TMX Group Limited Reports Results for Second Quarter of 2022

- Revenue of $286.1 million, up 17% from $245.0 million in Q2/21, including $27.3 million from acquisition of voting control of BOX on January 3, 2022[1]
- Diluted earnings per share of $1.64, up 20% from $1.37 in Q2/21
- Adjusted diluted earnings per share[2] of $1.88, down 1% from $1.90 in Q2/21

July 28, 2022 (TORONTO) – TMX Group Limited [TSX:X] (“TMX Group”) today announced results for the second quarter ended June 30, 2022.

Commenting on the first half of 2022, John McKenzie, Chief Executive Officer of TMX Group, said:

“TMX delivered positive results for the first half of the year, despite challenging conditions across much of our operating environment. While external factors, including increased volatility, higher interest rates and geopolitical events had a negative impact on global capital markets activity, year-over-year growth was driven by increased revenue from Trayport and Derivatives Trading and Clearing, as well as revenue from AST Canada, acquired in August 2021. Empowered by the determined and collaborative efforts of our people, we move into the second half of the year clear in purpose; focused on serving our clients with excellence and striving to make our markets better for all stakeholders."

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

"TMX's results for the second quarter reflect the continued resiliency of our diverse business model, with overall revenue growth of 17%, including increases across all our business segments. Revenue excluding BOX, AST Canada, and Tradesignal was up 1% compared with the second quarter of last year. We managed our operating expense increase excluding BOX, AST Canada, and Tradesignal to 7%, which remains below the current rate of inflation in Canada. Our diluted earnings per share grew by 20%, compared to the second quarter of 2021, which included an income tax expense related to a U.K. corporate tax rate change, and adjusted diluted earnings per share[3] was lower by 1%.”

[1] See discussion under the heading "BOX".
[2] Adjusted diluted earnings per share is a non-GAAP ratio, see discussion under the heading "Non-GAAP Measures".
[3] Adjusted diluted earnings per share is a non-GAAP ratio, see discussion under the heading "Non-GAAP Measures".

RESULTS OF OPERATIONS

Non-GAAP Measures

Adjusted net income is a non-GAAP measure[4], and adjusted earnings per share, adjusted diluted earnings per share, and adjusted earnings per share CAGR are non-GAAP ratios[5], 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 Q2/22 and Q2/21" and "Adjusted Net Income and Adjusted Earnings Per Share Reconciliation for 1H/22 and 1H/21".

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.

Overall, BOX contributed to the increase in net income and diluted earnings per share in Q2/22 and 1H/22 compared to Q1/21 and 1H/21 respectively, as a result of improved operating performance and our increased economic interest. In addition, the decrease in adjusted net income[6] and adjusted diluted earnings per share[7] in Q2/22 and 1H/22 compared to the same periods in 2021, was partially offset by a positive impact from BOX.

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

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

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

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

Quarter ended June 30, 2022 (Q2/22) Compared with Quarter ended June 30, 2021 (Q2/21)

The information below reflects the financial statements of TMX Group for Q2/22 compared with Q2/21.

(in millions of dollars, except per share amounts)	**Q2/22**	Q2/21	**$ increase / (decrease)**	**% increase / (decrease)**
Revenue	**$286.1**	$245.0	$41.1	17%
Operating expenses	**147.8**	112.1	35.7	32%
Income from operations	**138.3**	132.9	5.4	4%
Net income attributable to equity holders of TMX Group	**92.1**	77.3	14.8	19%
Adjusted net income[8]	**105.3**	107.1	(1.8)	(2)%
Earnings per share				
Basic	**1.65**	1.38	0.27	20%
Diluted	**1.64**	1.37	0.27	20%
Adjusted Earnings per share[9]				
Basic	**1.89**	1.91	(0.02)	(1)%
Diluted	**1.88**	1.90	(0.02)	(1)%
Cash flows from operating activities	**152.0**	142.1	9.9	7%

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 Q2/22 was $92.1 million, or $1.65 per common share on a basic and $1.64 on a diluted basis, compared with a net income attributable to equity holders of TMX Group of $77.3 million, or $1.38 per common share on a basic and $1.37 on a diluted basis, for Q2/21. The increase in net income attributable to equity holders of TMX Group reflects a decrease in income tax expense compared to Q2/21, where we incurred a $19.8 million expense due to a U.K. corporate income tax rate change, as well as an increase in Income from operations of $5.4 million from Q2/21 to Q2/22 driven by an increase in revenue of $41.1 million partially offset by an increase in operating expenses of $35.7 million. The increase in revenue included approximately $27.3 million related to BOX Holdings (consolidated January 3, 2022), $12.2 million related to AST Canada (acquired August 12, 2021), while the increase in operating expenses included approximately $28.7 million in Q2/22 related to AST Canada (acquired August 12, 2021), BOX (consolidated January 2022), and Tradesignal (acquired June 1, 2021). The increased expenses included $2.8 million related to amortization of acquired intangibles for AST Canada and BOX (4 cents per basic and diluted share), $0.9 million related to the TSA, as well as AST Canada integration costs of $4.9 million (7 cents per basic and diluted share). The increase in earnings per share was also partially attributable to a decrease in the number of weighted average common shares outstanding from Q2/21 to Q2/22.

Partially offsetting these increases to net income attributable to equity holders of TMX Group was $0.6 million incurred in Q2/21 related to acquisition and related costs for AST Canada and Tradesignal.

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

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

Adjusted Net Income[10] and Adjusted Earnings per Share[11] Reconciliation for Q2/22 and Q2/21

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 Q2/21 and Q2/22 related to the 2012 Maple transaction (TSX, TSXV, MX, CDS, Alpha, Shorcan), TSX Trust, Trayport (including VisoTech and Tradesignal), AST Canada, and BOX; and is a component of *Depreciation and amortization expenses*.
2. Acquisition and related costs associated with the equity investment in ETFLogic (February 2022) and Ventriks (June 2022) in Q2/22. These costs are included in *Selling general, and administration* and *Compensation and benefits*.
3. Integration costs related to integrating the AST Canada acquisition in Q2/22. These costs are included in *Selling, general and administration, Compensation and benefits and Depreciation and amortization*.
4. An increase in deferred income tax liabilities which increased *income tax expenses* in Q2/21 relating to an increase in the U.K. corporate income tax rate from 19% to 25%, effective April 1, 2023.

	Pre-tax		**Tax**		**After-tax**			
(in millions of dollars) (unaudited)	**Q2/22**	Q2/21	**Q2/22**	Q2/21	**Q2/22**	Q2/21	**$ increase / (decrease)**	**% increase / (decrease)**
Net income attributable to equity holders of TMX Group					**$92.1**	$77.3	$14.8	19%
Adjustments related to:								
Amortization of intangibles related to acquisitions[12]	**14.2**	12.1	**4.7**	2.6	**9.5**	9.5	—	—%
Acquisition and related costs[13]	**0.1**	0.6	**—**	0.1	**0.1**	0.5	(0.4)	(80%)
Integration costs[14]	**4.9**	—	**1.3**	—	**3.6**	—	3.6	n/a
Increase in deferred income tax liabilities relating to a change in the future U.K. tax rate	**—**	**—**	**—**	**(19.8)**	**—**	19.8	($19.8)	n/a
Adjusted net income[15]					**$105.3**	$107.1	($1.8)	(2%)

Adjusted net income decreased by 2% from $107.1 million in Q2/21 to $105.3 million in Q2/22 largely driven by higher operating expenses partially offset by higher revenue.

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

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

[12] Includes amortization expense of acquired intangibles including BOX, AST Canada, and Tradesignal in Q2/22 .

[13] Includes costs related to the acquisition of AST Canada (acquired August 12, 2021) and Tradesignal (acquired June 1, 2021) in Q2/21, and the equity investment in ETFLogic (February 2022) and Ventriks Ltd. (June 2022) in Q2/22. See Initiatives and Accomplishments - Capital Formation - AST Canada transaction, Global Solutions, Insights & Analytics - ETFLogic and Ventriks in the Q2 2022 MD&A for more details.

[14] Includes costs related to the integration of AST Canada (acquired August 12, 2021). See *Initiatives and Accomplishments - Capital Formation - AST Canada transaction* in the Q2 2022 MD&A for more details.

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

	Q2/22		Q2/21	
(unaudited)	**Basic**	**Diluted**	Basic	Diluted
Earnings per share	**$1.65**	**1.64**	$1.38	$1.37
Adjustments related to:				
Amortization of intangibles related to acquisitions[16]	**0.17**	**0.17**	0.17	0.17
Acquisition and related costs[17]	**—**	**—**	0.01	0.01
Integration costs[18]	**0.07**	**0.07**	—	—
Increase in deferred income tax liabilities relating to a change in the future U.K. tax rate	**—**	**—**	0.35	0.35
Adjusted earnings per share[19]	**$1.89**	**$1.88**	$1.91	$1.90
Weighted average number of common shares outstanding	**55,865,712**	**56,124,115**	56,198,495	56,585,348

Adjusted diluted earnings per share decreased by 1% from $1.90 in Q2/21 to $1.88 in Q2/22 largely driven by higher operating expenses partially offset by higher revenue. The decrease in adjusted earnings per share was lower due to a decrease in the number of weighted average common shares outstanding from Q2/21 to Q2/22.

[16] Includes amortization expense of acquired intangibles including BOX, AST Canada, and Tradesignal in Q2/22

[17] Includes costs related to the acquisition of AST Canada (acquired August 12, 2021) and Tradesignal (acquired June 1, 2021) in Q2/21, and the equity investment in ETFLogic (February 2022) and Ventriks Ltd. (June 2022) in Q2/22. See Initiatives and Accomplishments - Capital Formation - AST Canada transaction, Global Solutions, Insights & Analytics - ETFLogic and Ventriks in the Q2 2022 MD&A for more details.

[18] Includes costs related to the integration of AST Canada (acquired August 12, 2021). See *Initiatives and Accomplishments - Capital Formation - AST Canada transaction* in the Q2 2022 MD&A for more details.

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

Revenue

(in millions of dollars)	**Q2/22**	Q2/21	**$ increase / (decrease)**	**% increase / (decrease)**
Capital Formation	**$73.3**	$69.2	$4.1	6%
Equities and Fixed Income Trading and Clearing	**58.9**	57.3	1.6	3%
Derivatives Trading and Clearing	**64.1**	33.9	30.2	89%
Global Solutions, Insights and Analytics	**88.8**	84.6	4.2	5%
Other	**1.0**	—	1.0	n/a
	$286.1	$245.0	$41.1	17%

Revenue was $286.1 million in Q2/22, up $41.1 million or 17% from $245.0 million in Q2/21 attributable to increases in revenue from *Derivatives Trading and Clearing, Capital Formation, Global Solutions, Insights and Analytics and Equities and Fixed Income Trading,* partially offset by a decrease in revenue from CDS. Revenue for Q2/22 included approximately $27.3 million related to BOX Holdings (consolidated January 3, 2022), $12.2 million related to AST Canada (acquired August 12, 2021) and approximately $0.2 million related to Tradesignal (acquired June 1, 2021). Revenue excluding BOX, AST Canada and Tradesignal increased by 1% from Q2/21 to Q2/22.

Operating expenses

(in millions of dollars)	**Q2/22**	Q2/21	**$ increase**	**% increase**
Compensation and benefits	**$66.4**	$57.2	$9.2	16%
Information and trading systems	**21.6**	15.9	5.7	36%
Selling, general and administration	**32.1**	18.7	13.4	72%
Depreciation and amortization	**27.7**	20.3	7.4	36%
	$147.8	$112.1	$35.7	32%

Operating expenses in Q2/22 were $147.8 million, up $35.7 million or 32%, from $112.1 million in Q2/21. There were approximately $28.7 million of expenses included in Q2/22 related to BOX (consolidated January 3, 2022), AST Canada (acquired August 12, 2021), and Tradesignal (acquired June 1, 2021). The increased expenses included $2.8 million related to amortization of acquired intangibles for AST Canada and BOX (4 cents per basic and diluted share), $0.9 million related to AST Canada's TSA, as well as AST integration costs of $4.9 million (7 cents per basic and diluted share). There were also higher expenses related to higher headcount and payroll costs, increased costs related to our long term employee performance incentive plan of approximately $1.9 million, and increased expenses for travel and entertainment. In addition, there were higher expenses in Q2/22 due to the release of a provision for restoration costs for our data centre in Q2/21.

Partially offsetting these increases was lower short term employee performance incentive plan costs, and lower severance. We also incurred $0.6 million (1 cent per basic and diluted share) in acquisition and related costs related to Tradesignal and AST Canada in Q2/21.

Excluding expenses from BOX, AST Canada, and Tradesignal, operating expenses increased 7% in Q2/22 compared with Q2/21.

Additional Information

Share of (loss) income from equity accounted investees

(in millions of dollars)	**Q2/22**	Q2/21	**$ (decrease)**	**% (decrease)**
	($0.3)	$7.8	$(8.1)	(104)%

- In Q2/22, our share of (loss) income from equity accounted investees decreased by $8.1 million primarily due to a change in accounting relating to BOX (consolidated January 3, 2022) and CanDeal[20]. For Q2/22 our share of (loss) income from equity accounted investees includes only ETFLogic and Ventriks Ltd. compared with Q2/21, which included BOX and CanDeal[21].

Income tax expense and effective tax rate

Income Tax Expense (in millions of dollars)		**Effective Tax Rate** (%)	
Q2/22	Q2/21	**Q2/22**	Q2/21
$28.8	$54.6	**22%**	41%

Excluding adjustments, primarily related to the items noted below, the effective tax rate would have been approximately 26%, excluding NCI, for Q2/22 and Q2/21.

- In Q2/22, 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 Q2/21, 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)	**Q2/22**	Q2/21	**$ increase**
	$8.4	—	$8.4

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

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

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

Six months ended June 30, 2022 (1H/22) Compared with six months ended June 30, 2021 (1H/21)

The information below reflects the financial statements of TMX Group for the six months ended June 30, 2022 compared with the six months ended June 30, 2021.

(in millions of dollars, except per share amounts)	**1H/22**	1H/21	**$ increase / (decrease)**	**% increase / (decrease)**
Revenue	**$573.2**	$497.0	$76.2	15%
Operating expenses	**293.1**	231.4	61.7	27%
Income from operations	**280.1**	265.6	14.5	5%
Net income attributable to equity holders of TMX Group	**359.5**	173.7	185.8	107%
Adjusted net income[22]	**208.0**	213.5	(5.5)	(3)%
Earnings per share (attributable to equity holders of TMX Group)				
Basic	**6.44**	3.09	3.35	108%
Diluted	**6.41**	3.07	3.34	109%
Adjusted Earnings per share[23]				
Basic	**3.73**	3.80	(0.07)	(2%)
Diluted	**3.71**	3.78	(0.07)	(2%)
Cash flows from operating activities	**230.7**	220.7	10.0	5%

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 1H/22 was $359.5 million, or $6.44 per common share on a basic and $6.41 per common share on a diluted basis, compared with a net income attributable to equity holders of TMX Group of $173.7 million, or $3.09 per common share on a basic and $3.07 on a diluted basis, for 1H/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 1H/22, a decrease in income tax expense compared to 1H/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 $14.5 million. The increase in income from operations from 1H/21 to 1H/22 was driven by an increase in revenue of $76.2 million, which included $60.3 million related to BOX (consolidated January 2022) and $21.1 million related to AST Canada (acquired August 12, 2021), somewhat offset by an increase in operating expenses of $61.7 million. The increase in operating expenses included approximately $53.2 million in 1H/22 related to AST Canada (acquired August 12, 2021), BOX (consolidated January 2022), and Tradesignal (acquired June 1, 2021). The increased expenses included $5.6 million related to amortization of acquired intangibles for AST Canada and BOX (8 cents per basic and diluted share), $2.2 million related to the TSA, as well as AST Canada integration costs of $6.1 million (8 cents per basic and diluted share). The increase in earnings per share was also partially attributable to a decrease in the number of weighted average common shares outstanding from 1H/21 to 1H/22.

Partially offsetting these increases to net income attributable to equity holders of TMX Group was $1.2 million incurred in 1H/21 related to acquisition and related costs for AST Canada and Tradesignal.

[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 Income[24] and Adjusted Earnings per Share[25] Reconciliation for 1H/22 and 1H/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 six months ended June 30, 2021 and the six months ended June 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 six months ended June 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 six months ended June 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 six months ended June 30, 2022. These costs are included in *Selling, general and administration, Compensation and benefits and Depreciation and amortization*.

4. Gain resulting from the revaluation of our interest in BOX upon acquisition of voting control (effective January 3, 2022) in the six months ended June 30, 2022. This gain is included in *Other Income*.

5. An increase in deferred income tax liabilities which increased *income tax expenses* in the six months ended June 30, 2021 relating to an increase in the U.K. corporate income tax rate from 19% to 25%, effective April 1, 2023.

[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".

	Pre-tax		Tax		After-tax			
(in millions of dollars) (unaudited)	**1H/22**	1H/21	**1H/22**	1H/21	**1H/22**	1H/21	**$ increase / (decrease)**	**% increase / (decrease)**
Net income attributable to equity holders of TMX Group					**$359.5**	$173.7	$185.8	107%
Adjustments related to:								
Amortization of intangibles related to acquisitions[26]	**29.0**	24.0	**7.5**	5.0	**21.5**	19.0	2.5	13%
Acquisition and related costs[27]	**0.4**	1.2	**—**	0.2	**0.4**	1.0	(0.6)	(60%)
Integration costs[28]	**6.1**	—	**1.6**	—	**4.5**	—	4.5	n/a
Gain on BOX[29]	**(177.9)**	—	**—**	—	**(177.9)**	—	($177.9)	n/a
Increase in deferred income tax liabilities relating to a change in the future U.K. tax rate	**—**	—	**—**	(19.8)	**—**	19.8	($19.8)	(100%)
Adjusted net income[30]					**$208.0**	$213.5	($5.5)	(3%)

Adjusted net income decreased by 3% from $213.5 million in the six months ended June 30, 2021 to $208.0 million in the six months ended June 30, 2022 largely driven by higher operating expense partially offset by higher revenue.

[26] Includes amortization expense of acquired intangibles including BOX, AST Canada, and Tradesignal in the six months ended June 30, 2022.

[27] Includes costs related to the acquisition of AST Canada (acquired August 12, 2021) and Tradesignal (acquired June 1, 2021) in the six months ended June 30, 2021, and the equity investment in ETFLogic (February 2022) and Ventriks Ltd. (June 2022) in the six months ended June 30, 2022. See Initiatives and Accomplishments - Capital Formation - AST Canada transaction, Global Solutions, Insights & Analytics - ETFLogic and Ventriks in the Q2 2022 MD&A 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* in the Q2 2022 MD&A for more details.

[29] 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.

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

(unaudited)	1H/22 Basic	1H/22 Diluted	1H/21 Basic	1H/21 Diluted
Earnings per share (attributable to equity holders of TMX Group)	**$6.44**	**6.41**	$3.09	$3.07
Adjustments related to:				
Amortization of intangibles related to acquisitions[31]	**0.39**	**0.38**	0.34	0.34
Acquisition and related costs[32]	**0.01**	**0.01**	0.02	0.02
Integration costs[33]	**0.08**	**0.08**	—	—
Gain on BOX[34]	**(3.19)**	**(3.17)**	—	—
Increase in deferred income tax liabilities relating to a change in the future U.K. tax rate	**—**	**—**	0.35	0.35
Adjusted earnings per share[35]	**$3.73**	**$3.71**	$3.80	$3.78
Weighted average number of common shares outstanding	**55,796,770**	**56,078,658**	56,217,748	56,611,340

Adjusted diluted earnings per share decreased by 2% from $3.78 in 1H/21 to $3.71 in 1H/22 largely driven by higher operating expenses. This decrease was partially offset by higher revenue, and an increase in adjusted earnings per share attributable to a decrease in the number of weighted average common shares outstanding from 1H/21 to 1H/22.

31 Includes amortization expense of acquired intangibles including BOX, AST Canada, and Tradesignal in the six months ended June 30, 2022.

32 Includes costs related to the acquisition of AST Canada (acquired August 12, 2021) and Tradesignal (acquired June 1, 2021) in 1H/21, and the equity investment in ETFLogic (February 2022) and Ventriks Ltd. (June 2022) in 1H/22. See Initiatives and Accomplishments - Capital Formation - AST Canada transaction, Global Solutions, Insights & Analytics - ETFLogic and Ventriks in the Q2 2022 MD&A 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* in the Q2 2022 MD&A for more details.

34 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.

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

Revenue

(in millions of dollars)	**1H/22**	1H/21	**$ increase / (decrease)**	**% increase / (decrease)**
Capital Formation	**$137.2**	$130.3	$6.9	5%
Equities and Fixed Income Trading and Clearing	**121.0**	126.0	(5.0)	(4)%
Derivatives Trading and Clearing	**135.6**	71.4	64.2	90%
Global Solutions, Insights and Analytics	**178.5**	169.6	8.9	5%
Other	**0.9**	(0.3)	1.2	(400)%
	$573.2	$497.0	$76.2	15%

Revenue was $573.2 million in 1H/22 up $76.2 million or 15% compared with $497.0 million in 1H/21 attributable to increases in revenue from *Derivatives Trading and Clearing, Global Solutions, Insights and Analytics,* as well as *Capital Formation,* partially offset by a decrease in *Equities and Fixed Income Trading and Clearing* revenue. The increase included $60.3 million of revenue for BOX (consolidated January 3, 2022), $21.1 million for AST Canada (acquired August 12, 2021), and $0.8 million for Tradesignal (acquired June 1, 2021). Excluding revenue from BOX, AST Canada, and Tradesignal, revenue was down 1% in 1H/22 compared with 1H/21.

Operating expenses

(in millions of dollars)	**1H/22**	1H/21	**$ increase**	**% increase**
Compensation and benefits	**$137.7**	$122.1	$15.6	13%
Information and trading systems	**41.6**	30.5	11.1	36%
Selling, general and administration	**57.9**	37.1	20.8	56%
Depreciation and amortization	**55.9**	41.7	14.2	34%
	$293.1	$231.4	$61.7	27%

Operating expenses in 1H/22 were $293.1 million, up $61.7 million or 27%, from $231.4 million in 1H/21. There were approximately $53.2 million of expenses included in 1H/22 related to BOX (consolidated January 3, 2022), AST Canada (acquired August 12, 2021), and Tradesignal (acquired June 1, 2021). The increased expenses included $5.6 million related to amortization of acquired intangibles for AST Canada and BOX (8 cents per basic and diluted share), $2.2 million related to AST Canada's TSA, as well as AST integration costs of $6.1 million (8 cents per basic and diluted share). 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 1H/22 due to the release of a provision for restoration costs for our data centre in 1H/21.

Partially offsetting these increases was lower short term employee performance incentive plan costs of approximately $6.7 million, and lower severance. We also incurred $1.2 million (2 cent per basic and diluted share) in acquisition and related costs related to Tradesignal and AST Canada in 1H/21. Excluding expenses from BOX, AST Canada, and Tradesignal, operating expenses increased 4% in 1H/22 compared with 1H/21.

Additional Information

Share of (loss) income from equity accounted investees

(in millions of dollars)	1H/22	1H/21	$ (decrease)	% (decrease)
	$(0.4)	$14.3	$(14.7)	(103)%

- In 1H/22, our share of (loss) income from equity accounted investees decreased by $14.7 million primarily due to a change in accounting relating to BOX (consolidated January 3, 2022) and CanDeal[36]. For 1H/22, our share of (loss) income from equity accounted investees includes CanDeal[37], ETFLogic and Ventriks compared with 1H/21, which included BOX and CanDeal[38].

Other income

(in millions of dollars)	1H/22	1H/21	$ increase	% increase
	$177.9	—	$177.9	n/a

- In 1H/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 in the Q2 2022 MD&A* for more details.

Income tax expense and effective tax rate

Income Tax Expense (in millions of dollars)		**Effective Tax Rate** (%)	
1H/22	1H/21	**1H/22**	1H/21
$60.3	$88.3	**14%**	34%

Excluding adjustments, primarily related to the items noted below, the effective tax rate would have been approximately 26% for 1H/22 and 1H/21.

- In 1H/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 1H/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.

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

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

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

- In 1H/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)	**1H/22**	1H/21	**$ increase**
	$20.2	—	$20.2

- 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.

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 Q2/22 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 Q2/22 unaudited condensed consolidated interim financial statements, MD&A and the contents of this press release were approved.

CONSOLIDATED FINANCIAL STATEMENTS

Our Q2/22 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 IFRS, unless otherwise specified and are in Canadian dollars unless otherwise indicated.

ACCESS TO MATERIALS

TMX Group has filed its Q2/22 unaudited condensed consolidated interim financial statements and MD&A with Canadian securities regulators. This press release should be read together with our Q2/22 unaudited condensed consolidated interim 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 include, but are not limited to, growth objectives; our target dividend payout ratio; the ability of TMX Group to de-leverage and the timing thereof; the modernization of clearing platforms, including the expected cash expenditures related to the modernization of our clearing platforms and the timing of the modernization; other statements related to cost reductions; the impact of the market capitalization of TSX and TSXV issuers overall (from 2020 to 2021); future changes to TMX Group's anticipated statutory income tax rate for 2022; factors relating to stock, and derivatives exchanges and clearing houses and the business, strategic goals and priorities, market conditions, pricing, proposed technology and other business initiatives and the timing and implementation thereof, the expected integration costs related to AST Canada and the timing thereof, the expected cost of the transitional services agreement related to AST Canada, the anticipated benefits and synergies of the AST Canada, including the expected impact on TMX Group's earnings and adjusted earnings per share and the timing thereof, financial results or financial condition, operations and prospects of TMX Group which are subject to significant risks and uncertainties.

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

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

Assumptions related to long term financial objectives

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

- TMX Group's success in achieving growth initiatives and business objectives;
- continued investment in growth businesses and in transformation initiatives including next generation post-trade systems;
- no significant changes to our effective tax rate, recurring revenue, and number of shares outstanding;
- moderate levels of market volatility;
- level of listings, trading, and clearing consistent with historical activity;
- economic growth consistent with historical activity;
- no significant changes in regulations;
- continued disciplined expense management across our business;
- continued re-prioritization of investment towards enterprise solutions and new capabilities;
- free cash flow generation consistent with historical run rate; and
- a limited impact from the COVID-19 pandemic on our plans to grow our business over the long term including on the ability of our listed issuers to raise capital.

While we anticipate that subsequent events and developments may cause our views to change, we have no intention to update this forward-looking information, except as required by applicable securities law. This forward-looking information should not be relied upon as representing our views as of any date subsequent to the date of this 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 Q2/22.

Time: 8:00 a.m. - 9:00 a.m. ET on Friday July 29, 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 897683.

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