

## TMX Group Limited Reports Results for Fourth Quarter of 2023

- Revenue of \$301.5 million, up 9% from \$275.7 million in Q4/22
- Income tax expense decreased in Q4/22 related to a reversal of a prior year tax provision (7 cents), which drove a 16% decrease in diluted earnings per share of \$0.31 in Q4/23 compared with \$0.37 in Q4/22
- Adjusted diluted earnings per share<sup>1</sup> of \$0.37, up 6% from \$0.35 in Q4/22

February 5, 2024 (TORONTO) – TMX Group Limited [TSX:X] (“TMX Group”) today announced results for the fourth quarter ended December 31, 2023.

Commenting on the organization's performance for 2023, John McKenzie, Chief Executive Officer of TMX Group, said:

“In a year of impressive performance milestones, we took definitive steps to strengthen TMX's ability to deliver modern solutions to a growing global client base, highlighted by the acquisition of VettaFi, a U.S.-based indexing, digital distribution, and analytics company, completed last month. TMX reported record revenue in 2023, driven by double-digit gains from our Global Solutions, Insights and Analytics segment, including TMX Trayport and TMX Datalinx, and Derivatives Trading and Clearing, excluding BOX. The increases were partially offset by lower revenue from capital raising activity, and Equities and Fixed Income Trading, due to challenging market dynamics. Looking ahead, we are focused on executing TMX's proven long-term growth strategy, and innovating across our diverse business to make markets better for stakeholders around the world.”

Commenting on the performance in the fourth quarter of 2023, David Arnold, Chief Financial Officer of TMX Group, said:

“Overall revenue for the fourth quarter grew 9% year-over-year, driven by increases across all our key business areas. In addition to a demonstrated ability to deliver solid core business performance and increased cash flow, TMX remains firmly committed to investing for long-term growth. The strategic acquisition of VettaFi was funded with debt, and enabled by the strength of our balance sheet. TMX has a proven track record of de-leveraging following transactions and we are confident in our ability to achieve our targeted leverage range two years post-close, as planned.”

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<sup>1</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 headings "Adjusted Net Income attributable to equity holders of TMX Group and Adjusted Earnings Per Share Reconciliation for Q4/23 and Q4/22" and "Adjusted Net Income attributable to equity holders of TMX Group and Adjusted Earnings Per Share Reconciliation for 2023 and 2022".

We have also presented long term adjusted EPS CAGR as a financial objective which is the growth rate in adjusted diluted earnings per share over time, exclusive of adjustments that impact the comparability of adjusted EPS from period to period, including those outlined under the headings "Adjusted Earnings Per Share Reconciliation for Q4/23 and Q4/22" and "Adjusted Net Income attributable to equity holders of TMX Group and Adjusted Earnings Per Share Reconciliation for 2023 and 2022". 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 Q4/23 and Q4/22" and "Adjusted Net Income attributable to equity holders of TMX Group and Adjusted Earnings Per Share Reconciliation for 2023 and 2022".

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 December 31, 2023 (Q4/23) Compared with Quarter ended December 31, 2022 (Q4/22)<sup>5</sup>

The information below reflects the financial statements of TMX Group for Q4/23 compared with Q4/22.

(in millions of dollars, except per share amounts)	Q4/23	Q4/22	\$ increase / (decrease)	% increase / (decrease)
Revenue	<b>\$301.5</b>	\$275.7	\$25.8	9%
Operating expenses	<b>173.3</b>	154.8	18.5	12%
Income from operations	<b>128.2</b>	120.9	7.3	6%
Net income attributable to equity holders of TMX Group	<b>84.4</b>	102.2	(17.8)	(17)%
Adjusted net income attributable to equity holders of TMX Group <sup>6</sup>	<b>101.9</b>	97.4	4.5	5%
Earnings per share				
Basic	<b>0.31</b>	0.37	(0.06)	(16)%
Diluted	<b>0.31</b>	0.37	(0.06)	(16)%
Adjusted Earnings per share <sup>7</sup>				
Basic	<b>0.37</b>	0.35	0.02	6%
Diluted	<b>0.37</b>	0.35	0.02	6%
Cash flows from operating activities	<b>140.1</b>	100.9	39.2	39%

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

Net income attributable to equity holders of TMX Group in Q4/23 was \$84.4 million, or \$0.31 per common share on a basic and \$0.30 on a diluted basis, compared with a net income attributable to equity holders of TMX Group of \$102.2 million, or \$0.37 per common share on a basic and diluted basis for Q4/22. The decrease in net income attributable to equity holders of TMX Group is largely due to an increase in income tax expense of \$27.8 million in Q4/23, somewhat offset by an increase in Income from operations of \$7.3 million. The increase in income from operations from Q4/22 to Q4/23 was driven by higher revenue of \$25.8 million partially offset by an increase in operating expenses of \$18.5 million. The increase in revenue from Q4/22 to Q4/23 reflects higher revenue from Global Solutions, Insights and Analytics, Derivatives Trading and Clearing, Equities and Fixed Income Trading and Clearing, and Listing fees. Q4/23 revenue also included \$0.8 million related to WSH (acquired November 9, 2022). The higher expenses included an increase of approximately \$5.7 million related to strategic re-alignment<sup>8</sup>, \$3.4 million related to BOX's estimate of increased expenses for services provided by BOX Exchange LLC<sup>9</sup>, as well as approximately \$5.5 million related to VettaFi (equity invested January 9, 2023, prior to acquisition of control January 2, 2024) and WSH (acquired November 9, 2022), of which \$3.7 million related to acquisition and related expenses for VettaFi and WSH, \$0.4 million related to WSH's amortization of acquired intangibles, and \$0.2 million related to WSH integration costs. There were also higher expenses reflecting higher headcount and payroll costs, employee performance incentive plan costs, and increased legal and regulatory filing fees. Somewhat offsetting these increases was \$4.0 million in integration costs related to AST Canada incurred in Q4/22.

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

<sup>8</sup> For additional information, see discussion under the heading "Initiatives and Accomplishments - Strategic Re-Alignment" in our 2023 Annual MD&A.

<sup>9</sup> BOX Exchange LLC is a national securities exchange registered with the Securities and Exchange Commission, and is responsible for regulating and monitoring activities of BOX Options Market LLC, to ensure compliance with BOX Exchange rules and U.S. federal securities laws. TMX has a 40% equity and a 20% voting interest in BOX Exchange LLC.

## Adjusted Net Income attributable to equity holders of TMX Group<sup>10</sup> and Adjusted Earnings per Share<sup>11</sup> Reconciliation for Q4/23 and Q4/22<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:

1. The amortization expenses of intangible assets in Q4/22 and Q4/23 related to the 2012 Maple transaction (TSX, TSXV, MX, CDS, Alpha, Shorcan), TSX Trust, TMX Trayport (including VisoTech and Tradesignal), AST Canada, and BOX, and the amortization of intangibles related to WSH in Q4/23. These costs are a component of *Depreciation and amortization expenses*.
2. Acquisition and related costs in Q4/22 and Q4/23 related to VettaFi (equity-accounted on January 9, 2023 prior to the acquisition of control on January 2, 2024). Q4/22 includes acquisition related costs for WSH (acquired November 9, 2022). These costs are included in *Selling, general and administration*.
3. Fair value gain on contingent consideration, reflecting a reduction in the earn-out liability assumed as part of the WSH acquisition in Q4/23. The gain is included in *Net Finance Costs*.
4. Integration costs related to integrating the WSH acquisition in Q4/22 and Q4/23. Q4/22 includes integration costs related to the AST Canada acquisition. These costs are included in *Selling, general and administration, Depreciation and amortization, Compensation and benefits, and Information and trading systems*.
5. Strategic re-alignment expenses related to organizational changes in Q4/23 are primarily included in *Compensation and benefits* in 2023.
6. In Q4/22, we reversed a prior year tax provision resulting in a decrease to income tax expense.

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<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			
	Q4/23	Q4/22	Q4/23	Q4/22	Q4/23	Q4/22	\$ increase / (decrease)	% increase / (decrease)
Net income attributable to equity holders of TMX Group					<b>\$84.4</b>	\$102.2	(\$17.8)	(17)%
Adjustments related to:								
Amortization of intangibles related to acquisitions <sup>13</sup>	<b>15.1</b>	14.5	<b>5.6</b>	3.3	<b>9.5</b>	11.2	(1.7)	(15)%
Acquisition and related costs <sup>14</sup>	<b>5.1</b>	<b>1.4</b>	—	—	<b>5.1</b>	1.4	3.7	264%
Integration costs <sup>15</sup>	<b>0.4</b>	4.1	<b>0.1</b>	<b>1.1</b>	<b>0.3</b>	3.0	(2.7)	(90)%
Strategic re-alignment expenses <sup>16</sup>	<b>5.7</b>	—	<b>1.5</b>	—	<b>4.2</b>	—	4.2	n/a
Fair value gain on contingent consideration <sup>17</sup>	<b>(1.6)</b>	—	—	—	<b>(1.6)</b>	—	(1.6)	n/a
Reversal of a prior year tax provision <sup>18</sup>	—	—	—	<b>20.4</b>	—	(20.4)	20.4	(100)%
Adjusted net income attributable to equity holders of TMX Group <sup>19</sup>					<b>\$101.9</b>	\$97.4	\$4.5	5%

Adjusted net income attributable to equity holders of TMX Group increased by 5% from \$97.4 million in Q4/22 to \$101.9 million in Q4/23 largely driven by higher revenue and lower net finance costs, partially offset by higher operating expenses and higher income tax expense.

<sup>13</sup> Includes amortization expense of acquired intangibles including BOX, AST Canada, and Tradesignal in Q4/22 and Q4/23 and WSH in Q4/23

<sup>14</sup> Includes costs related to the acquisition of VettaFi (acquired January 2, 2024) in Q4/23, and costs related to the acquisition of WSH (acquired November 9, 2022) and other equity investments in Q4/22.

<sup>15</sup> Q4/22 and Q4/23 includes costs related to the integration of WSH (acquired November 9, 2022). Q4/22 includes costs related to the integration of AST Canada (acquired August 12, 2021).

<sup>16</sup> For additional information, see discussion under the heading "Initiatives and Accomplishments - Strategic Re-Alignment" in our 2023 Annual MD&A.

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

<sup>18</sup> Relates to a prior year tax reserve no longer required.

<sup>19</sup> Adjusted net income is a non-GAAP measure, see discussion under the heading "Non-GAAP Measures".

(unaudited)	Q4/23		Q4/22	
	Basic	Diluted	Basic	Diluted
Earnings per share attributable to equity holders of TMX Group	<b>\$0.31</b>	<b>\$0.31</b>	\$0.37	\$0.37
Adjustments related to:				
Amortization of intangibles related to acquisitions <sup>20</sup>	<b>0.03</b>	<b>0.03</b>	0.04	0.04
Acquisition and related costs <sup>21</sup>	<b>0.02</b>	<b>0.02</b>	0.01	0.01
Strategic re-alignment expenses <sup>22</sup>	<b>0.02</b>	<b>0.02</b>	—	—
Fair value gain on contingent consideration <sup>23</sup>	<b>(0.01)</b>	<b>(0.01)</b>	—	—
Reversal of a prior year tax provision <sup>24</sup>	—	—	(0.08)	(0.07)
Integration costs <sup>25</sup>	—	—	0.01	0.01
Adjusted earnings per share attributable to equity holders of TMX Group <sup>26,27</sup>	<b>\$0.37</b>	<b>\$0.37</b>	\$0.35	\$0.35
Weighted average number of common shares outstanding	<b>276,982,929</b>	<b>277,890,131</b>	278,236,245	279,323,185

Adjusted diluted earnings per share increased by 2 cents from \$0.35 in Q4/22 to \$0.37 in Q4/23 reflecting an increase in income from operations, lower net finance costs, and a decrease in the number of weighted average common shares outstanding from Q4/22 to Q4/23. The increase in adjusted earnings per share was somewhat offset by higher income tax expenses.

<sup>20</sup> Includes amortization expense of acquired intangibles including BOX, AST Canada, and Tradesignal in Q4/22 and Q4/23, and WSH in Q4/23.

<sup>21</sup> Includes costs related to the acquisition of VettaFi (acquired January 2, 2024) in Q4/23, and costs related to the acquisition of WSH (acquired November 9, 2022) and other equity investments in Q4/22.

<sup>22</sup> For additional information, see discussion under the heading "Initiatives and Accomplishments - Strategic Re-Alignment" in our 2023 Annual MD&A.

<sup>23</sup> For additional information, see discussion under the heading "Additional Information - Net Finance Costs".

<sup>24</sup> Relates to a prior year tax reserve no longer required.

<sup>25</sup> Q4/22 and Q4/23 includes costs related to the integration of WSH (acquired November 9, 2022). Q4/22 includes costs related to the integration of AST Canada (acquired August 12, 2021).

<sup>26</sup> Adjusted earnings per share is a non-GAAP ratio, see discussion under the heading "Non-GAAP Measures".

<sup>27</sup> The reconciliations for Diluted adjusted EPS in Q4/23 and Q4/22 are presented without a rounding adjustment to ensure accuracy.

## Revenue

(in millions of dollars)	Q4/23	Q4/22	\$ increase / (decrease)	% increase / (decrease)
Capital Formation	\$63.1	\$61.5	\$1.6	3%
Equities and Fixed Income Trading and Clearing	59.7	57.0	2.7	5%
Derivatives Trading and Clearing	71.3	63.5	7.8	12%
Global Solutions, Insights and Analytics	107.4	93.6	13.8	15%
Other	0.0	0.1	(0.1)	(100)%
	<b>\$301.5</b>	<b>\$275.7</b>	<b>\$25.8</b>	<b>9%</b>

Revenue was \$301.5 million in Q4/23, up \$25.8 million or 9% from \$275.7 million in Q4/22 attributable to increases in revenue from *Global Solutions, Insights and Analytics*, *Derivatives Trading and Clearing*, *Equities and Fixed Income Trading and Clearing*, and *Capital Formation*. The increase in revenue from Q4/22 to Q4/23 included \$0.8 million of revenue for WSH (acquired November 9, 2022). Excluding revenue from WSH, revenue was up 9% in Q4/23 compared to Q4/22.

## Capital Formation

(in millions of dollars)	Q4/23	Q4/22	\$ increase / (decrease)	% increase / (decrease)
Initial listing fees	\$2.2	\$3.2	\$(1.0)	(31)%
Additional listing fees	17.0	14.0	3.0	21%
Sustaining listing fees	19.8	20.1	(0.3)	(1)%
Other issuer services	24.1	24.2	(0.1)	0%
	<b>\$63.1</b>	<b>\$61.5</b>	<b>\$1.6</b>	<b>3%</b>

- *Initial listing fees* in Q4/23 decreased from Q4/22 due to lower revenue in TSX and TSXV. We recognized \$1.9 million in *initial listing fees* received in 2022 and 2023 in Q4/23 compared with \$3.0 million in *initial listing fees* received in 2021 and 2022 in Q4/22.
- Based on *initial listing fees* billed in 2023, the following amounts have been deferred to be recognized in Q1/24, Q2/24, Q3/24, and Q4/24: \$1.6 million, \$1.1 million, \$0.6 million and \$0.1 million respectively. Total *initial listing fees* revenue for future quarters will also depend on listing activity in those quarters.

- *Additional listing fees* in Q4/23 increased compared to Q4/22 reflecting an increase in TSX revenue primarily from an 63% increase in the number of transactions billed at the maximum listing fee of \$250,000 from Q4/22 to Q4/23, and an increase of 10% in the number of transactions billed below the maximum fee. There were also increases in the total number of financings on TSX.
- 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 a decrease in *sustaining listing fees* on both TSX and TSXV from Q4/22 to Q4/23, reflecting a decrease in the market capitalization of issuers on TSX and TSXV at December 31, 2022 compared with December 31, 2021. This was somewhat offset by the price changes, as well as an increase in total number of listed issuers on TSX.
- *Other issuer services* revenue, which mainly consists of TSX Trust, including AST Canada, was slightly lower in Q4/23 compared to Q4/22 primarily due to lower transfer agent fees, and lower net interest income mostly offset by higher corporate trust and other revenue.

## Equities and Fixed Income Trading and Clearing

(in millions of dollars)	Q4/23	Q4/22	\$ increase	% increase
Equities and fixed income trading	\$28.8	\$28.2	\$0.6	2%
Equities and fixed income clearing, settlement, depository and other services (CDS)	30.9	28.8	2.1	7%
	\$59.7	\$57.0	\$2.7	5%

- *Equities Trading* revenue decreased in Q4/23 compared with Q4/22 driven by lower volumes partially offset by a favourable product mix. The overall volume of securities traded on our equities marketplaces decreased by 13% (30.0 billion securities in Q4/23 versus 34.6 billion securities in Q4/22). There was a decrease in volumes of 14% on TSX, 13% on TSXV, and 9% on Alpha in Q4/23 compared with Q4/22.
- There was higher fixed income trading revenue from Q4/22 to Q4/23 reflecting increased activity in Government of Canada bonds and swaps.
- CDS revenue increased from Q4/22 to Q4/23 mainly due to higher interest income on clearing funds which included a year to date re-class of approximately \$0.7 million from *finance income*, event management fees, custodial and eligibility volumes, partially offset by lower exchange trading volumes.
- Excluding intentional crosses, for TSX and TSXV listed issues, our combined domestic equities trading market share was approximately 63% in Q4/23, down 3% from approximately 66% from Q4/22. 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 57% in Q4/23, down 2% from approximately 59% in Q4/22.

## Derivatives Trading and Clearing

(in millions of dollars)	Q4/23	Q4/22	\$ increase	% increase
Derivatives Trading and Clearing (excl. BOX)	\$39.8	\$36.0	\$3.8	11%
BOX	31.5	27.5	4.0	15%
	\$71.3	\$63.5	\$7.8	12%

### *Derivatives Trading and Clearing (excl. BOX)*

The increase in revenue in Derivatives Trading and Clearing (excl. BOX) was driven by a 9% and 14% increase in MX and CDCC revenue respectively. The increase in MX revenue reflected an increase in volumes from Q4/22 to Q4/23 of 20% (45.4 million contracts traded in Q4/23 vs. 37.7 million contracts traded in Q4/22), as well as a positive impact from the pricing changes which came into effect January 2023, somewhat offset by an unfavourable product and client mix. The increase in CDCC revenue primarily reflected higher clearing volumes.

### **BOX**

BOX revenue increased by 4.0 million or 15% in Q4/23 compared to Q4/22 driven by higher volumes. Volumes on BOX were up approximately 21% from Q4/22 to Q4/23 (200.8 million contracts traded in Q4/23 versus 165.8 million contracts traded in Q4/22), and BOX market share in equity options was 8% in Q4/23, up 1% from Q4/22. These increases were partially offset by lower rate per contract due to the implementation of a new pricing structure in Q3/23 which increased volumes and market share at lower yields.

The following table summarizes the BOX volume and the equity option market share since acquisition of control:

	Q4/23	Q3/23	Q2/23	Q1/23	Q4/22	Q3/22	Q2/22	Q1/22
Volume (million contracts)	201	177	155	160	166	169	127	149
Market Share (equity options)	8%	7%	6%	6%	7%	7%	6%	6%
Revenue (in millions of CAD)	\$31.5	\$28.7	\$25.4	\$27.7	\$27.5	\$30.6	\$27.3	\$33.0
Average CAD-USD FX rate	1.36	1.34	1.34	1.35	1.35	1.31	1.28	1.26
Revenue (in millions of USD)	\$23.1	\$21.4	\$18.9	\$20.5	\$20.4	\$23.4	\$21.4	\$26.1

## Global Solutions, Insights and Analytics

(in millions of dollars)	Q4/23	Q4/22	\$ increase	% increase
TMX Trayport	\$50.4	\$40.8	\$9.6	24%
TMX Datalinx including Co-location	57.0	52.8	4.2	8%
	\$107.4	\$93.6	\$13.8	15%

The increase in *Global Solutions, Insights and Analytics (GSIA)* revenue in Q4/23 compared with Q4/22 was driven by a 24% increase from TMX Trayport, as well as an 8% increase from TMX Datalinx including Co-location. There was favourable FX impact from Canadian dollar relative to a stronger GBP on TMX Trayport revenue.

### TMX Trayport

The following table summarizes the average number of TMX Trayport subscribers over the last eight quarters:

	Q4/2023	Q3/23	Q2/23	Q1/23	Q4/22	Q3/22	Q2/22	Q1/22
Trader Subscribers	7,443	7,101	7,030	6,932	6,804	6,615	6,410	6,366
Total Subscribers	33,890	33,031	32,480	31,771	30,472	30,186	30,573	30,475
Revenue (in millions of CAD)	\$50.4	\$49.0	\$47.9	\$45.8	\$40.8	\$37.4	\$38.5	\$40.8
Average CAD-GBP FX rate	1.70	1.69	1.70	1.65	1.62	1.53	1.59	1.68
Revenue (in millions of GBP)	£29.6	£29.0	£28.2	£27.8	£25.2	£24.4	£24.2	£24.3

Total Subscribers means all chargeable licenses of core TMX 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 TMX Trayport revenue.

Revenue from TMX Trayport increased by 24% from Q4/22 to Q4/23. In GBP, revenue from TMX Trayport was £29.6 million (based on CAD-GBP FX rate of 1.70) in Q4/23 up 17% over Q4/22. The increase in TMX Trayport revenue from Q4/22 to Q4/23 was primarily driven by a 9% increase in trader subscribers, annual price adjustments, revenue from data analytics and algorithmic trading products, and favourable FX impact of \$2.3 million due to a stronger GBP compared to CAD.

### TMX Datalinx including Co-location

Revenue from TMX Datalinx including Co-location increased by 8% from Q4/22 to Q4/23. The Q4/23 TMX Datalinx revenue included \$0.8 million of revenue for WSH (acquired November 9, 2022). In addition, there were higher revenues related to increases in data feeds, co-location, enterprise agreement renewals, benchmarks and indices reflecting revenue from Term CORRA, and the impact of 2023 price adjustments in Q4/23 compared with Q4/22, partially offset by lower Datalinx Xpress true-up revenue.

- The average number of professional market data subscriptions for TSX and TSXV products was down 5% in Q4/23 from Q4/22 (97,972 professional market data subscriptions in Q4/23 compared with 103,036 in Q4/22).
- The average number of MX professional market data subscriptions was up 1% in Q4/23 compared with Q4/22 (21,250 MX professional market data subscriptions in Q4/23 compared with 20,961 in Q4/22).

## Operating expenses

(in millions of dollars)	Q4/23	Q4/22	\$ increase/(decrease)	% increase/(decrease)
Compensation and benefits	<b>\$87.3</b>	\$69.6	\$17.7	25%
Information and trading systems	<b>23.8</b>	26.3	(2.5)	(10)%
Selling, general and administration	<b>33.8</b>	29.9	3.9	13%
Depreciation and amortization	<b>28.4</b>	29.0	(0.6)	(2)%
	<b>\$173.3</b>	\$154.8	\$18.5	12%

Operating expenses in Q4/23 were \$173.3 million, up \$18.5 million or 12%, from \$154.8 million in Q4/22, primarily driven by an increase of approximately \$5.7 million related to strategic re-alignment<sup>28</sup>, as well as \$3.4 million related to BOX's estimate of increased expenses for services provided by BOX Exchange LLC. The increase from Q4/22 to Q4/23 also included approximately \$5.5 million related to VettaFi (equity invested January 9, 2023, prior to acquisition of control January 2, 2024) and WSH (acquired November 9, 2022), of which \$3.7 million related to acquisition and related expenses for VettaFi and WSH, \$0.4 million related to WSH's amortization of acquired intangibles, and \$0.2 million related to WSH integration costs. There were also higher expenses reflecting higher headcount and payroll costs, employee performance incentive plan costs, as well as increased legal and regulatory filing fees.

Somewhat offsetting these increases was \$4.0 million in integration costs related to AST Canada incurred in Q4/22. Excluding the above mentioned expenses for BOX, VettaFi, WSH, AST Canada, and strategic re-alignment, operating expenses increased 5% in Q4/23 compared with Q4/22.

## **Compensation and benefits**

(in millions of dollars)	Q4/23	Q4/22	\$ increase	% increase
	<b>\$87.3</b>	\$69.6	\$17.7	25%

- *Compensation and benefits* expenses increased in Q4/23 reflecting increased severance costs of approximately \$5.7 million related to strategic re-alignment, as well as higher headcount and payroll costs, including increased employee performance incentive plan costs of \$6.0 million, and merit increases of \$2.4 million. There were also higher expenses related to WSH of approximately \$1.4 million, and an increase of \$0.6 million in Q4/23 due to a reclassification of expenses from *Information and trading systems* to *Compensation and benefits* for BOX. These increases were somewhat offset by \$0.4 million in integration costs related to AST Canada incurred in Q4/22.
- There were 1,803 TMX Group full-time equivalent employees at December 31, 2023 versus 1,731 employees at December 31, 2022, excluding BOX, reflecting a 4% increase in headcount attributable to investing in the various growth areas of our business.

<sup>28</sup> For additional information, see discussion under the heading "Initiatives and Accomplishments - Strategic Re-Alignment" in our 2023 Annual MD&A.

## Information and trading systems

(in millions of dollars)	Q4/23	Q4/22	\$ (decrease)	% (decrease)
	\$23.8	\$26.3	\$(2.5)	(10)%

- *Information and trading systems* expenses decreased from Q4/22 to Q4/23 primarily reflecting \$1.8 million in integration costs incurred for AST Canada in Q4/22, as well as decreases of \$0.6 million in Q4/23 due to a reclassification of expenses from *Information and trading systems* to *Compensation and benefits* for BOX.

## Selling, general and administration

(in millions of dollars)	Q4/23	Q4/22	\$ increase	% increase
	\$33.8	\$29.9	\$3.9	13%

- *Selling, general and administration* expenses increased in Q4/23 compared with Q4/22 reflecting an increase of approximately \$4.4 million related to acquisition and related costs for VettaFi, \$3.4 million related to BOX's estimate of increased expenses for services provided by BOX Exchange LLC, and \$0.3 million related to a timing related credit for AST integration incurred in Q4/22. In addition, there were higher legal and regulatory filing fees in Q4/23 compared to Q4/22. Partially offsetting these increases were lower expenses related to WSH of approximately \$0.8 million, and lower commodity tax expenses in Q4/23 compared to Q4/22.

## Depreciation and amortization

(in millions of dollars)	Q4/23	Q4/22	\$ (decrease)	% (decrease)
	\$28.4	\$29.0	\$(0.6)	(2)%

- *Depreciation and amortization* expenses decreased by \$0.6 million from Q4/22 to Q4/23, primarily due to \$2.1 million in integration costs related to AST Canada incurred in Q4/22, somewhat offset by \$0.4 million related to the amortization of intangibles for WSH in Q4/23, and increased amortization on new intangible assets.
- The *Depreciation and amortization* costs in Q4/23 of \$28.4 million included \$15.1 million, net of NCI, related to amortization of intangibles related to acquisitions (3 cents per basic and diluted share).
- The *Depreciation and amortization* costs in Q4/22 of \$29.0 million included \$14.4 million, net of NCI, related to amortization of intangibles related to acquisitions (4 cents per basic and diluted share).

## Additional Information

### Share of income (loss) from equity-accounted investments

(in millions of dollars)	Q4/23	Q4/22	\$ increase	% increase
	\$1.4	\$(0.5)	\$1.9	380%

- In Q4/23, our share of income from equity-accounted investments increased by \$1.9 million. For Q4/23, our share of income from equity-accounted investments includes VettaFi<sup>29</sup>, Ventriks, and other equity accounted investments, compared with our share of loss from Q4/22, which included SigmaLogic and Ventriks.

### Net finance costs

(in millions of dollars)	Q4/23	Q4/22	\$ (decrease)	% (decrease)
	\$4.6	\$7.1	\$(2.5)	(35)%

- The decrease in net finance costs from Q4/22 to Q4/23 reflected higher interest income on funds invested of \$1.4 million as a result of higher interest rates, and a \$1.6 million fair value gain on contingent consideration, reflecting a reduction in the earn-out liability assumed as part of the WSH acquisition, somewhat offset by higher interest expense on borrowings, and higher foreign exchange losses of \$1.6 million.

### Income tax expense and effective tax rate

Income Tax Expense (in millions of dollars)		Effective Tax Rate (%) <sup>30</sup>	
Q4/23	Q4/22	Q4/23	Q4/22
\$30.6	\$2.8	27%	3%

The effective tax rate excluding below adjustments would have been approximately 27% for Q4/23 and 26% for Q4/22. The 1% increase in the effective tax rate was primarily due to an increase in the U.K. corporate income tax rate from 19% to 25% effective April 1, 2023. The items noted below impacted our effective tax rate for Q4/23 and Q4/22, but in aggregate had a minimal impact on Q4/23.

#### Q4/23

- In Q4/23, Massachusetts enacted a change in their corporate tax effective 2025. This change resulted in a decrease in net deferred income tax liabilities and a corresponding decrease in income tax expense on intangibles related to acquisitions, and a -1.1% impact on our effective tax rate.
- In Q4/23, there was decrease in income tax expense due to a prior year tax adjustment related to TMX Trayport which had a -0.8% impact on our effective tax rate.
- In Q4/23, there were acquisition costs primarily related to VettaFi that are non-deductible for tax purposes which increased income tax expense and had a +1.3% impact on our effective tax rate.
- In Q4/23, we wrote-down deferred tax assets relating to non-capital losses related to TMX Investor Solutions resulting in an increase to income tax expense and had a +1.1% impact on our effective tax rate.

#### Q4/22

- In Q4/22, we reversed a prior year tax provision resulting in a decrease to income tax expense of \$20.4 million.

<sup>29</sup> Equity-accounted investment as of January 9, 2023.

<sup>30</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 25% in Q4/23 and 2% in Q4/22.

## Net income attributable to non-controlling interests

(in millions of dollars)	Q4/23	Q4/22	\$ increase
	<b>\$10.0</b>	\$8.4	\$1.6

- The increase in net income attributable to non-controlling interests (NCI) for Q4/23 compared to Q4/22 is primarily due to higher net income in BOX driven by higher revenue, partially offset by higher operating expenses, including an increase in BOX's estimate of expenses for services provided by BOX Exchange LLC.

## Summary of Cash Flows

### Q4/23 compared with Q4/22

(in millions of dollars)	Q4/23	Q4/22	\$ increase / (decrease) in cash
Cash flows from operating activities	<b>\$140.1</b>	\$100.9	\$39.2
Cash flows used in financing activities	<b>(362.3)</b>	(58.1)	(304.2)
Cash flows used in investing activities	<b>(27.8)</b>	(68.6)	40.8

- In Q4/23, *Cash flows from operating activities* increased compared with Q4/22 reflecting higher income from operations (excluding depreciation and amortization), increases in cash related to higher trade and other payables. These increases were offset by higher other assets and liabilities, increased income taxes paid, and trade and other receivables, and prepaid expenses.
- In Q4/23, *Cash flows used in financing activities* increased compared with Q4/22 reflecting \$250.0 million for repayment of debentures relating to the Series B debentures that matured on October 3, 2023. In addition there was an increase in cash used to repurchase shares under our normal course issuer bid of \$38.7 million, an increase of \$21.9 million relating to net credit and liquidity facilities drawn, increased interest paid of \$9.6 million, and a decrease in proceeds from exercised options of \$5.3 million. These increases to *cash flows used in financing activities* were partially offset by a \$25.1 million net movement in commercial paper.
- In Q4/23, *Cash flows used in investing activities* decreased compared with Q4/22 reflecting a decrease in cash used in the net purchase of marketable securities in Q4/23 compared Q4/22 as well as a decrease in cash related to the acquisition of a subsidiary, net of cash.

## Year ended December 31, 2023 (2023) Compared with the year ended December 31, 2022 (2022)<sup>31</sup>

The information below reflects the financial statements of TMX Group for 2023 compared with 2022.

(in millions of dollars, except per share amounts)	2023	2022	\$ increase / (decrease)	% increase / (decrease)
Revenue	<b>\$1,194.1</b>	\$1,114.9	\$79.2	7%
Operating expenses	<b>654.1</b>	592.1	62.0	10%
Income from operations	<b>540.0</b>	522.8	17.2	3%
Net income attributable to equity holders of TMX Group	<b>356.0</b>	542.7	(186.7)	(34)%
Adjusted net income attributable to equity holders of TMX Group <sup>3233</sup>	<b>407.8</b>	399.1	8.7	2%
Earnings per share attributable to equity holders of TMX Group				
Basic	<b>1.28</b>	1.95	(0.67)	(34)%
Diluted	<b>1.28</b>	1.94	(0.66)	(34)%
Adjusted Earnings per share attributable to equity holders of TMX Group <sup>3435</sup>				
Basic	<b>1.47</b>	1.43	0.04	3%
Diluted	<b>1.46</b>	1.43	0.03	2%
Cash flows from operating activities	<b>524.9</b>	444.1	80.8	18%

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

Net income attributable to equity holders of TMX Group in 2023 was \$356.0 million, or \$1.28 per common share on a basic and diluted basis, compared with \$542.7 million, or \$1.95 per common share on a basic and \$1.94 on a diluted basis for 2022. The decrease in net income attributable to equity holders of TMX Group is largely due to a non-cash gain of \$177.9 million being recognized in Q1/22 resulting from the remeasurement of our interest in BOX upon acquisition of voting control and a decrease of \$20.4 million in income tax expense in 2022 from the reversal of a prior year tax provision, somewhat offsetting these decreases was an increase in income from operations of \$17.2 million. The increase in income from operations from 2022 to 2023 was driven by an increase in revenue of \$79.2 million, reflecting higher revenue from Global Solutions, Insights and Analytics, TSX Trust, Derivatives Trading and Clearing (excl. BOX), and CDS, partially offset by lower Listing fees, Equity and Fixed Income trading, and BOX revenue. The revenue increase also included \$7.3 million related to WSH, and \$0.2 million for SigmaLogic. There was also an increase in operating expenses of \$62.0 million, which included \$13.4 million of expenses related to VettaFi, SigmaLogic, and WSH, of which approximately \$4.1 million related to acquisition and related costs for VettaFi, SigmaLogic, and WSH, \$1.9 million related to amortization of acquired intangibles for WSH, and \$0.2 million related to WSH integration costs. The increase

<sup>31</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>32</sup> Adjusted net income is a non-GAAP measure, see discussion under the heading "Non-GAAP Measures".

<sup>33</sup> Reflects an adjustment increasing the income tax effect for the 1H/23 by \$1.4 million.

<sup>34</sup> Adjusted earnings per share is a non-GAAP ratio, see discussion under the heading "Non-GAAP Measures".

<sup>35</sup> Reflects an adjustment increasing the income tax effect for the 1H/23 by \$1.4 million.

from 2022 to 2023 also included \$10.1 million related to BOX's estimate of increased expenses for services provided by BOX Exchange LLC<sup>36</sup>, an increase of approximately \$5.7 million related to strategic re-alignment<sup>37</sup>, as well as higher expenses related to higher headcount and payroll costs, employee performance incentive plan costs, increased IT operating costs, revenue related expenses and legal fees.

The increase in earnings per share was also partially attributable to a decrease in the number of weighted average common shares outstanding from 2022 to 2023, as well as lower net finance costs.

### **Adjusted Net Income<sup>38</sup> attributable to equity holders of TMX Group and Adjusted Earnings per Share<sup>39</sup> Reconciliation for 2023 and 2022**

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:

1. The amortization expenses of intangible assets in 2022 and 2023 related to the 2012 Maple transaction (TSX, TSXV, MX, CDS, Alpha, Shorcan), TSX Trust, TMX Trayport (including VisoTech and Tradesignal), AST Canada, and BOX, and the amortization of intangibles related to WSH in 2023. These costs are a component of *Depreciation and amortization expenses*.
2. Acquisition and related costs in 2022 and 2023 related to VettaFi (equity-accounted on January 9, 2023 prior to the acquisition of control on January 2, 2024), 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), 2022 includes acquisition related costs for the equity investment in Ventriks (June 15, 2022). These costs are included in *Selling, general and administration* and *Net Finance Costs*.
3. Gain resulting from the sale of 100% of our interest in SigmaLogic to VettaFi (effective April 21, 2023), net of divestiture costs in 2023. This gain is included in *Other Income* while the costs are included in *Selling, general and administration*.
4. Fair value gain on contingent consideration, reflecting a reduction in the earn-out liability assumed as part of the WSH acquisition in 2023. This gain is included in *Net Finance Costs*.
5. Integration costs related to integrating the WSH acquisition in 2022 and 2023. 2022 includes integration costs related to the AST Canada acquisition. These costs are included in *Selling, general and administration, Depreciation and amortization, Compensation and benefits, and Information and trading systems*.
6. Strategic re-alignment expenses related to organizational changes in Q4/23 included in *Compensation and benefits* in 2023.
7. Gain resulting from the remeasurement of our interest in BOX upon acquisition of voting control (effective January 3, 2022) in 2022. This gain is included in *Other Income*.
8. A decrease in deferred income tax liabilities which decreased *income tax expenses* in 2022 relating to a decrease in the Pennsylvania and Nebraska future income tax rates.
9. In 2022, we reversed a prior year tax provision resulting in a decrease to income tax expense.

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<sup>36</sup> BOX Exchange LLC is a national securities exchange registered with the Securities and Exchange Commission, and is responsible for regulating and monitoring activities of BOX Options Market LLC, to ensure compliance with BOX Exchange rules and U.S. federal securities laws. TMX has a 40% equity and a 20% voting interest in BOX Exchange LLC.

<sup>37</sup> For additional information, see discussion under the heading "Initiatives and Accomplishments - Strategic Re-Alignment" in our 2023 MD&A.

<sup>38</sup> Adjusted net income is a non-GAAP measure, see discussion under the heading "Non-GAAP Measures".

<sup>39</sup> 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			
	2023	2022	2023	2022	2023	2022	\$ increase / (decrease)	% increase / (decrease)
Net income attributable to equity holders of TMX Group					<b>\$356.0</b>	\$542.7	\$(186.7)	(34)%
Adjustments related to:								
Amortization of intangibles related to acquisitions <sup>40,41</sup>	<b>60.4</b>	57.7	<b>18.1</b>	14.2	<b>42.3</b>	43.5	(1.2)	(3)%
Acquisition and related costs <sup>42</sup>	<b>9.0</b>	1.8	—	—	<b>9.0</b>	1.8	7.2	400%
Integration costs <sup>43</sup>	<b>0.3</b>	13.7	<b>0.1</b>	3.6	<b>0.2</b>	10.1	(9.9)	(98)%
Gain on sale of SigmaLogic, net of divestiture costs <sup>44</sup>	<b>(1.2)</b>	—	<b>0.2</b>	—	<b>(1.0)</b>	—	(1.0)	n/a
Fair value gain on contingent consideration <sup>45</sup>	<b>(2.8)</b>	—	—	—	<b>(2.8)</b>	—	(2.8)	n/a
Gain on BOX <sup>46</sup>	—	(177.9)	—	—	—	(177.9)	177.9	(100)%
Reversal of a prior year tax provision <sup>47</sup>	—	—	—	20.4	—	(20.4)	20.4	(100)%
Strategic re-alignment costs <sup>48</sup>	<b>5.7</b>	—	<b>1.5</b>	—	<b>4.2</b>	—	4.2	n/a
Change in deferred income tax liabilities relating to changes in future tax rates <sup>49</sup>	—	—	—	0.7	—	(0.7)	0.7	(100)%
Adjusted net income attributable to equity holders of TMX Group <sup>50,51</sup>					<b>\$407.8</b>	\$399.1	8.7	2%

<sup>40</sup> Includes amortization expense of acquired intangibles including BOX, AST Canada, and Tradesignal in 2022 and 2023, and WSH in 2023.

<sup>41</sup> Reflects an adjustment increasing the income tax effect for the 1H/23 by \$1.4 million.

<sup>42</sup> 2022 and 2023 includes transaction costs for VettaFi (equity-accounted January 9, 2023 prior to the acquisition of control January 2, 2024), SigmaLogic (equity-accounted prior to the acquisition of control in February 16, 2023 and divested April 21, 2023) and WSH (acquired November 9, 2022). 2022 also includes acquisition related costs for the equity investment in Ventriks. See "Initiatives and Accomplishments" in our 2023 annual MD&A for more details.

<sup>43</sup> 2022 and 2023 includes costs related to the integration of WSH (acquired November 9, 2022). 2022 includes costs related to the integration of AST Canada (acquired August 12, 2021).

<sup>44</sup> Gain resulting from the sale of SigmaLogic (effective April 21, 2023). See Initiatives and Accomplishments - GSIA - VettaFi Acquisition for more details.

<sup>45</sup> For additional information, see discussion under the heading "Additional Information - Net Finance Costs" in our 2023 Annual MD&A.

<sup>46</sup> Gain resulting from the remeasurement of our interest in BOX upon acquisition of voting control (effective January 3, 2022), in 2022

<sup>47</sup> Relates to a prior year tax reserve no longer required.

<sup>48</sup> For additional information, see discussion under the heading "Initiatives and Accomplishments - Strategic Re-Alignment".

<sup>49</sup> 2022 includes a decrease in deferred income tax liabilities due to future reductions in income tax rates in Pennsylvania and Nebraska.

<sup>50</sup> Adjusted net income is a non-GAAP measure, see discussion under the heading "Non-GAAP Measures".

<sup>51</sup> The reconciliation for Adjusted Net Income in 2023 is presented without a rounding adjustment to ensure accuracy.

Adjusted net income attributable to equity holders of TMX Group increased by 2% from \$399.1 million in 2022 to \$407.8 million in 2023 largely driven by an increase in income from operations and lower net finance costs, partially offset by higher income tax expense.

(unaudited)	2023		2022	
	Basic	Diluted	Basic	Diluted
Earnings per share attributable to equity holders of TMX Group	<b>\$1.28</b>	<b>\$1.28</b>	\$1.95	\$1.94
Adjustments related to:				
Amortization of intangibles related to acquisitions <sup>52</sup>	<b>0.15</b>	<b>0.15</b>	0.16	0.16
Acquisition and related costs <sup>53</sup>	<b>0.03</b>	<b>0.03</b>	0.01	0.01
Fair value gain on contingent consideration <sup>54</sup>	<b>(0.01)</b>	<b>(0.01)</b>	—	—
Integration costs <sup>55</sup>	—	—	0.04	0.04
Gain on BOX <sup>56</sup>	—	—	(0.64)	(0.64)
Strategic re-alignment costs <sup>57</sup>	<b>0.02</b>	<b>0.01</b>	—	—
Reversal of prior year tax provision <sup>58</sup>	—	—	(0.08)	(0.07)
Adjusted earnings per share attributable to equity holders of TMX Group <sup>59,60,61</sup>	<b>1.47</b>	<b>1.46</b>	\$1.43	\$1.43
Weighted average number of common shares outstanding	<b>278,154,881</b>	<b>279,043,599</b>	278,729,125	279,971,505

Adjusted diluted earnings per share increased by 3 cents from \$1.43 in 2022 to \$1.46 in 2023 reflecting an increase in income from operations, lower net finance costs, and a decrease in the number of weighted average common shares outstanding from 2022 to 2023, partially offset by higher income tax expense.

<sup>52</sup> Includes amortization expense of acquired intangibles including BOX, AST Canada, and Tradesignal in 2022 and 2023, and WSH in 2023.

<sup>53</sup> 2022 and 2023 includes transaction costs for VettaFi (equity-accounted January 9, 2023 prior to the acquisition of control January 2, 2024), SigmaLogic (equity-accounted prior to the acquisition of control in February 16, 2023 and divested April 21, 2023) and WSH (acquired November 9, 2022). 2022 also includes acquisition related costs for the equity investment in Ventriks. See Initiatives and Accomplishments for more details.

<sup>54</sup> For additional information, see discussion under the heading "Additional Information - Net Finance Costs".

<sup>55</sup> 2022 and 2023 includes costs related to the integration of WSH (acquired November 9, 2022). 2022 includes costs related to the integration of AST Canada (acquired August 12, 2021).

<sup>56</sup> Gain resulting from the remeasurement of our interest in BOX upon acquisition of voting control (effective January 3, 2022), in 2022.

<sup>57</sup> For additional information, see discussion under the heading "Strategic re-alignment".

<sup>58</sup> Relates to prior year tax reserve no longer required.

<sup>59</sup> Adjusted earnings per share is a non-GAAP ratio, see discussion under the heading "Non-GAAP Measures". In 2023, "Integration Costs" and "Gain on Sale of SigmaLogic, Net of Divestiture Costs" were not presented in the reconciliation due to the size of the adjustment being less than a penny. In 2022, "Change in Deferred Income Tax Liabilities Relating to Changes in Future Tax Rates" was not presented in the reconciliation.

<sup>60</sup> Reflects an adjustment increasing the income tax effect for amortization of acquired intangibles related to acquisitions for the 1H/23 by 1 cent.

<sup>61</sup> The reconciliations for Diluted adjusted earnings per share in 2023, and Basic and Diluted adjusted earnings per share in 2022 are presented without a rounding adjustment to ensure accuracy.

## **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 2023 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 2023 audited annual consolidated financial statements, MD&A and the contents of this press release were approved.

## **CONSOLIDATED FINANCIAL STATEMENTS**

Our 2023 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 International Financial Reporting Standards (IFRS) and IFRS Interpretations Committee ("IFRIC") interpretations, as issued by the International Accounting Standards Board (IASB), unless otherwise specified. All amounts are in Canadian dollars unless otherwise indicated.

## **ACCESS TO MATERIALS**

TMX Group has filed its 2023 audited annual consolidated financial statements and MD&A with Canadian securities regulators. This press release should be read together with our 2023 audited annual consolidated 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 expected timing and savings related to strategic realignment, 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, 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 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 (including COVID-19); 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 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 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, among other things, could positively or negatively impact AST Canada's accretion to adjusted earnings per share; 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](#).

## Teleconference / Audio Webcast

TMX Group will host a teleconference / audio webcast to discuss the financial results for Q4/23.

Time: 8:00 a.m. - 9:00 a.m. ET on Tuesday February 6, 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 981084.

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# TMX GROUP LIMITED

## Consolidated Balance Sheets

(In millions of Canadian dollars)  
(Unaudited)

	December 31, 2023	December 31, 2022
<b>Assets</b>		
<b>Current Assets:</b>		
Cash and cash equivalents	\$ 301.1	\$ 375.7
Restricted cash and cash equivalents	231.7	234.1
Marketable securities	118.5	117.4
Trade and other receivables	191.0	156.5
Balances of Participants and Clearing Members	57,498.8	49,340.8
Other current assets	47.3	38.0
<b>Total Current Assets</b>	<b>58,388.4</b>	<b>50,262.5</b>
<b>Non-Current assets:</b>		
Goodwill and intangible assets	5,499.5	5,517.6
Right-of-use assets	77.0	79.7
Deferred income tax assets	15.3	23.6
Equity-accounted investments	255.4	10.0
Other non-current assets	101.8	89.7
<b>Total Non-Current Assets</b>	<b>\$ 5,949.0</b>	<b>\$ 5,720.6</b>
<b>Total Assets</b>	<b>\$ 64,337.4</b>	<b>\$ 55,983.1</b>
<b>Liabilities and Equity</b>		
<b>Current Liabilities:</b>		
Trade and other payables	\$ 182.6	\$ 131.4
Participants' tax withholdings	231.7	234.1
Balances of Participants and Clearing Members	57,498.8	49,340.8
Debt	594.0	249.9
Credit and liquidity facilities drawn	12.6	14.1
Other current liabilities	45.0	42.1
<b>Total Current Liabilities</b>	<b>58,564.7</b>	<b>50,012.4</b>
<b>Non-Current liabilities:</b>		
Debt	448.5	747.8
Lease liabilities	85.1	87.6
Deferred income tax liabilities	869.9	876.8
Other non-current liabilities	47.5	51.1
<b>Total Non-Current Liabilities</b>	<b>1,451.0</b>	<b>1,763.3</b>
<b>Total Liabilities</b>	<b>60,015.7</b>	<b>51,775.7</b>
<b>Equity:</b>		
Share capital	2,769.1	2,831.1
Contributed surplus	11.1	10.9
Retained earnings	1,340.1	1,178.3
Accumulated other comprehensive income	(12.7)	(33.1)
<b>Total Equity attributable to equity holders of the Company</b>	<b>4,107.6</b>	<b>3,987.2</b>
Non-controlling interests	214.1	220.2
<b>Total Equity</b>	<b>4,321.7</b>	<b>4,207.4</b>
<b>Total Liabilities and Equity</b>	<b>\$ 64,337.4</b>	<b>\$ 55,983.1</b>

# TMX GROUP LIMITED

## Consolidated Income Statements

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

(Unaudited)	For the three months ended December 31		For the year ended December 31	
	2023	2022	2023	2022
Revenue	\$ 301.5	\$ 275.7	\$ 1,194.1	\$ 1,114.9
REPO and collateral interest:				
Interest income	476.6	350.7	1,704.2	747.8
Interest expense	(476.6)	(350.7)	(1,704.2)	(747.8)
Net REPO and collateral interest	—	—	—	—
<b>Total revenue</b>	<b>301.5</b>	<b>275.7</b>	<b>1,194.1</b>	<b>1,114.9</b>
Compensation and benefits	87.3	69.6	321.9	274.7
Information and trading systems	23.8	26.3	92.1	90.9
Selling, general and administration	33.8	29.9	127.6	112.7
Depreciation and amortization	28.4	29.0	112.5	113.8
<b>Total operating expenses</b>	<b>173.3</b>	<b>154.8</b>	<b>654.1</b>	<b>592.1</b>
<b>Income from operations</b>	<b>128.2</b>	<b>120.9</b>	<b>540.0</b>	<b>522.8</b>
Share of income from equity accounted investees	1.4	(0.5)	0.4	(1.3)
Other income	—	—	1.3	177.9
Net finance costs	(4.6)	(7.1)	(24.3)	(29.1)
<b>Income before income tax expense</b>	<b>125.0</b>	<b>113.3</b>	<b>517.4</b>	<b>670.3</b>
Income tax expense	30.6	2.8	129.2	88.5
<b>Net income</b>	<b>\$ 94.4</b>	<b>\$ 110.5</b>	<b>\$ 388.2</b>	<b>\$ 581.8</b>
<b>Net income attributable to:</b>				
Equity holders of the Company	\$ 84.4	\$ 102.2	\$ 356.0	\$ 542.7
Non-controlling interests	10.0	8.3	32.2	39.1
	\$ 94.4	\$ 110.5	\$ 388.2	\$ 581.8
<b>Earnings per share:</b>				
Basic	\$ 0.31	\$ 0.37	\$ 1.28	\$ 1.95
Diluted	\$ 0.31	\$ 0.37	\$ 1.28	\$ 1.94

# 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	
	2023	2022	2023	2022
<b>Net income</b>	\$ 94.4	\$ 110.5	\$ 388.2	\$ 581.8
<b>Other comprehensive loss:</b>				
Items that will not be reclassified to the consolidated income statements:				
Actuarial gain on defined benefit pension and other post-retirement benefit plans, net of tax expense of \$1.0 (2022 – net of tax expense of \$1.3)	2.7	(8.1)	2.7	3.6
Gain on equity investment at fair value through other comprehensive income ("FVTOCI"), net of tax expense of \$0.2 (2022 – nil)	1.4	—	1.4	—
<b>Total items that will not be reclassified to the consolidated income statements</b>	<b>4.1</b>	<b>(8.1)</b>	<b>4.1</b>	<b>3.6</b>
Items that may be reclassified subsequently to the consolidated income statements:				
Unrealized loss on translating financial statements of foreign operations	4.4	42.2	14.0	(21.9)
<b>Total items that may be reclassified subsequently to the consolidated income statements</b>	<b>4.4</b>	<b>42.2</b>	<b>14.0</b>	<b>(21.9)</b>
<b>Total comprehensive income</b>	<b>\$ 102.9</b>	<b>\$ 144.6</b>	<b>\$ 406.3</b>	<b>\$ 563.5</b>
<b>Total comprehensive income attributable to:</b>				
Equity holders of the Company	\$ 98.9	\$ 140.6	\$ 379.1	\$ 511.8
Non-controlling interests	4.0	4.0	27.2	51.7
	<b>\$ 102.8</b>	<b>\$ 144.6</b>	<b>\$ 406.3</b>	<b>\$ 563.5</b>

# TMX GROUP LIMITED

## Consolidated Statements of Changes in Equity

(In millions of Canadian dollars)

	For the year ended December 31, 2023							
	Share capital	Contributed surplus	Accumulated other comprehensive income	Retained earnings	Total attributable to equity holders	Non-controlling interests	Total equity	
<b>Balance at January 1, 2023</b>	\$2,831.1	\$ 10.9	\$ (33.1)	\$ 1,178.3	\$ 3,987.2	\$ 220.2	\$ 4,207.4	
<b>Net income</b>	—	—	—	356.0	356.0	32.2	388.2	
<b>Other comprehensive income (loss):</b>								
Unrealized gain (loss) on translating financial statements of foreign operations	—	—	19.0	—	19.0	(5.0)	14.0	
Actuarial gain on defined benefit pension and other post-retirement benefit plans, net of taxes	—	—	—	2.7	2.7	—	2.7	
Gain on equity investment at FVTOCI	—	—	1.4	—	1.4	—	1.4	
<b>Total comprehensive income (loss)</b>	—	—	20.4	358.7	379.1	27.2	406.3	
<b>Dividends to equity holders</b>	—	—	—	(196.9)	(196.9)	—	(196.9)	
<b>Dividend to non-controlling interests</b>	—	—	—	—	—	(33.3)	(33.3)	
<b>Proceeds from exercised share options</b>	16.1	—	—	—	16.1	—	16.1	
<b>Cost of exercised share options</b>	1.8	(1.8)	—	—	—	—	—	
<b>Cost of share option plan</b>	—	2.0	—	—	2.0	—	2.0	
<b>Shares repurchased under normal course issuer bid</b>	(79.9)	—	—	—	(79.9)	—	(79.9)	
<b>Balance at December 31, 2023</b>	\$2,769.1	\$ 11.1	\$ (12.7)	\$ 1,340.1	\$ 4,107.6	\$ 214.1	\$ 4,321.7	

# TMX GROUP LIMITED

## Consolidated Statements of Changes in Equity

(In millions of Canadian

	For the year ended December 31, 2022							
	Share capital	Contributed surplus	Accumulated other comprehensive income	Retained earnings	Total attributable to equity holders	Non-controlling interests	Total equity	
Balance at January 1, 2022	\$ 2,875.8	\$ 11.8	\$ 1.4	\$ 817.1	\$ 3,706.1	\$ —	\$ 3,706.1	
Acquisition of non-controlling interests through change in control	—	—	—	—	—	194.0	194.0	
Net income	—	—	—	542.7	542.7	39.1	581.8	
Other comprehensive income (loss):								
Unrealized loss on translating financial statements of foreign operations	—	—	(34.5)	—	(34.5)	12.6	(21.9)	
Actuarial losses on defined benefit pension and other post-retirement benefit plans, net of taxes	—	—	—	3.6	3.6	—	3.6	
Total comprehensive (loss) income	—	—	(34.5)	546.3	511.8	51.7	563.5	
Dividends to equity holders	—	—	—	(185.1)	(185.1)	—	(185.1)	
Dividend to non-controlling interests	—	—	—	—	—	(25.5)	(25.5)	
Proceeds from exercised share options	26.6	—	—	—	26.6	—	26.6	
Cost of exercised share options	3.0	(3.0)	—	—	—	—	—	
Cost of share option plan	—	2.1	—	—	2.1	—	2.1	
Shares repurchased under normal course issuer bid	(74.3)	—	—	—	(74.3)	—	(74.3)	
Balance at December 31, 2022	\$ 2,831.1	\$ 10.9	\$ (33.1)	\$ 1,178.3	\$ 3,987.2	\$ 220.2	\$ 4,207.4	

# TMX GROUP LIMITED

## Consolidated Statements of Cash Flows

<i>(In millions of Canadian dollars)</i> <i>(Unaudited)</i>	For the three months ended December 31		For the year ended December 31	
	2023	2022	2023	2022
<b>Cash flows from (used in) operating activities:</b>				
Income before income taxes	\$ 125.0	\$ 113.3	\$ 517.4	\$ 670.3
Adjustments to determine net cash flows:				
Depreciation and amortization	28.4	29.0	112.5	113.8
Net finance costs	5.7	6.2	24.3	29.1
Other income	—	—	(1.3)	(177.9)
Share of income from equity accounted investees	(1.4)	0.5	(0.4)	1.3
Cost of share option plan	0.5	0.6	2.0	2.1
Changes in:				
Trade and other receivables, and prepaid expenses	(6.5)	3.1	(41.8)	(3.3)
Trade and other payables	54.9	(0.7)	50.5	(57.9)
Provisions	(0.5)	0.5	(1.0)	2.8
Deferred revenue	(18.2)	(22.2)	2.5	(7.3)
Other assets and liabilities	(15.7)	(0.7)	(8.4)	6.9
Income taxes paid	(32.1)	(28.7)	(131.4)	(135.8)
	<b>140.1</b>	<b>100.9</b>	<b>524.9</b>	<b>444.1</b>
<b>Cash flows from (used in) financing activities:</b>				
Interest paid	(19.0)	(9.4)	(47.2)	(37.0)
Repayment of lease liabilities	(2.6)	(2.5)	(10.6)	(9.7)
Proceeds from exercised options	0.6	5.9	16.1	26.6
Shares repurchased under normal course issuer bid	(39.4)	(0.6)	(79.9)	(74.3)
Dividends paid to equity holders	(49.8)	(46.2)	(196.9)	(185.1)
Dividend paid to non-controlling interests	—	—	(33.3)	(25.5)
Repayment of debenture	(250.0)	—	(250.0)	—
Net movement of Commercial Paper	25.1	—	294.2	—
Credit and liquidity facilities drawn, net	(27.2)	(5.3)	(1.6)	12.1
	<b>(362.3)</b>	<b>(58.1)</b>	<b>(309.2)</b>	<b>(292.9)</b>
<b>Cash flows from (used in) investing activities:</b>				
Interest received	5.0	3.0	19.1	5.6
Dividends received	—	—	2.8	—
Additions to premises and equipment and intangible assets	(15.8)	(15.3)	(65.2)	(51.9)
Acquisition of subsidiary, net of cash	—	(18.7)	(5.1)	56.2
Acquisition of equity accounted investment	—	—	(239.8)	(11.2)
Marketable securities, net	(17.0)	(37.6)	(1.1)	(40.1)
	<b>(27.8)</b>	<b>(68.6)</b>	<b>(289.3)</b>	<b>(41.4)</b>
<b>Increase (decrease) in cash and cash equivalents</b>	<b>(250.0)</b>	<b>(25.8)</b>	<b>(73.6)</b>	<b>109.8</b>
Cash and cash equivalents, beginning of the period	552.4	401.0	375.7	264.3
Unrealized foreign exchange gain (loss) on cash and cash equivalents held in foreign currencies	(1.3)	0.5	(1.0)	1.6
<b>Cash and cash equivalents, end of the period</b>	<b>\$ 301.1</b>	<b>\$ 375.7</b>	<b>\$ 301.1</b>	<b>\$ 375.7</b>