



NEWS RELEASE

# TMX Group Limited Reports Results for First Quarter of 2024

5/2/2024

- Revenue of \$345.9 million, up 16% from \$299.1 million in Q1/23
- Diluted earnings per share of \$0.50, up 56% from \$0.32 in Q1/23, including \$0.21 gain per share from the acquisition of control of VettaFi in Q1/24
- Adjusted diluted earnings per share<sup>1</sup> of \$0.38, up 3% from \$0.37 in Q1/23

TORONTO, May 2, 2024 /CNW/ - TMX Group Limited (TSX: X) ("TMX Group") today announced results for the first quarter ended March 31, 2024.

Commenting on the first quarter of 2024, John McKenzie, Chief Executive Officer of TMX Group, said:

"TMX's first quarter results reflect solid performances from key components of our business, including areas of strategic global expansion, as we continue to push the evolution of TMX to meet the needs of our diverse and growing set of capital markets stakeholders. Overall revenue increased 16% compared to the first quarter of 2023, largely due to the inclusion of TMX VettaFi, our newly-acquired, U.S.-based indexing, digital distribution and analytics division, as well as year-over-year growth from TMX Trayport. Increases were partially offset by lower revenue from Capital Formation, and Equities and Fixed Income Trading due to challenging capital markets conditions. Going forward, we remain focused on serving our markets with excellence, helping to build competitive advantages for our global client base, while in constant pursuit of innovative ways to build TMX's business stronger:

more resilient, more adaptive and more responsive."

Commenting on the performance in the first quarter of 2024, David Arnold, Chief Financial Officer of TMX Group, said:

"TMX continues to benefit from a deep and diverse business model. We reported solid growth in the first quarter, with 3% higher organic revenue excluding TMX VettaFi, and a 3% increase in diluted earnings per share on an adjusted basis, compared to Q1 2023. Despite headwinds in financing and trading activity, income from operations grew 1% year-over-year, as a result of growth in revenue from recurring sources and continued cost management discipline. TMX Group's Board of Directors also approved an increase of the quarterly dividend by 6% to 19 cents per common share, reflecting confidence in our ability to generate cash flows and deliver on our deleveraging plan."

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

## RESULTS OF OPERATIONS<sup>2</sup>

### Non-GAAP Measures

Adjusted net income is a non-GAAP measure<sup>3</sup>, and adjusted earnings per share, adjusted diluted earnings per share, and adjusted earnings per share CAGR are non-GAAP ratios<sup>4</sup>, and do not have standardized meanings prescribed by GAAP and are, therefore, unlikely to be comparable to similar measures presented by other companies.

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

We present adjusted earnings per share, adjusted diluted earnings per share, and adjusted net income to indicate ongoing financial performance from period to period, exclusive of a number of adjustments as outlined under the heading "Adjusted Net Income attributable to equity holders of TMX Group and Adjusted Earnings Per Share Reconciliation for Q1/24 and Q1/23".

We have also presented long term adjusted EPS CAGR as a financial objective which is the growth rate in adjusted diluted earnings per share over time, exclusive of adjustments that impact the comparability of adjusted EPS from period to period, including those outlined under the heading "Adjusted Net Income attributable to equity holders of TMX Group and Adjusted Earnings Per Share Reconciliation for Q1/24 and Q1/23". 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".

Similarly, we present the dividend payout ratio based on dividends paid divided by adjusted earnings per share as a measure of TMX Group's ability to make dividend payments, exclusive of a number of adjustments as outlined under the heading "Adjusted Net Income attributable to equity holders of TMX Group and Adjusted Earnings Per Share Reconciliation for Q1/24 and Q1/23".

Debt to adjusted EBITDA ratio is a non-GAAP measure defined as total long term debt and debt maturing within one year divided by adjusted EBITDA. Adjusted EBITDA is calculated as net income excluding interest expense, income tax expense, depreciation and amortization, transaction related costs, integration costs, one-time income (loss), and other significant items that are not reflective of TMX Group's underlying business operations.

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<sup>2</sup> TMX Group completed a five-for-one split of its common shares outstanding (the Stock Split) effective at the close of business on June 13, 2023. All common share numbers and per share amounts in this release, including comparative figures, have been adjusted to reflect the Stock Split.

<sup>3</sup> As defined in National Instrument 52-112 Non-GAAP and Other Financial Measures Disclosure.

<sup>4</sup> As defined in National Instrument 52-112 Non-GAAP and Other Financial Measures Disclosure.

## Quarter ended March 31, 2024 (Q1/24) Compared with Quarter ended March 31, 2023 (Q1/23)<sup>5</sup>

The information below is derived from the financial statements of TMX Group for Q1/24 compared with Q1/23.

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(in millions of dollars, except per share amounts)	Q1/24	Q1/23	\$ increase / (decrease)	% increase / (decrease)
Revenue	\$345.9	\$299.1	\$46.8	16 %
Operating expenses	204.2	159.4	44.8	28 %
Income from operations	141.7	139.7	2.0	1 %
Net income attributable to equity holders of TMX Group	139.5	89.0	50.5	57 %
Adjusted net income attributable to equity holders of TMX Group <sup>6 7</sup>	104.5	103.6	0.9	1 %
Earnings per share attributable to				

equity holders of TMX Group				
Basic	0.50	0.32	0.18	56 %
Diluted	0.50	0.32	0.18	56 %
Adjusted Earnings per share attributable to equity holders of TMX Group <sup>8 9</sup>				
Basic	0.38	0.37	0.01	3 %
Diluted	0.38	0.37	0.01	3 %
Cash flows from operating activities	64.6	96.6	(32.0)	(33) %

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

Net income attributable to equity holders of TMX Group in Q1/24 was \$139.5 million, or \$0.50 per common share on a basic and diluted basis, compared with \$89.0 million, or \$0.32 per common share on a basic and diluted basis for Q1/23. The increase in net income attributable to equity holders of TMX Group reflected a non-cash gain of \$57.1 million being recognized in Q1/24 resulting from the fair value remeasurement of our previously held minority interest in VettaFi (equity-accounted January 9, 2023 prior to the acquisition of control January 2, 2024), a decrease in income tax expense of \$5.4 million, and an increase in income from operations of \$2.0 million. The increase in income from operations from Q1/23 to Q1/24 was driven by an increase in revenue of \$46.8 million, including \$37.9 million recognized for TMX VettaFi, as well as higher revenue from TMX Trayport, TMX Datalinx, BOX, and CDS revenue, somewhat offset by an increase in operating expenses of \$44.8 million. The higher expenses reflected approximately \$20.0 million of operating expenses related to TMX VettaFi, \$11.8 million related to amortization of acquired VettaFi intangibles, \$5.4 million in acquisition and related expenses, \$1.5 million in integration costs, approximately \$1.3 million related to our U.S. expansion initiative.

The increase in earnings per share was also partially attributable to a decrease in the number of weighted average common shares outstanding from Q1/23 to Q1/24, somewhat offset by higher net finance costs.

<sup>5</sup> TMX Group completed a five-for-one split of its common shares outstanding (the Stock Split) effective at the close of business on June 13, 2023. All common share numbers and per share amounts in this release, including comparative figures, have been adjusted to reflect the Stock Split.

<sup>6</sup> Adjusted net income is a non-GAAP measure, see discussion under the heading "Non-GAAP Measures".

<sup>7</sup> Reflects an adjustment increasing the income tax effect for Q1/23 by \$0.7 million.

<sup>8</sup> Adjusted earnings per share is a non-GAAP ratio, see discussion under the heading "Non-GAAP Measures".

<sup>9</sup> Reflects an adjustment increasing the income tax effect for Q1/23 by \$0.7 million.

## Adjusted Net Income attributable to equity holders of TMX Group<sup>10</sup> and Adjusted Earnings per Share<sup>11</sup> Reconciliation for Q1/24 and Q1/23<sup>12</sup>

The following tables present reconciliations of net income attributable to equity holders of TMX Group to adjusted

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

The amortization expenses of intangible assets in Q1/23 and Q1/24 related to the 2012 Maple transaction (TSX, TSXV, MX, Alpha, Shorcan), TSX Trust, TMX Trayport (including VisoTech and Tradesignal), AST Canada, BOX, and WSH, and the amortization of intangibles related to TMX VettaFi in Q1/24. These costs are a component of Depreciation and amortization expenses.

Acquisition and related costs in Q1/23 and Q1/24 related to VettaFi (equity-accounted on January 9, 2023 prior to the acquisition of control on January 2, 2024). Q1/23 also includes acquisition related costs for SigmaLogic (equity-accounted prior to the acquisition of control on February 16, 2023 and divested on April 21, 2023) and WSH (acquired November 9, 2022). These costs are included in Selling, general and administration and Net Finance Costs.

Change in fair value related to contingent considerations, reflecting a reduction in the earn-out liability assumed as part of the WSH acquisition in 2023, and an increase to a prior earn-out liability assumed as part of the VettaFi acquisition in Q1/24. These changes are included in Net Finance Costs.

Integration costs related to integrating the VettaFi acquisition in Q1/24. This cost is included in Compensation and benefits, Selling, general and administration, and Depreciation and amortization.

Gain on fair value revaluation of VettaFi resulting from the remeasurement of our previously held minority interest in VettaFi (fully acquired January 2, 2024), included in Other income in Q1/24.

Gain on foreign exchange (FX) forward, loss on translation of USD-denominated debt raised under Term Credit Facilities, and gain on translation of USD-denominated intercompany loans; all of which are in connection with the VettaFi acquisition, and included in Net Finance Costs in Q1/24.

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

<sup>11</sup> Adjusted earnings per share is a non-GAAP ratio, see discussion under the heading "Non-GAAP Measures".

<sup>12</sup> TMX Group completed a five-for-one split of its common shares outstanding (the Stock Split) effective at the close of business on June 13, 2023. All common share numbers and per share amounts in this release, including comparative figures, have been adjusted to reflect the Stock Split.

(in millions of dollars) (unaudited)	Pre-tax		Tax		After-tax			
	Q1/24	Q1/23	Q1/24	Q1/23	Q1/24	Q1/23	\$ increase / (decrease)	% increase / (decrease)
Net income attributable to equity					\$139.5	\$89.0	\$50.5	57%

holders of TMX Group					\$100.0	\$99.0	\$99.0	97 %
Adjustments related to:								
Amortization of intangibles related to acquisitions <sup>13 14</sup>	26.8	15.2	8.8	4.4	18.0	10.8	7.2	67 %
Acquisition and related costs <sup>15</sup>	7.1	3.8	1.5	—	5.6	3.8	1.8	47 %
Integration costs	1.6	—	0.4	—	1.1	—	1.1	n/a
Gain on fair value revaluation of VettaFi <sup>16</sup>	(57.1)	—	—	—	(57.1)	—	(57.1)	n/a
Net fair value loss (gain) on contingent consideration <sup>17</sup>	0.3	—	—	—	0.3	—	0.3	n/a
Net gain on FX forward and translation of USD-denominated debt	(3.5)	—	0.5	—	(3.1)	—	(3.1)	n/a
Adjusted net income attributable to equity holders of TMX Group <sup>18 19</sup>					\$104.5	\$103.6	0.9	1 %

Adjusted net income attributable to equity holders of TMX Group increased by 1% from \$103.6 million in Q1/23 to \$104.5 million in Q1/24 driven by lower income tax expense and an increase in income from operations, partially offset by higher net finance costs.

<sup>13</sup> Includes amortization expense of acquired intangibles including TMX VettaFi in Q1/24.

<sup>14</sup> Reflects an adjustment increasing the income tax effect for Q1/23 by \$0.7 million.

<sup>15</sup> For additional information, see discussion under the heading "Initiatives and Accomplishments" in our Q1/24 MD&A.

<sup>16</sup> For additional information, see discussion under the heading "Additional Information - Other Income".

<sup>17</sup> For additional information, see discussion under the heading "Additional Information - Net Finance Costs".

<sup>18</sup> Adjusted net income is a non-GAAP measure, see discussion under the heading "Non-GAAP Measures". The reconciliation for Adjusted Net Income in Q1/24 is presented without a rounding adjustment to ensure accuracy.

<sup>19</sup> The reconciliation for adjusted net income in Q1/24 is presented without a rounding adjustment to ensure accuracy.

(unaudited)	Q1/24		Q1/23	
	Basic	Diluted	Basic	Diluted
Earnings per share attributable to equity holders of TMX Group	\$0.50	\$0.50	\$0.32	\$0.32
Adjustments related to:				
Amortization of intangibles related to acquisitions <sup>20</sup>	0.07	0.07	0.04	0.04
Acquisition and related costs <sup>21</sup>	0.02	0.02	0.01	0.01
Gain on fair value revaluation of VettaFi	(0.21)	(0.21)	—	—
Net gain on FX forward and translation of USD-denominated debt	(0.01)	(0.01)	—	—
Adjusted earnings per share attributable to equity holders of TMX Group <sup>22 23</sup>	0.38	0.38	\$0.37	\$0.37
Weighted average number of common shares outstanding	276,844,997	278,049,984	278,666,465	279,541,445

Adjusted diluted earnings per share increased by 1 cent from \$0.37 in Q1/23 to \$0.38 in Q1/24 reflecting an increase in income from operations, lower income tax expense, and a decrease in the number of weighted average

common shares outstanding from Q1/23 to Q1/24, partially offset by higher net finance costs.

<sup>20</sup> Includes amortization expense of acquired intangibles including TMX VettaFi in Q1/24.

<sup>21</sup> For additional information, see discussion under "Initiatives and Accomplishments" in our Q1/24 MD&A.

<sup>22</sup> Adjusted earnings per share is a non-GAAP ratio, see discussion under the heading "Non-GAAP Measures". In Q1/24, "Fair Value Loss (Gain) on Contingent Consideration" and "Integration Costs" were not presented in the reconciliation due to the size of the adjustment being less than a penny.

<sup>23</sup> The reconciliations for Basic and Diluted adjusted earnings per share in Q1/24 is presented without a rounding adjustment to ensure accuracy.

## Revenue

(in millions of dollars)	Q1/24	Q1/23	\$ increase / (decrease)	% increase / (decrease)
Capital Formation	\$60.6	\$63.5	\$(2.9)	(5) %
Equities and Fixed Income Trading and Clearing	60.6	61.5	(0.9)	(1) %
Derivatives Trading and Clearing	72.6	71.5	1.1	2 %
Global Solutions, Insights and Analytics	152.1	102.6	49.5	48 %
	<b>\$345.9</b>	<b>\$299.1</b>	<b>\$46.8</b>	<b>16 %</b>

Revenue was \$345.9 million in Q1/24, up \$46.8 million or 16% compared with \$299.1 million in Q1/23 largely attributable to an increase in revenue from Global Solutions, Insights and Analytics, of which \$37.9 million reflects the inclusion of revenue from TMX VettaFi (fully acquired January 2, 2024), partially offset by decreases in Capital Formation, and Equities and Fixed Income Trading. Excluding revenue from TMX VettaFi, revenue was up 3% in Q1/24 compared with Q1/23.

## Operating expenses

(in millions of dollars)	Q1/24	Q1/23	\$ increase	% increase
Compensation and benefits	\$93.8	\$77.1	\$16.7	22 %
Information and trading systems	25.7	23.2	2.5	11 %
Selling, general and administration	44.3	31.1	13.2	42 %
Depreciation and amortization	40.4	28.0	12.4	44 %
	<b>\$204.2</b>	<b>\$159.4</b>	<b>\$44.8</b>	<b>28 %</b>

Operating expenses in Q1/24 were \$204.2 million, up \$44.8 million or 28%, from \$159.4 million in Q1/23. The

increase from Q1/23 to Q1/24 reflected approximately \$20.0 million of operating expenses related to TMX VettaFi (equity accounted January 9, 2023, prior to acquisition of control January 2, 2024), \$11.8 million related to amortization of acquired VettaFi intangibles. There was also a \$5.4 million increase in acquisition and related expenses mainly related to TMX VettaFi, \$1.5 million in integration costs mainly related to TMX VettaFi, approximately \$1.3 million related to our U.S. expansion initiative, as well as \$1.6 million related to BOX's estimate of increased expenses for services provided by BOX Exchange LLC. Somewhat offsetting these increases was a one-time write off of receivables in Q1/23 of approximately \$2.2 million and \$0.6 million related to SigmaLogic (control acquired February 16, 2023 and divested April 21, 2023) in Q1/23. Excluding the above mentioned expenses for TMX VettaFi, acquisition expenses, integration costs, the U.S. expansion initiative, BOX, SigmaLogic and the one-time receivable write off, comparable operating expenses increased by approximately 4% in Q1/24 compared with Q1/23.

The comparable operating expense increase of 4% reflects higher headcount and payroll costs, employee performance incentive plan costs, and increased IT operating costs somewhat offset by lower revenue related expenses, facility fees, consulting and director fees.

## Additional Information

### Share of loss from equity-accounted investments

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<u>(in millions of dollars)</u>	<u>Q1/24</u>	<u>Q1/23</u>	<u>\$ decrease</u>	<u>% decrease</u>
	\$(0.2)	\$(0.5)	\$0.3	60 %

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- In Q1/24, our share of loss from equity-accounted investments decreased by \$0.3 million. For Q1/24, our share of loss from equity-accounted investments includes Ventriks and other equity accounted investments, compared with Q1/23, which included VettaFi<sup>24</sup>, SigmaLogic<sup>25</sup>, and Ventriks.

### Other income

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<u>(in millions of dollars)</u>	<u>Q1/24</u>	<u>Q1/23</u>	<u>\$ increase</u>	<u>% increase</u>
	\$57.1	—	\$57.1	n/a

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- In Q1/24, we recognized a non-cash gain of \$57.1 million from the fair value revaluation resulting from the remeasurement of our previously held minority interest in TMX VettaFi (equity-accounted from January 9, 2023 to the acquisition of control on January 2, 2024).

## Net finance costs

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(in millions of dollars)	Q1/24	Q1/23	\$ increase	% increase
	\$21.7	\$9.6	\$12.1	126 %

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- The increase in net finance costs for Q1/24 compared to Q1/23 primarily reflected higher interest expense of \$19.4 million mainly due to increased debt levels following the VettaFi acquisition, and higher net foreign exchange loss of \$2.0 million (Q1/24 net foreign exchange loss of \$4.5 million reflects FX losses for USD-denominated external debt, partially offset by FX gains on USD-denominated intercompany loans). This increase to net finance costs was somewhat offset by \$9.1 million fair value gain on foreign exchange forwards<sup>26</sup>, and higher interest income on funds invested of \$1.2 million as a result of higher interest rates in Q1/24.

<sup>24</sup> Equity-accounted January 9, 2023 prior to the acquisition of control January 2, 2024.

<sup>25</sup> Consolidated February 16, 2023 and divested April 21, 2023. For additional information, see discussion under the heading "Initiatives and Accomplishments\* VettaFi Acquisition" in the 2023 Annual MD&A.

<sup>26</sup> For additional information, see discussion under the heading "Financial Instruments" in our Q1/24 MD&A.

## Income tax expense and effective tax rate

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Income Tax Expense (in millions of dollars)		Effective Tax Rate (%) <sup>27</sup>	
Q1/24	Q1/23	Q1/24	Q1/23
\$27.5	\$32.9	16 %	27 %

The effective tax rate excluding below adjustments would have been approximately 27% for Q1/24 and Q1/23.

Q1/24

- In Q1/24, there was a fair value revaluation from the remeasurement of our previously held minority interest in VettaFi (Equity-accounted January 9, 2023 prior to the acquisition of control January 2, 2024) that resulted in a non-taxable gain of \$57.1 million which decreased our effective tax rate by 9.4%.
- In Q1/24, there was a net decrease in deferred income tax liabilities and a corresponding decrease in income tax expense on intangibles related to acquisitions mainly due to the acquisition of VettaFi which decreased our effective tax rate by 1.0%.

## Net income attributable to non-controlling interests

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(in millions of dollars)	Q1/24	Q1/23	\$ increase
	\$9.9	\$7.7	\$2.2

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- The increase in net income attributable to non-controlling interests (NCI) for Q1/24 compared to Q1/23 is primarily due to higher net income in BOX driven by higher revenue and lower operating expenses.

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<sup>27</sup> Effective Tax Rate is based on Income tax expense divided by Income before income tax expense less Non-controlling interests. Effective tax rate, including NCI, calculated from total Income before Income Tax Expense was 15% in Q1/24 and 26% in Q1/23.

## 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 Q1/24 unaudited condensed consolidated interim 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 Q1/24 unaudited condensed consolidated interim financial statements, MD&A and the contents of this press release were approved.

## CONSOLIDATED FINANCIAL STATEMENTS

Our Q1/24 unaudited condensed consolidated interim 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 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, in compliance with IAS 34, Interim Financial Reporting, unless otherwise specified. All amounts are in Canadian dollars unless otherwise indicated.

## ACCESS TO MATERIALS

TMX Group has filed its Q1/24 unaudited condensed consolidated interim financial statements and MD&A with Canadian securities regulators. This press release should be read together with our Q1/24 unaudited condensed consolidated interim financial statements and MD&A. These documents may be accessed through [www.sedarplus.ca](http://www.sedarplus.ca), or on the TMX Group website at [www.tmx.com](http://www.tmx.com). We are not incorporating information contained on the website in this press release. In addition, copies of these documents will be available upon request, at no cost, by contacting TMX Group Investor Relations by phone at +1 888 873-8392 or by e-mail at [TMXshareholder@tmx.com](mailto:TMXshareholder@tmx.com).

## CAUTION REGARDING FORWARD-LOOKING INFORMATION

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

Examples of forward-looking information in this Press Release include, but are not limited to, our long-term revenue growth CAGR and adjusted EPS CAGR objectives; our target dividend payout ratio; our target debt to adjusted EBITDA ratio; our objectives regarding growing recurring revenue, revenue outside Canada and the percentage of GSIA revenue as a percentage of total TMX Group revenue; our objectives related to the acquisition of VettaFi; the modernization of clearing platforms, including the expected cash expenditures related to the modernization of our clearing platforms and the timing of the implementation of the modernization project; the timing of and the total cash expenditures related to the U.S. Expansion, other statements related to cost reductions; the ability to and the timing of achieving our targeted leverage range; the impact of the market capitalization of TSX and TSXV issuers overall (from 2022 to 2023); future changes to TMX Group's anticipated statutory income tax rate for 2024; 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, financial results or financial condition, operations and prospects of TMX Group which are subject to significant risks and uncertainties.

These risks include, but are not limited to: competition from other exchanges or marketplaces, including alternative trading systems and new technologies and alternative sources of financing, on a national and international basis; dependence on the economy of Canada; adverse effects on our results caused by global economic conditions (including geopolitical events, interest rate movements, threat of recession) 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; dependence on information technology; significant delays in the post trade modernization project resulting from the industry implementation of T+1 settlement or for other reasons, which could lead to increased implementation costs and could negatively impact our operating results; 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 TMX VettaFi, or divest underperforming businesses; currency risk; adverse effect of new business activities; adverse effects from business divestitures; not being able to meet cash requirements because of our holding company structure and restrictions on paying inter-corporate dividends; dependence on third-party suppliers and service providers; dependence of trading operations on a small number of clients; risks associated with our clearing operations; challenges related to international expansion; restrictions on ownership of TMX Group common shares; inability to protect our intellectual property; adverse effect of a systemic market event on certain of our businesses; risks associated with the credit of customers; cost structures being largely fixed; the failure to realize cost reductions in the amount or the time frame anticipated; dependence on market activity that cannot be controlled; the regulatory constraints that apply to the business of TMX Group and its regulated subsidiaries, costs of on exchange clearing and depository services, trading volumes (which could be higher or lower than estimated) and the resulting impact on revenues; future levels of revenues being lower than expected or costs being higher than expected.

Forward-looking information is based on a number of assumptions which may prove to be incorrect, including, but not limited to, assumptions in connection with the ability of TMX Group to successfully compete against global and regional marketplaces and other venues; business and economic conditions generally; exchange rates (including estimates of exchange rates from Canadian dollars to the U.S. dollar or GBP), commodities prices, the level of trading and activity on markets, and particularly the level of trading in TMX Group's key products; business development and marketing and sales activity; the continued availability of financing on appropriate terms for future projects; changes to interest rates and the timing thereof; the amount and timing of: revenue and

technology cost synergies resulting from the AST Canada acquisition; productivity at TMX Group, as well as that of TMX Group's competitors; market competition; research and development activities; the successful introduction and client acceptance of new products and services; successful introduction of various technology assets and capabilities; the impact on TMX Group and its customers of various regulations; TMX Group's ongoing relations with its employees; and the extent of any labour, equipment or other disruptions at any of its operations of any significance other than any planned maintenance or similar shutdowns.

## Assumptions related to long term financial objectives

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

- TMX Group's success in achieving growth initiatives and business objectives;
- continued investment in growth businesses and in transformation initiatives including next generation technology and systems;
- no significant changes to our effective tax rate, and number of shares outstanding;
- organic and inorganic growth in recurring revenue;
- moderate levels of market volatility over the long term;
- level of listings, trading, and clearing consistent with historical activity;
- economic growth consistent with historical activity;
- no significant changes in regulations;
- continued disciplined expense management across our business;
- continued re-prioritization of investment towards enterprise solutions and new capabilities;
- free cash flow generation consistent with historical run rate; and
- a limited impact from inflation, rising interest rates and supply chain constraints on our plans to grow our business over the long term including on the ability of our listed issuers to raise capital.

While we anticipate that subsequent events and developments may cause our views to change, we have no intention to update this forward-looking information, except as required by applicable securities law. This forward-looking information should not be relied upon as representing our views as of any date subsequent to the date of this press release. We have attempted to identify important factors that could cause actual actions, events or results to differ materially from those current expectations described in forward-looking information. However, there may be other factors that cause actions, events or results not to be as anticipated, estimated or intended and that could cause actual actions, events or results to differ materially from current expectations. There can be no assurance that forward-looking information will prove to be accurate, as actual results and future events could differ materially from those anticipated in such statements. Accordingly, readers should not place undue reliance

on forward-looking information. These factors are not intended to represent a complete list of the factors that could affect us. A description of the above-mentioned items is contained in the section "Enterprise Risk Management" of our 2023 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**, **TMX Trayport** and **TMX VettaFi** which provide listing markets, trading markets, clearing facilities, depository services, technology solutions, data products and other services to the global financial community. TMX Group is headquartered in Toronto and operates offices across North America (Montréal, Calgary, Vancouver and New York), as well as in key international markets including London, Singapore, and Vienna. For more information about TMX Group, visit [www.tmx.com](http://www.tmx.com). Follow TMX Group on X: [@TMXGroup](https://twitter.com/TMXGroup).

## Teleconference / Audio Webcast

TMX Group will host a teleconference / audio webcast to discuss the financial results for Q1/24.

Time: 8:00 a.m. - 9:00 a.m. ET on Friday May 3, 2024

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

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

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

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

The pass code for the replay is 876683.

SOURCE TMX Group Limited