—	2.5	n/a
Reduction in commodity tax provision	—	(1.5)	—	(0.4)	—	(1.1)	1.1	(100%)
Net litigation settlement costs	—	12.4	—	3.3	—	9.1	(9.1)	(100%)
Reversal of a previous write-off of deferred income tax assets ²²	—	—	2.9	—	(2.9)	—	(2.9)	n/a
Adjusted net income ²³					\$401.2	\$334.9	\$66.3	20%

²⁰ Includes costs related to the acquisitions of AST Canada (acquired August 12, 2021) and Tradesignal (acquired June 1, 2021) in 2021. See *Initiatives and Accomplishments - Capital Formation - AST Canada transaction* and *Initiatives and Accomplishments - Global Solutions, Insights & Analytics - Tradesignal transaction* in our 2021 Annual MD&A for more details.

²¹ 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.

²² Related to TMX Atrium Wireless (sold April 2017).

²³ Adjusted net income is a non-GAAP measure, see discussion under the heading "Non-GAAP Measures".

Adjusted net income increased by 20% from \$334.9 million in 2020 to \$401.2 million in 2021 largely driven by increased revenue, partially offset by higher operating expenses. There was also an increase in our share of income from BOX partially offset by higher net finance costs.

(unaudited)	2021		2020	
	Basic	Diluted	Basic	Diluted
Earnings per share	\$6.03	\$5.99	\$4.96	\$4.91
Adjustments related to:				
Amortization of intangibles related to acquisitions	0.72	0.72	0.67	0.67
Increase in deferred income tax liabilities relating to a change in the future U.K. tax rate	0.35	0.35	0.13	0.13
Acquisition and related costs ²⁴	0.05	0.05	0.03	0.03
Integration costs ²⁵	0.04	0.04	—	—
Reduction in commodity tax provision	—	—	(0.02)	(0.02)
Net litigation settlement costs	—	—	0.16	0.16
Reversal of a previous write-off of deferred income tax assets ²⁶	(0.05)	(0.05)	—	—
Adjusted earnings per share ²⁷	\$7.14	\$7.10	\$5.93	\$5.88
Weighted average number of common shares outstanding	56,098,460	56,474,945	56,425,302	56,950,290

Adjusted diluted earnings per share increased by 21% from \$5.88 in 2020 to \$7.10 in 2021 largely driven by increased revenue, partially offset by higher operating expenses. There was also an increase in our share of income from BOX partially offset by higher net finance costs. The increase in adjusted earnings per share was also partially attributable to a decrease in the number of weighted average common shares outstanding from 2020 to 2021.

²⁴ Includes costs related to the acquisitions of AST Canada (acquired August 12, 2021) and Tradesignal (acquired June 1, 2021) in 2021. See Initiatives and Accomplishments - Capital Formation - AST Canada transaction and Initiatives and Accomplishments - Global Solutions, Insights & Analytics - Tradesignal transaction in our 2021 Annual MD&A for more details.

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

²⁶ Related to TMX Atrium Wireless (sold April 2017).

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

FINANCIAL STATEMENTS GOVERNANCE PRACTICE

The Finance & Audit Committee of the Board of Directors of TMX Group (Board) reviewed this press release as well as the 2021 audited annual consolidated financial statements and related Management's Discussion and Analysis (MD&A) and recommended they be approved by the Board of Directors. Following review by the full Board, the 2021 audited annual consolidated financial statements, MD&A and the contents of this press release were approved.

CONSOLIDATED FINANCIAL STATEMENTS

Our 2021 audited annual consolidated financial statements are prepared in accordance with IFRS and are reported in Canadian dollars unless otherwise indicated. Financial measures contained in the MD&A and this press release are based on financial statements prepared in accordance with IFRS, unless otherwise specified and are in Canadian dollars unless otherwise indicated.

ACCESS TO MATERIALS

TMX Group has filed its 2021 audited annual consolidated financial statements and MD&A with Canadian securities regulators. This press release should be read together with our 2021 audited annual consolidated financial statements and MD&A. These documents may be accessed through www.sedar.com, or on the TMX Group website at www.tmx.com. We are not incorporating information contained on the website in this press release. In addition, copies of these documents will be available upon request, at no cost, by contacting TMX Group Investor Relations by phone at (416) 947-4277 or by e-mail at TMXshareholder@tmx.com.

CAUTION REGARDING FORWARD-LOOKING INFORMATION

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

Examples of forward-looking information in this press release include, but are not limited to, growth objectives; our target dividend payout ratio; the ability of TMX Group to de-leverage and the timing thereof; the modernization of clearing platforms, including the expected cash expenditures related to the modernization of our clearing platforms and the timing

of the modernization; other statements related to cost reductions; the impact of the market capitalization of TSX and TSXV issuers overall (from 2020 to 2021); future changes to TMX Group's anticipated statutory income tax rate for 2022; factors relating to stock, and derivatives exchanges and clearing houses and the business, strategic goals and priorities, market conditions, pricing, proposed technology and other business initiatives and the timing and implementation thereof, the expected integration costs related to AST Canada and the timing thereof, the expected cost of the transitional services agreement related to AST Canada, the anticipated benefits and synergies of the AST Canada, including the expected impact on TMX Group's earnings and adjusted earnings per share and the timing thereof, financial results or financial condition, operations and prospects of TMX Group which are subject to significant risks and uncertainties.

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

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

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 press release. We have attempted to identify important factors that could cause actual actions, events or results to differ materially from those current expectations described in forward-looking information. However, there may be other factors that cause actions, events or results not to be as anticipated, estimated or intended and that could cause actual actions, events or results to differ materially from current expectations. There can be no assurance that forward-looking information will prove to be accurate, as actual results and future events could differ materially from those anticipated in such statements. Accordingly, readers should not place undue reliance on forward-looking information. These factors are not intended to represent a complete list of the factors that could affect us. A description of the above-mentioned items is contained in the section “**Enterprise Risk Management**” of our 2021 Annual MD&A.

About TMX Group (TSX:X)

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

Teleconference / Audio Webcast

TMX Group will host a teleconference / audio webcast to discuss the financial results for Q4/21.

Time: 8:00 a.m. - 9:00 a.m. ET on Tuesday, February 8, 2022.

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

The audio webcast of the conference call will also be available on TMX Group's website at www.tmx.com, under Investor Relations.

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

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

The pass code for the replay is 116483.

For more information please contact:

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TMX GROUP LIMITED

Consolidated Balance Sheets

(In millions of Canadian dollars)

<i>(Unaudited)</i>	December 31, 2021	December 31, 2020
Assets		
Current Assets:		
Cash and cash equivalents	\$ 264.3	\$ 222.1
Restricted cash and cash equivalents	180.0	153.3
Marketable securities	77.3	55.8
Trade and other receivables	132.6	108.0
Balances of Participants and Clearing Members	57.113.5	30,270.4
Other current assets	32.6	29.9
Total Current Assets	57,800.3	30,839.5
Non-Current assets:		
Goodwill and intangible assets	5,156.9	5,047.7
Right-of-use assets	84.3	82.1
Deferred income tax assets	24.7	22.5
Other non-current assets	133.2	106.8
Total Non-Current Assets	\$ 5,399.1	\$ 5,259.1
Total Assets	\$ 63,199.4	\$ 36,098.6
Liabilities and Equity		
Current Liabilities:		
Trade and other payables	\$ 152.8	\$ 132.4
Participants' tax withholdings	180.0	153.3
Balances of Participants and Clearing Members	57.113.5	30,270.4
Debt	—	160.0
Credit and liquidity facilities drawn	2.0	4.3
Other current liabilities	70.7	60.7
Total Current Liabilities	57,519.0	30,781.1
Non-Current liabilities:		
Debt	997.1	747.5
Lease liabilities	88.3	86.2
Deferred income tax liabilities	844.9	805.1
Other non-current liabilities	44.0	67.2
Total Non-Current Liabilities	1,974.3	1,706.0
Total Liabilities	59,493.3	32,487.1
Equity:		
Share capital	2,875.8	2,943.6
Contributed surplus	11.8	11.1
Retained earnings	817.1	636.2
Accumulated other comprehensive income	1.4	20.6
Total Equity	3,706.1	3,611.5
Total Liabilities and Equity	\$ 63,199.4	\$ 36,098.6

TMX GROUP LIMITED

Consolidated Income Statements

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

	For the three months ended		For the year ended	
	2021	December 31 2020	2021	December 31 2020
Revenue	\$ 252.4	\$ 219.5	\$ 980.7	\$ 865.1
REPO and collateral interest:				
Interest income	21.1	18.5	53.9	160.6
Interest expense	(21.1)	(18.5)	(53.9)	(160.6)
Net REPO and collateral interest	—	—	—	—
Total revenue	252.4	219.5	980.7	865.1
Compensation and benefits	68.0	58.2	253.5	226.6
Information and trading systems	19.4	17.7	64.6	57.6
Selling, general and administration	25.8	16.9	84.3	84.7
Depreciation and amortization	23.0	20.6	87.1	80.3
Total operating expenses	136.2	113.4	489.5	449.2
Income from operations	116.2	106.1	491.2	415.9
Share of income from equity accounted investees	5.8	(0.9)	24.2	5.7
Net finance costs	(9.0)	(8.0)	(36.1)	(32.8)
Income before income tax expense	113.0	97.2	479.3	388.8
Income tax expense	25.1	25.4	140.8	109.1
Net income	\$ 87.9	\$ 71.8	\$ 338.5	\$ 279.7
Earnings per share:				
Basic	\$ 1.57	\$ 1.27	\$ 6.03	\$ 4.96
Diluted	\$ 1.56	\$ 1.26	\$ 5.99	\$ 4.91

TMX GROUP LIMITED

Consolidated Statements of Comprehensive Income

(In millions of Canadian dollars)

(Unaudited)	For the three months ended December 31		For the year ended December 31	
	2021	2020	2021	2020
Net income	\$ 87.9	\$ 71.8	\$ 338.5	\$ 279.7
Other comprehensive income (loss):				
Items that will not be reclassified to the consolidated income statements:				
Actuarial gain (loss) on defined benefit pension and other post-retirement benefit plans (net of tax expense of \$1.1 in Q4/21, tax expense of \$0.1 in Q4/20, net of tax expense of \$4.0, 2020 - tax benefit of \$0.9)	3.2	0.3	11.3	(2.8)
Total items that will not be reclassified to the consolidated income statements	3.2	0.3	11.3	(2.8)
Items that may be reclassified subsequently to the consolidated income statements:				
Unrealized (loss) gain on translating financial statements of foreign operations	0.3	9.9	(19.2)	11.6
Total items that may be reclassified subsequently to the consolidated income statements	0.3	9.9	(19.2)	11.6
Total comprehensive income	\$ 91.4	\$ 82.0	\$ 330.6	\$ 288.5

TMX GROUP LIMITED

Consolidated Statements of Changes in Equity

(In millions of Canadian dollars)

(Unaudited)

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

TMX GROUP LIMITED

Consolidated Statements of Changes in Equity

(In millions of Canadian dollars)

(Unaudited)

	For the year ended December 31, 2020					
	Share capital	Contributed surplus	Accumulated other comprehensive income	Retained earnings	Total equity	
Balance at January 1, 2020	\$ 2,965.1	\$ 12.1	\$ 9.0	\$ 512.9	\$ 3,499.1	
Net income	—	—	—	279.7	279.7	
Other comprehensive income (loss):						
Unrealized gain on translating financial statements of foreign operations	—	—	11.6	—	11.6	
Actuarial loss on defined benefit pension and other post-retirement benefit plans, net of taxes	—	—	—	(2.8)	(2.8)	
Total comprehensive income (loss)	—	—	11.6	276.9	288.5	
Dividends to equity holders	—	—	—	(153.6)	(153.6)	
Proceeds from exercised share options	31.7	—	—	—	31.7	
Cost of exercised share options	3.6	(3.6)	—	—	—	
Cost of share option plan	—	2.6	—	—	2.6	
Shares repurchased under normal course issuer bid	(56.8)	—	—	—	(56.8)	
Balance at December 31, 2020	\$ 2,943.6	\$ 11.1	\$ 20.6	\$ 636.2	\$ 3,611.5	

TMX GROUP LIMITED

Consolidated Statements of Cash Flows

<i>(In millions of Canadian dollars)</i>	For the three months ended		For the year ended	
	December 31		December 31	
<i>(Unaudited)</i>	2021	2020	2021	2020
Cash flows from (used in) operating activities:				
Income before income taxes	\$ 113.0	\$ 97.2	\$ 479.3	\$ 388.8
Adjustments to determine net cash flows:				
Depreciation and amortization	23.0	20.6	87.1	80.3
Net finance costs	9.0	8.0	36.1	32.8
Share of (income) loss from equity accounted investees	(5.8)	0.9	(24.2)	(5.7)
Cost of share option plan	0.7	0.4	2.2	2.6
Unrealized foreign exchange (gain) loss	(0.1)	0.5	(0.4)	0.9
Changes in:				
Trade and other receivables, and prepaid expenses	(14.5)	(8.9)	(19.7)	(4.0)
Trade and other payables	28.0	27.2	4.8	17.4
Provisions	(0.4)	(1.1)	(0.6)	(6.9)
Deferred revenue	(22.3)	(14.0)	7.6	1.4
Other assets and liabilities	(1.9)	(8.3)	(16.2)	3.1
Income taxes paid	(25.7)	(21.9)	(114.6)	(98.5)
	103.0	100.6	441.4	412.2
Cash flows from (used in) financing activities:				
Interest paid	(15.1)	(15.1)	(34.6)	(33.9)
Repayment of lease liabilities	(2.3)	(2.1)	(8.4)	(8.3)
Proceeds from exercised options	0.1	1.7	15.1	31.7
Shares repurchased under normal course issuer bid	(18.6)	(42.1)	(84.4)	—
Dividends paid to equity holders	(43.1)	(39.6)	(168.9)	(153.6)
Net movement of Commercial Paper	—	(9.0)	(160.0)	(79.6)
Credit and liquidity facilities drawn, net	(9.5)	(17.7)	(2.3)	(3.9)
	(88.5)	(123.9)	(194.8)	(304.4)
Cash flows from (used in) investing activities:				
Interest received	0.4	0.4	1.5	2.3
Dividends received	—	—	5.7	5.4
Additions to premises and equipment and intangible assets	(11.2)	(22.7)	(51.2)	(67.1)
Acquisition of subsidiary, net of cash	—	—	(138.4)	—
Marketable securities, net	0.1	(7.8)	(21.5)	24.6
	(10.7)	(30.1)	(203.9)	(34.8)
Increase (decrease) in cash and cash equivalents	3.8	(53.4)	42.7	73.0
Cash and cash equivalents, beginning of the period	260.5	275.5	222.1	149.0
Unrealized foreign exchange (loss) gain on cash and cash equivalents held in foreign currencies	—	—	(0.5)	0.1
Cash and cash equivalents, end of the period	\$ 264.3	\$ 222.1	\$ 264.3	\$ 222.1