TMX GROUP LIMITED

Q3 2019 Report to Shareholders

THE FUTURE IS YOURS TO SEE.


The future is yours to see.

Letter from the CEO

We were very pleased to report our best third quarter in terms of highest revenue, diluted earnings per share and adjusted diluted earnings per share. Our revenue was up 2% year over year and operating expenses were down 2% over last year. This led to a 7% increase in diluted earnings per share and a 5% increase in adjusted diluted earnings per share compared with the third quarter of 2018. The ability to achieve positive results, with top and bottom line growth, is the core objective of our long-term strategy.

We also announced a 6% increase in our quarterly dividend. The increase from 62 to 66 cents per common share is the second increase of 2019, and the fifth dividend increase in three years. In fact, our dividend has grown 65%, since 2016. The increase in our dividend over the past three years clearly demonstrates our ability to generate value for clients and shareholders alike.

At our 2018 Investor Day, we laid out our *Roadmap for Growth*. This included our plans to address evolving market trends around the world in some exciting and non-traditional ways. This year, we made considerable headway executing against our strategy. As a result, TMX has evolved from a regional company with global aspirations, into a truly global business.

One key tenet of our global growth strategy is Trayport, our London-based network and platform for global wholesale energy markets. Trayport revenue from the core subscriber business, including VisoTech, continued to grow in the third quarter, up 17% in Sterling terms over the third quarter of last year.

Last week, Trayport announced another important step in its global expansion strategy, entering into an agreement with Nodal Exchange, a Washington D.C. based derivatives exchange serving commodities markets. Under the agreement, U.S. energy contracts will be added to Trayport screens and the Joule network will expand to include trading participants of the Nodal Exchange. This is a good strategic fit for Trayport and for TMX, establishing an entry point into U.S. energy markets.

In our derivatives business, Montreal Exchange's extended hours initiative has been a success for three of our largest products by volume. In this past quarter, volumes during extended trading hours represented about 5% of total volumes in these products. Overall, MX and CDCC third quarter revenue was up 16% compared to last year, reflecting a 7% increase in volumes as well as higher revenue from repurchase agreement clearing.

Turning to our capital formation business, in targeted areas around the world, our business development teams are pitching the merits of listing with Toronto Stock Exchange and TSX Venture Exchange. Although the number of financings and amount of financing dollars raised through the first nine months of the year are down compared with last year, our markets were second in the number of new international listings and second in the number of new listings overall among our global peers.

In everything we do across our enterprise, and in every business area, we are focused on growth. This includes helping our clients grow, growing our revenue and growing the value we deliver to shareholders and stakeholders.

I look forward to updating you again in early 2020.

Louis V. Eccleston

Chief Executive Officer
TMX Group
November 8, 2019

MD& A

Management's Discussion and Analysis

TMX Group Limited

MANAGEMENT'S DISCUSSION AND ANALYSIS

November 7, 2019

This Management's Discussion and Analysis (MD&A) of TMX Group Limited's (TMX Group) financial condition and financial performance is provided to enable a reader to assess our financial condition, material changes in our financial condition and our financial performance, including our liquidity and capital resources, for the quarter (Q3/19) and nine months ended September 30, 2019, compared with the quarter (Q3/18) and nine months ended September 30, 2018 and as at September 30, 2019 and December 31, 2018. This MD&A should be read together with our unaudited condensed consolidated interim financial statements as at September 30, 2019 and December 31, 2018, and for the three and nine months ended September 30, 2019 and 2018 (interim financial statements), and the 2018 Annual MD&A.

Our interim financial statements and this MD&A for the three and nine months ended September 30, 2019 are filed with Canadian securities regulators and can be accessed at www.tmx.com and www.sedar.com. The financial measures included in this MD&A are based on financial statements prepared in accordance with International Financial Reporting Standards (IFRS), as issued by the International Accounting Standards Board (IASB), and are in compliance with IAS 34, *Interim Financial Reporting*, unless otherwise specified. All amounts are in Canadian dollars unless otherwise indicated.

Certain comparative figures have been reclassified in order to conform with the financial presentation adopted in the current or prior year.

Additional information about TMX Group, including the Annual Information Form, is available at www.tmx.com and www.sedar.com. We are not incorporating information contained on our website in this MD&A.

INITIATIVES AND ACCOMPLISHMENTS

Capital Formation

In February 2019, we announced that Toronto Stock Exchange (TSX) and TSX Venture Exchange (TSXV) joined the United Nations Sustainable Stock Exchanges (SSE) initiative to promote sustainability performance and transparency in capital markets, leveraging the work we have been already doing in this area. As an SSE partner, we will engage in peer to peer dialogue to explore how exchanges can work together with investors, regulators, and companies, to encourage sustainable investment, while also enhancing corporate transparency and performance in respect to environmental, social and corporate governance issues.

In April 2019, Toronto Stock Exchange launched TSX Sandbox, a program that encourages innovation and provides support for novel financing structures proposed by issuers already listed on TSX. TSX Sandbox is also relevant to new applicants in all sectors, including the innovation space, which have high growth potential but do not meet traditional criteria such as profitability or operating history. In September 2019, we announced the first company to be listed on TSX under the TSX Sandbox program.

Effective September 2019, TSX Trust successfully became an Acceptable Institution (AI) for Investment Industry Regulatory Organization of Canada (IIROC) purposes. Being an IIROC AI enables TSX Trust to provide custody related services to IIROC dealers.

Global Solutions, Insights and Analytics[1]

Trayport

Trayport is the primary connectivity network and data and analytics platform for European wholesale energy markets. Trayport's solutions enable price discovery, trade execution, post-trade transparency, and post-trade straight through processing.

Global Gas - Liquid Natural Gas (LNG)

In 2019, volumes remained strong for the European and Asian benchmark gas contracts, the Dutch Title Transfer Facility (TTF) and the Japan Korea Marker (JKM). TTF volumes year-to-date as at the end of August were up 53% compared with 2018. JKM derivatives set new volume records in September with Q3/19 being the highest quarter on record.

In both these markets, brokers who utilize Trayport technology execute the majority of deals and use Trayport to connect to their trader customers, and additional brokers and exchanges continue to enter these markets through Trayport. The increase in volumes in these markets results in an expansion in market participants, which drives growth in the number of subscribers connecting with Trayport to trade these products.

Digitalization

Trayport's updated broker screen, Joule, was recently released to brokers, and is intended to give brokers better visibility and customizability for the markets in which they operate.

VisoTech Acquisition [2]

In May 2019, Trayport Limited completed the acquisition of Vienna-based VisoTech, a leading provider of European short-term energy trading solutions. VisoTech provides advanced algorithmic trading solutions to customers in the European spot power and natural gas markets, enabling clients to use VisoTech's pre-defined algorithms to develop their own customized trading strategies.

These capabilities, when integrated with Trayport's core trading screen, Joule, will enable Trayport to address the increasing market demand for intraday trading of energy products as the shift to renewable generation continues. We expect to deliver the first version of the integrated product to clients by end of 2019. Trayport will now be well positioned to offer VisoTech products and capabilities to its over 300 trader clients, some of whom are already VisoTech clients today. This transaction accelerates our global growth strategy, and is also currently expected to expand the portion of our revenue from recurring sources.

The growth of algorithmic power trading in European intraday markets has been strong. In November 2018, EPEX SPOT, the leading power spot market in Central Europe, reported more than half of its total 290 members utilize their application-programming interface (API) for electronic trading.[3] In July 2019, 52% of the electricity traded on the leading power market

[1] The "Global Solutions Insights and Analytics" section contains certain forward-looking statements. Please refer to "Caution Regarding Forward-Looking Information" for a discussion of risks and uncertainty related to such statements.

[2] The "VisoTech Acquisition" section contains certain forward-looking statements. Please refer to "Caution Regarding Forward-Looking Information" for a discussion of risks and uncertainty related to such statements.

[3] Source: EPEX Spot company presentation "EPEX SPOT", an innovative Exchange, actively supporting the algorithm boom on power markets" (published November 2018).

in the Nordics and Baltics, Nord Pool power exchange's intraday market was executed by algorithms, up from 13% in July 2018.[4]

Geographic Expansion

In October 2019, we announced that Trayport and Nodal Exchange, a Washington D.C.-based derivatives exchange serving North American commodities markets, announced an agreement to offer Trayport's core trading screen, Joule, to trading participants of Nodal Exchange.

Derivatives Markets[5]

Derivatives Trading and Clearing

In October 2018, MX launched extended trading hours from the previously 6:00 a.m. ET open to a 2:00 a.m. ET open. Initially, this included two interest rate products, the Three-Month Canadian Bankers' Acceptance Futures (BAX) and the Ten-Year Government of Canada Bond Futures (CGB). Beginning in February 2019, we offered clients the ability to also trade the S&P/TSX 60 Index[6] Standard Futures (SXF) in these extended hours. For Q3/19, volumes during extended trading hours represented approximately 5% of total volumes in these products. MX is preparing for next phase of extended hours to align with Asian trading hours.

In May 2019, MX re-launched Options on the U.S. dollar (USX). MX is looking to relaunch the Two-Year Government of Canada Bond Futures as we did for the Five-Year Government of Canada Bond Futures (CGF).

In May 2019, the CGB set a new monthly volume record with 4,274,256 contracts. In August 2019, the Five-Year Government of Canada Bond Futures (CGF) set a new daily volume record with 61,211 contracts, as well as a new monthly volume record with 513,679 contracts. In September 2019, the SXF has set a new daily volume record with 276,951 contracts and Share Futures set a new monthly volume record with 540,293 contracts.

Update on Modernization of Clearing Platforms[7]

In 2017, we commenced work on an initiative to modernize the technology platforms for our CDS and CDCC clearing and settlement businesses as well as for our entitlement systems. We have separated the modernization of our clearing houses into two phases:

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[4] Source: Reuters article "Algorithm trades hit record on Nord Pool intraday power market" (published August 2019).

[5] The "Derivatives Markets" section contains certain forward-looking statements. Please refer to "Caution Regarding Forward-Looking Information" for a discussion of risks and uncertainty related to such statements.

[6] The S&P/TSX indices are a product of S&P Dow Jones Indices LLC ("SPDJI") and TSX Inc. ("TSX"). Standard & Poor's® and S&P® are registered trademarks of Standard & Poor's Financial Services LLC ("S&P"); Dow Jones® is a registered trademark of Dow Jones Trademark Holdings LLC and TSX® is a registered trademark of TSX.

[7] The "Update on Modernization of Clearing Platforms" section contains certain forward-looking statements. Please refer to "Caution Regarding Forward-Looking Information" for a discussion of risks and uncertainties related to such statements.

Phase One

During phase one, we focused on the CDCC risk management element of the project, and went live with this phase in Q2/19. We spent $6.3 million up to the end of 2018 and $4.7 million in the first nine months of 2019 on capital expenditures related to this phase. While it was contemplated initially to integrate the clearing and settlement platforms, CDCC will continue to run on the SOLA platform. As previously anticipated, there will be no cost savings in this phase.

Phase Two

Phase two of this project involves the replacement of other legacy systems at CDS including those related to clearing and settlement, as well as an expanded scope to address entitlement payment systems. In March 2017, we implemented an Issuer Services Program that included a number of fee changes in anticipation of the investment that would be required to modernize the entitlement payments system. We spent $22.5 million up to the end of 2018 and $12.9 million in the first nine months of 2019 on capital expenditures related to phase two. We expect to incur an additional $6.0 to 8.0 million of capital expenditures in Q4/19. We will continue to provide updates on estimates for capital expenditures, savings and timing as this complex project progresses.

Strategic re-alignment[8]

In Q1/19, we took the following measures to position TMX Group for ongoing success, and incurred strategic re-alignment expenses of approximately $3.3 million:

- We made changes in our post-trade business with the retirement of Glenn Goucher, President, CDCC and CDS. Jay Rajarathinam, Chief Technology and Operations Officer, TMX Group, assumed leadership of our post-trade business as President, CDCC and CDS.
- We eliminated the centralized innovation product development unit and moved this function to TMX Group's business areas in order to increase our focus on delivering client-centric solutions.
- We made changes to our enterprise risk approach with an objective-centric focus, enhancing the way we manage risk.

In Q2/19, we incurred non-recurring charges related to onerous contracts of approximately $1.3 million related to our initiative on modernizing our clearing platforms.

In aggregate, the organizational changes generated an annual savings of approximately $1.8 million starting in Q2/19. These efforts are intended to bring increased focus to modernizing our clearinghouses and enhancing client service, which should lead to a more efficient cost structure.

[8] The "Strategic re-alignment" section contains certain forward-looking statements. Please refer to "Caution Regarding Forward-Looking Information" for a discussion of risks and uncertainty related to such statements.

REGULATORY CHANGES

Equities Trading

On December 18, 2018, the Canadian Securities Administrators (CSA) published for comment (until March 1, 2019) a notice outlining a proposed Trading Fee Rebate Pilot Study to examine the effects of a prohibition of rebate payments by Canadian Marketplaces (Proposed Pilot). The Proposed Pilot is intended to run concurrently with the United States Securities and Exchange Commission's (SEC) Proposed Transaction Fee Pilot. While TMX Group is supportive of the reduction of maker-taker fees in Canada, we must ensure the reduction in rates will not negatively impact liquidity in our markets, execution quality, and Canada's competitiveness for global capital. TMX Group provided comments to the CSA proposal expressing significant concerns related to the proposal and the potential negative impacts and risks it would impose on the market, in addition to suggesting alternative approaches. With the SEC's Proposed Transaction Fee Pilot now delayed, and the completion of the CSA's comment period, we are awaiting further information from the CSA regarding the Proposed Pilot.

MARKET CONDITIONS AND OUTLOOK

Overall, Canadian equities trading volumes were down 6% in the nine months ended September 30, 2019 compared with the nine months ended September 30, 2018.[9] The average CBOE Volatility Index (VIX) was 15.9 in the nine months ended September 30, 2019 up slightly from 15.2 in the nine months ended September 30, 2018. Trading volumes on TSX and TSX Alpha Exchange (Alpha) increased by 3% and 2%, respectively, in the nine months ended September 30, 2019 compared with the nine months ended September 30, 2018; however, volumes traded on TSXV (including NEX) were down 27% over the same period reflecting lower demand for trading TSXV-listed issues this year. Derivative trading in Canada was strong as reflected in a 8% increase in the volume of contracts traded on MX in the nine months ended September 30, 2019 over the same period last year.

The uncertain market environment at the end of 2018 continued to contribute to less favourable conditions for capital raising in the nine months ended September 30, 2019. On TSX, the total amount of financing dollars raised declined by 16% and the total number of financings decreased by 6% in the nine months ended September 30, 2019 compared with the nine months ended September 30, 2018. On TSXV (including NEX) there was a 43% decrease in the total amount of financing dollars raised and a 14% decrease in the total number of financings in the nine months ended September 30, 2019 over the same period last year.

On October 30, 2019, the Bank of Canada maintained its target for the overnight rate at 1.75 percent. The Bank said outlook for the global economy has weakened further. Ongoing trade conflicts and uncertainty are restraining business investment, trade, and global growth. A growing number of countries have responded with monetary and other policy measures to support their economies. Still, global growth is expected to slow to around 3 percent this year before edging up over the next two years. Canada has not been immune to these developments. Commodity prices have fallen amid concerns about global demand. Despite this, the Canada-US exchange rate is still near its July level, and the Canadian dollar has strengthened against other currencies. Growth in Canada is expected to slow in the second half of this year to a rate below its potential. This reflects the uncertainty associated with trade conflicts, continuing adjustment in the energy sector, and the unwinding of temporary factors that boosted growth in the second quarter. The Bank projects real GDP will grow by 1.5 percent this year, 1.7 percent in 2020 and 1.8 percent in 2021.[10]

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[9] Source: IIROC (excluding intentional crosses).

[10] Source: Extracted from Bank of Canada press release, October 30, 2019.

RESULTS OF OPERATIONS

Non-IFRS Financial Measures

Adjusted earnings per share, adjusted diluted earnings per share and adjusted net income are non-IFRS measures and do not have standardized meanings prescribed by IFRS and are, therefore, unlikely to be comparable to similar measures presented by other companies. 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. These adjustments include amortization of intangibles related to acquisitions, strategic re-alignment expenses, transaction related costs, net income tax recovery on gain on sale of Natural Gas Exchange Inc. (NGX), gain on sale of interest in Bermuda Stock Exchange, gain on sale of interest in FTSE TMX Global Debt Capital Markets Limited (TMX FTSE), commodity tax provision, and change in net deferred income tax liabilities resulting from decrease in Alberta corporate income tax rate. Management uses these measures, and excludes certain items, because it believes doing so results in a more effective analysis of underlying operating and financial performance, including, in some cases, our ability to generate cash. Excluding these items also enables comparability across periods. The exclusion of certain items does not imply that they are non-recurring or not useful to investors.

Three months ended September 30, 2019 Compared with Three months ended September 30, 2018

The information below reflects the financial statements of TMX Group for the quarter ended September 30, 2019 compared with the quarter ended September 30, 2018.

(in millions of dollars, except per share amounts)	**Q3/19**	Q3/18	**$ increase / (decrease)**	**% increase / (decrease)**
Revenue	**$196.3**	$192.8	$3.5	2%
Operating expenses	**104.7**	106.3	(1.6)	(2)%
Income from operations	**91.6**	86.5	5.1	6%
Net income	**61.7**	57.5	4.2	7%
Adjusted net income[11]	**70.9**	66.7	4.2	6%
Earnings per share				
Basic	**1.10**	1.03	0.07	7%
Diluted	**1.09**	1.02	0.07	7%
Adjusted Earnings per share[12]				
Basic	**1.26**	1.20	0.06	5%
Diluted	**1.25**	1.19	0.06	5%
Cash flows from operating activities	**96.9**	100.4	(3.5)	(3)%

Net Income and Earnings per Share

Net income in Q3/19 was $61.7 million, or $1.10 per common share on a basic and $1.09 on a diluted basis, compared with a net income of $57.5 million, or $1.03 per common share on a basic and $1.02 on a diluted basis, for Q3/18. The increase in net income and earnings per share was largely driven by higher revenue and lower operating expenses. The increase in adjusted diluted earnings per share was somewhat reduced by an increase in the number of weighted-average common shares outstanding in Q3/19 compared with Q3/18.

[11] See discussion under the heading "Non-IFRS Financial Measures".

[12] See discussion under the heading "Non-IFRS Financial Measures".

Adjusted Earnings per Share[13] Reconciliation for Q3/19 and Q3/18

The following is a reconciliation of earnings per share to adjusted earnings per share:

	Q3/19		Q3/18	
(unaudited)	**Basic**	**Diluted**	Basic	Diluted
Earnings per share	**$1.10**	**$1.09**	$1.03	$1.02
Adjustments related to:				
Amortization of intangibles related to acquisitions	**0.16**	**0.16**	0.17	0.17
Adjusted earnings per share[14]	**$1.26**	**$1.25**	$1.20	$1.19
Weighted average number of common shares outstanding	**56,121,234**	**56,757,236**	55,730,037	56,244,426

Adjusted diluted earnings per share increased by 5% from $1.19 in Q3/18 to $1.25 in Q3/19 largely driven by higher revenue and lower operating expenses. The increase in adjusted diluted earnings per share was somewhat reduced by an increase in the number of weighted-average common shares outstanding in Q3/19 compared with Q3/18.

Adjusted Net Income[15] Reconciliation for Q3/19 and Q3/18

The following is a reconciliation of net income to adjusted net income:

(in millions of dollars) (unaudited)	**Q3/19**	Q3/18	$ increase / (decrease)	% increase / (decrease)
Net income	**$61.7**	$57.5	$4.2	7%
Adjustments related to:				
Amortization of intangibles related to acquisitions	**9.2**	9.2	0.0	0%
Adjusted net income[16]	**$70.9**	$66.7	$4.2	6%

Adjusted net income increased by 6% from $66.7 million in Q3/18 to $70.9 million in Q3/19 largely driven by higher revenue and lower operating expenses.

[13] See discussion under the heading "Non-IFRS Financial Measures".

[14] See discussion under the heading "Non-IFRS Financial Measures".

[15] See discussion under the heading "Non-IFRS Financial Measures".

[16] See discussion under the heading "Non-IFRS Financial Measures".

Revenue

(in millions of dollars)	**Q3/19**	Q3/18	**$ increase / (decrease)**	**% increase / (decrease)**
Capital Formation	**$43.7**	$45.1	$(1.4)	(3)%
Equities and Fixed Income Trading and Clearing	**45.3**	45.4	(0.1)	0%
Derivatives Trading and Clearing	**33.5**	30.2	3.3	11%
Global Solutions, Insights and Analytics	**73.6**	72.1	1.5	2%
Other	**0.2**	—	0.2	n/a
	$196.3	$192.8	$3.5	2%

Revenue was $196.3 million in Q3/19, up $3.5 million or 2% from $192.8 million in Q3/18 largely attributable to an increase in revenue from *Derivatives Trading and Clearing,* Trayport and *CDS*. The increases were partially offset by decreases in *Capital Formation* and *Equities and Fixed Income Trading* revenue.

Capital Formation

(in millions of dollars)	**Q3/19**	Q3/18	**$ increase / (decrease)**	**% increase / (decrease)**
Initial listing fees	**$2.6**	$3.3	$(0.7)	(21)%
Additional listing fees	**17.4**	17.5	(0.1)	(1)%
Sustaining listing fees	**17.3**	17.8	(0.5)	(3)%
Other issuer services	**6.4**	6.5	(0.1)	(2)%
	$43.7	$45.1	$(1.4)	(3)%

- *Initial listing fees* in Q3/19 decreased from Q3/18 primarily due to a decline in the amount of deferred *initial listing fees* recognized in Q3/19 compared with Q3/18. We recognized *initial listing fees* received in 2018 and 2019 of $2.4 million in Q3/19 compared with *initial listing fees* received in 2017 and 2018 of $3.1 million in Q3/18.
- Based on *initial listing fees* billed in 2018 and the nine months ended September 30, 2019, the following amounts have been deferred to be recognized in Q4/19, Q1/20, Q2/20 and Q3/20: $1.9 million, $1.4 million, $0.8 million and $0.2 million respectively. Total *initial listing fees* revenue for future quarters will also depend on listing activity in those quarters.
- *Additional listing fees* in Q3/19 declined slightly compared to Q3/18. While the number of transactions billed on TSX was essentially flat from Q3/18 to Q3/19, there was a 29% decline in the number of transactions billed at the maximum fee. This decrease was largely offset by higher *additional listing fees* on TSXV where there was an increase in total financing dollars raised.
- 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 (excluding NEX) due to the decrease in the market capitalization of issuers at December 31, 2018 compared with December 31, 2017; however, the decrease was partially offset by the impact from an increase in the maximum annual *sustaining listing fee* for corporate issuers on TSX from $110,000 to $125,000 effective January 1, 2019.

- *Other issuer services* revenue in Q3/19 was slightly lower compared to Q3/18 reflecting decreased revenue from TSX Trust due to reduced revenue from transfer agent fees somewhat offset by higher margin income.

Equities and Fixed Income Trading and Clearing

(in millions of dollars)	**Q3/19**	Q3/18	**$ increase / (decrease)**	**% increase / (decrease)**
Equities and fixed income trading	**$23.5**	$25.1	($1.6)	(6)%
Equities and fixed income clearing, settlement, depository and other services (CDS)	**21.8**	20.3	1.5	7%
	$45.3	$45.4	($0.1)	0%

- There was a decrease in *Equities and Fixed Income Trading* revenue in Q3/19 compared with Q3/18 reflecting a decrease in *Equities trading* revenue driven by lower overall volumes on TSXV. In addition, there was a decrease in *fixed income trading* revenue largely due to decreased activity in Government of Canada Bonds.

- The overall volume of securities traded on our equities marketplaces decreased by 7% (31.6 billion securities in Q3/19 versus 34.1 billion securities in Q3/18). There was an increase in volumes on TSX of 2% in Q3/19 compared with Q3/18 while volumes on TSXV and Alpha decreased by 23% and 7% respectively over the same periods.

- Excluding intentional crosses, in all listed issues in Canada, our combined domestic equities trading market share was approximately 58% in Q3/19, essentially unchanged from Q3/18.[17]

- Excluding intentional crosses, for TSX and TSXV listed issues, our combined domestic equities trading market share was approximately 65% in Q3/19, down 4% from approximately 69% in Q3/18.[18]

- *CDS* revenue increased by 7% from Q3/18 to Q3/19 reflecting revisions to the fee schedule for issuer services and increased international revenue.

Derivatives Trading and Clearing

(in millions of dollars)	**Q3/19**	Q3/18	**$ increase**	**% increase**
	$33.5	$30.2	$3.3	11%

- The increase in *Derivatives Trading and Clearing* revenue was driven by a 16% increase in revenue from MX and CDCC. There was a 7% increase in volumes on MX (29.1 million contracts traded in Q3/19 versus 27.1 million contracts traded in Q3/18). There was also an increase in revenue from REPO (repurchase agreements) clearing and reduced rebates from MX and CDCC in Q3/19 compared with Q3/18.

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[17] Source: IIROC.

[18] Source: IIROC.

- The increases were somewhat offset by a decrease in revenue from BOX following the expiry of our agreement at the end of 2018 to provide SOLA technology and services to BOX. We are currently providing transitional services to BOX.

Global Solutions, Insights and Analytics

(in millions of dollars)	**Q3/19**	Q3/18	**$ increase**	**% increase**
Trayport	**$29.3**	$27.9	$1.4	5%
GSIA (excluding Trayport)	**$44.3**	$44.2	$0.1	0%
	$73.6	$72.1	$1.5	2%

Trayport

The increase in *Global Solutions, Insights and Analytics (GSIA)* revenue in Q3/19 compared with Q3/18 was driven by increased revenue from Trayport, including revenue from VisoTech (acquired May 15, 2019). The increase was partially offset by revenue from Contigo Software Limited (Contigo) (sold November 30, 2018) of approximately $1.5 million. There was also an unfavourable impact of a stronger Canadian dollar relative to British Pound Sterling (GBP).

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

	Q3/19	**Q2/19**	**Q1/19**	**Q4/18**	**Q3/18**	**Q2/18**	**Q1/18**	**Q4/17**
Trader Subscribers[19]	4,899	4,850	4,727	4,665	4,356	4,321	4,207	4,051
Total Subscribers[20]	22,134	21,946	21,683	21,465	20,602	20,310	20,171	19,977
Revenue (in millions of GBP)[21]	£18.2	£17.8	£16.7	£16.8	£16.5	£16.0	£15.4	£14.9

Total Subscribers means all chargeable licenses of core Trayport products in core customer segments including Traders, Brokers and Exchanges. Trader Subscribers are a subset of Total Subscribers. Trader Subscribers revenue represents over 50% of total Trayport revenue.

Revenue from Trayport's core subscriber business, including VisoTech (acquired May 15, 2019), was £18.2 million in Q3/19, up 17% over Q3/18. Revenue from Contigo, the ancillary non-subscriber based risk application business of Trayport, which was sold on November 30, 2018, was £0.9 million in Q3/18.

GSIA (excluding Trayport)

Revenue from GSIA (excluding Trayport) was essentially unchanged. There was higher revenue from data feeds, co-location and a favourable impact from a weaker Canadian dollar relative to the U.S. dollar in Q3/19 compared with Q3/18. However, these increases in revenue were essentially offset by a decrease in revenue from benchmarks and indices. In Q3/18, there was a one–time increase in revenues from benchmarks and indices related to prior periods.

- The average number of professional market data subscriptions for TSX and TSXV products were down 1% in Q3/19 compared with Q3/18 (99,559 professional market data subscriptions in Q3/19 compared with 100,623 in Q3/18).

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19 Previous amounts have been restated based on current data.

20 Previous amounts have been restated based on current data.

21 Revenue prior to Q1/19 includes Contigo (sold November 30, 2018).

- The average number of MX professional market data subscriptions was up 5% in Q3/19 from Q3/18 (19,577 MX professional market data subscriptions in Q3/19 compared with 18,732 in Q3/18).

Revenue from *GSIA*, excluding VisoTech and Contigo increased by 2% from Q3/18 to Q3/19.

Operating expenses

(in millions of dollars)	**Q3/19**	Q3/18	**$ increase / (decrease)**	**% increase / (decrease)**
Compensation and benefits	**$55.8**	$54.8	$1.0	2%
Information and trading systems	**13.3**	12.7	0.6	5%
Selling, general and administration	**16.1**	21.4	(5.3)	(25)%
Depreciation and amortization	**19.5**	17.4	2.1	12%
	$104.7	$106.3	$(1.6)	(2)%

Operating expenses in Q3/19 were $104.7 million, down $1.6 million or 2%, from $106.3 million in Q3/18. The decrease in costs was largely related to lower project spending including amounts paid to external consultants as well as lower short term employee performance incentive plan and severance costs. These decreases were partially offset by an increase of approximately $3.6 million in long term employee performance incentive plan costs driven by the increase in our share price.

Compensation and benefits

(in millions of dollars)	**Q3/19**	Q3/18	**$ increase**	**% increase**
	$55.8	$54.8	$1.0	2%

- *Compensation and benefits* costs increased in Q3/19 reflecting higher expenses for long term employee performance incentive plan costs of approximately $3.6 million driven by the increase in our share price, and higher costs related to merit increases. The increases in expenses were partially offset by lower short term employee performance incentive plan costs and lower severance costs compared with Q3/18. Higher expenses related to VisoTech (acquired May 15, 2019) were essentially offset by lower costs related to Contigo (sold November 30, 2018).
- There were 1,285 TMX Group employees at September 30, 2019 versus 1,238 employees at September 30, 2018 reflecting a higher headcount related to the acquisition of VisoTech (acquired May 15, 2019) which employs approximately 50 people. There was also an increase in headcount attributable to investing in the various growth areas of our business, including *Capital Formation* and Trayport. This increase was partially offset by a decrease from the sale of Contigo (sold November 30, 2018) which employed approximately 40 people.

Information and trading systems

(in millions of dollars)	**Q3/19**	Q3/18	**$ increase**	**% increase**
	$13.3	$12.7	$0.6	5%

- The increase in I*nformation and trading systems* expenses from Q3/18 to Q3/19 reflected higher project costs.

Selling, general and administration

(in millions of dollars)	Q3/19	Q3/18	$ (decrease)	% (decrease)
	$16.1	$21.4	$(5.3)	(25)%

- *Selling, general and administration* expenses decreased in Q3/19 compared with Q3/18 reflecting lower project spending including amounts paid to external consultants. In addition, there were lower *Selling, general and administration* expenses of $2.6 million related to the implementation of IFRS 16, *Leases* (see **Accounting and Control Matters - Changes in accounting policies - ADOPTION OF IFRS 16**).

Depreciation and amortization

(in millions of dollars)	Q3/19	Q3/18	$ increase	% increase
	$19.5	$17.4	$2.1	12%

- There were higher *Depreciation and amortization* costs of which $2.4 million related to the implementation of IFRS 16 (see **Accounting and Control Matters - Changes in accounting policies - ADOPTION OF IFRS 16).**
- The *Depreciation and amortization* costs in Q3/19 of $19.5 million included $11.6 million related to amortization of intangibles related to acquisitions (16 cents per basic and diluted share).
- The *Depreciation and amortization* costs in Q3/18 of $17.4 million included $11.6 million related to amortization of intangibles related to acquisitions (17 cents per basic and diluted share).

Additional Information

Share of income from equity accounted investees

(in millions of dollars)	Q3/19	Q3/18	$ increase	% increase
	$1.0	$0.8	$0.2	25%

- The increase in our share of income from equity accounted investees of $0.2 million reflected an increase in the contribution from CanDeal.ca Inc. (Candeal), somewhat offset by a decrease in the contribution from BOX.

Net finance costs

(in millions of dollars)	**Q3/19**	Q3/18	**$ (decrease)**	**% (decrease)**
	$8.9	$9.7	$(0.8)	(8)%

- The decrease in net finance costs from Q3/18 to Q3/19 reflected lower interest expense due to decreased debt levels. The decrease was partially offset by a charge of $0.9 million relating to the implementation of IFRS 16, *Leases (*see **Accounting and Control Matters - Changes in accounting policies - ADOPTION OF IFRS 16**).

Income tax expense and effective tax rate

Income Tax Expense (in millions of dollars)		**Effective Tax Rate** (%)	
Q3/19	Q3/18	**Q3/19**	Q3/18
$22.0	$20.1	**26%**	26%

- There were no significant adjustments for Q3/19 or Q3/18, and the effective tax rate was 26% for both periods.

Segments

The following information reflects TMX Group's segment results for the three months ended September 30, 2019 compared with the three months ended September 30, 2018.

Three months ended September 30, 2019

(in millions of dollars)	Capital Formation	Equities and Fixed Income Trading & Clearing	Derivatives Trading & Clearing	Global Solutions, Insights & Analytics	Other	Total
Revenue from external customers	$ 43.7	$ 45.3	$ 33.5	$ 73.6	$ 0.2	$ 196.3
Inter-segment revenue	—	0.4	—	0.1	(0.5)	—
Total revenue	43.7	45.7	33.5	73.7	(0.3)	196.3
Income (loss) from operations	23.5	19.2	13.8	46.5	(11.4)	91.6

Three months ended September 30, 2018

(in millions of dollars)	Capital Formation	Equities and Fixed Income Trading & Clearing	Derivatives Trading & Clearing	Global Solutions, Insights & Analytics	Other	Total
Revenue from external customers	$ 45.1	$ 45.4	$ 30.2	$ 72.1	$ —	$ 192.8
Inter-segment revenue	—	0.5	—	0.1	(0.6)	—
Total revenue	45.1	45.9	30.2	72.2	(0.6)	192.8
Income (loss) from operations	23.8	17.9	13.1	43.2	(11.5)	86.5

Income (loss) from operations

The decrease in *Income from operations* from *Capital Formation* reflects lower revenue from all listing fee types, especially *initial listing fee* revenue. This was partially offset by lower operating expenses in Q3/19 compared with Q3/18.

The increase in *Income from operations* from *Equities and Fixed Income Trading and Clearing* was driven by lower operating expenses in Q3/19 compared with Q3/18. The increase in revenue from *CDS* was essentially offset by a decline in *Equities and Fixed Income Trading* revenue.

The increase in *Income from operations* from *Derivatives Trading and Clearing* was driven by a 16% increase in revenue from MX and CDCC. There was a 7% increase in volumes on MX, an increase in revenue from REPO (repurchase agreements) clearing and reduced rebates from MX and CDCC on clearing transactions in Q3/19 compared with Q3/18. The increase was somewhat offset by a decrease in revenue from BOX and higher operating expenses.

The increase in *Income from operations* from *Global Solutions, Insights and Analytics* reflects higher revenue from Trayport, including VisoTech (acquired May 15, 2019). There were also lower operating expenses in Q3/19 compared with Q3/18.

Other includes certain revenue as well as corporate and other costs related to initiatives, not allocated to the operating segments. Revenue related to foreign exchange gains and losses and other services are presented in the *Other* segment. Costs and expenses related to the amortization of purchased intangibles, along with certain consolidation and elimination adjustments, are also presented in *Other*. The *loss from operations* for the *Other* segment was essentially unchanged from Q3/18 to Q3/19.

Nine months ended September 30, 2019 Compared with Nine months ended September 30, 2018

The information below reflects the financial statements of TMX Group for the nine months ended September 30, 2019 compared with the nine months ended September 30, 2018.

(in millions of dollars, except per share amounts)	**Nine months ended September 30, 2019**	Nine months ended September 30, 2018	**$ increase/ (decrease)**	**% increase/ (decrease)**
Revenue	**$604.1**	$609.5	$(5.4)	(1)%
Operating expenses	**318.2**	337.5	(19.3)	(6)%
Income from operations	**285.9**	272.0	13.9	5%
Net income	**200.1**	216.2	(16.1)	(7)%
Adjusted net income[22]	**225.9**	215.6	10.3	5%
Earnings per share				
Basic	**3.57**	3.89	(0.32)	(8)%
Diluted	**3.54**	3.86	(0.32)	(8)%
Adjusted Earnings per share[23]				
Basic	**4.02**	3.88	0.14	4%
Diluted	**3.99**	3.84	0.15	4%
Cash flows from operating activities	**260.9**	278.7	(17.8)	(6)%

[22] See discussion under the heading "Non-IFRS Financial Measures".

[23] See discussion under the heading "Non-IFRS Financial Measures".

Net Income and Earnings per Share

Net income in the nine months ended September 30, 2019 was $200.1 million, or $3.57 per common share on a basic and $3.54 per common share on a diluted basis, compared with a net income of $216.2 million, or $3.89 per common share on a basic and $3.86 on a diluted basis, for the nine months ended September 30, 2018. The decrease in net income and earnings per share was largely driven by lower gains on the sale of investments in the nine months ended September 30, 2019 compared with the nine months ended September 30, 2018 and higher income tax expense:

- In the nine months ended September 30, 2018, we recognized a gain on the sale of our interest in TMX FTSE of $26.8 million before and after income tax (48 cents per basic and diluted share). In the nine months ended September 30, 2019, we recognized a gain of $2.3 million before income tax ($2.0 million after income tax, or 4 cents per basic and diluted share) on the sale of our interest in the Bermuda Stock Exchange.

- In the nine months ended September 30, 2018, there was a decrease in income tax expense of approximately $11.8 million relating to realizing and utilizing a capital loss. This capital loss was applied to eliminate income tax otherwise payable on the sale of our interest in TMX FTSE in the nine months ended September 30, 2018 and reduce income tax paid on our sale of NGX in 2017. Also, the non-taxable portion of the capital gain on the sale of our interest in the TMX FTSE resulted in a tax benefit of approximately $3.3 million. In the nine months ended September 30, 2019, the Alberta general corporate income tax rate decreased. This change resulted in a decrease in net deferred income tax liabilities and a corresponding decrease in income tax expense of $4.3 million.

Revenue declined by $5.4 million from the nine months ended September 30, 2018 to the nine months ended September 30, 2019 largely reflecting a decrease in *Capital Formation* revenue driven by a decline in *additional listing fee* revenue, partially offset by higher Trayport and *Derivatives Trading and Clearing* revenue. However there was a decrease in operating expenses of $19.3 million from the nine months ended September 30, 2018 to the nine months ended September 30, 2019 as well as lower net finance costs. In the nine months ended September 30, 2018, we recorded a commodity tax provision of $7.6 million (10 cents per basic and diluted share) and a lease termination payment of $4.5 million (6 cents per basic and diluted share). There was also a decrease in severance costs of approximately $7.4 million from the nine months ended September 30, 2018 to the nine months ended September 30, 2019.

Adjusted Earnings per Share[24] Reconciliation for Nine months ended September 30, 2019 and Nine months ended September 30, 2018

The following is a reconciliation of earnings per share to adjusted earnings per share:

	Nine months ended September 30, 2019		Nine months ended September 30, 2018	
(unaudited)	**Basic**	**Diluted**	Basic	Diluted
Earnings per share	**$3.57**	**$3.54**	$3.89	$3.86
Adjustments related to:				
Amortization of intangibles related to acquisitions	**0.50**	**0.50**	0.51	0.50
Strategic re-alignment expenses[25]	**0.06**	**0.06**	—	—
Gain on sale of interest in TMX FTSE	**—**	**—**	(0.48)	(0.48)
Net income tax recovery on gain on sale of NGX	**—**	**—**	(0.14)	(0.14)
Gain on sale of interest in Bermuda Stock Exchange	**(0.04)**	**(0.04)**	—	—
Commodity tax provision	**—**	**—**	0.10	0.10
Transaction related costs[26]	**0.01**	**0.01**	0.00	0.00
Change in net deferred income tax liabilities resulting from decrease in Alberta corporate income tax rate	**(0.08)**	**(0.08)**	—	—
Adjusted earnings per share[27]	**$4.02**	**$3.99**	$3.88	$3.84
Weighted average number of common shares outstanding	**55,990,577**	**56,489,973**	55,585,391	56,064,375

Adjusted diluted earnings per share increased by 4% from $3.84 in the nine months ended September 30, 2018 to $3.99 in the nine months ended September 30, 2019. The increase in adjusted diluted earnings per share was largely driven by lower operating expenses related to lease termination and severance as well as lower net finance costs. There was also an increase in revenue from Trayport and *Derivatives Trading and Clearing.* The increases were partially offset by a decrease in *Capital Formation* revenue driven by a decline in *additional listing fee* revenue. The increase in adjusted diluted earnings per share was also somewhat reduced by an increase in the number of weighted-average common shares outstanding in nine months ended September 30, 2019 compared with nine months ended September 30, 2018.

[24] See discussion under the heading "Non-IFRS Financial Measures".

[25] Please refer to "Initiatives and Accomplishments - Strategic re-alignment" for more details.

[26] Includes costs related to the integration of Trayport in 2018, and costs related to an acquisition in 2019.

[27] See discussion under the heading "Non-IFRS Financial Measures".

Adjusted Net Income[28] Reconciliation for Nine months ended September 30, 2019 and Nine months ended September 30, 2018

The following is a reconciliation of net income to adjusted net income:

(in millions of dollars) (unaudited)	**Nine months ended September 30, 2019**	Nine months ended September 30, 2018	$ increase / (decrease)	% increase / (decrease)
Net income	**$200.1**	$216.2	$(16.1)	(7)%
Adjustments related to:				
Amortization of intangibles related to acquisitions	**28.1**	28.4	(0.3)	(1)%
Strategic re-alignment expenses[29]	**3.4**	—	3.4	n/a
Gain on sale of interest in TMX FTSE	**—**	(26.8)	26.8	(100)%
Net income tax recovery on gain on sale of NGX	**—**	(8.0)	8.0	(100)%
Gain on sale of interest in Bermuda Stock Exchange	**(2.0)**	—	(2.0)	n/a
Commodity tax provision	**—**	5.6	(5.6)	(100)%
Transaction related costs[30]	**0.6**	0.2	0.4	200%
Change in net deferred income tax liabilities resulting from decrease in Alberta corporate income tax rate	**(4.3)**	—	(4.3)	n/a
Adjusted net income[31]	**$225.9**	$215.6	$10.3	5%

Adjusted net income increased by 5% from $215.6 million in the nine months ended September 30, 2018 to $225.9 million in the nine months ended September 30, 2019. The increase was largely driven by lower operating expenses related to lease termination and severance as well as lower net finance costs. There was also an increase in revenue from Trayport and *Derivatives Trading and Clearing.* The increases were partially offset by a decrease in *Capital Formation* revenue driven by a decline in *additional listing fee* revenue.

[28] See discussion under the heading "Non-IFRS Financial Measures".

[29] Please refer to "Initiatives and Accomplishments - Strategic re-alignment" for more details.

[30] Includes costs related to the integration of Trayport in 2018, and costs related to an acquisition in 2019.

[31] See discussion under the heading "Non-IFRS Financial Measures".

Revenue

(in millions of dollars)	**Nine months ended September 30, 2019**	Nine months ended September 30, 2018	**$ increase / (decrease)**	**% increase / (decrease)**
Capital Formation	**$138.1**	$153.3	$(15.2)	(10)%
Equities and Fixed Income Trading and Clearing	**142.4**	143.3	(0.9)	(1)%
Derivatives Trading and Clearing	**99.9**	94.8	5.1	5%
Global Solutions, Insights and Analytics	**223.8**	215.5	8.3	4%
Other	**(0.1)**	2.6	(2.7)	(104)%
	$604.1	$609.5	$(5.4)	(1)%

Revenue was $604.1 million in the nine months ended September 30, 2019, down $5.4 million or 1% compared with $609.5 million in the nine months ended September 30, 2018. There was a decrease in *Capital Formation* revenue driven by lower *additional listings fees*, a reduction in *Other* revenue as well as lower *Equities and Fixed Income Trading* revenue. These decreases were partially offset by an increase in *Global Solutions, Insights and Analytics* revenue, including higher revenue from Trayport and VisoTech (acquired May 15, 2019), as well as higher *Derivatives Trading and Clearing* revenue.

Capital Formation

(in millions of dollars)	**Nine months ended September 30, 2019**	Nine months ended September 30, 2018	**$ (decrease)**	**% (decrease)**
Initial listing fees	**$8.4**	$10.3	$(1.9)	(18)%
Additional listing fees	**56.2**	66.6	(10.4)	(16)%
Sustaining listing fees	**51.8**	53.1	(1.3)	(2)%
Other issuer services	**21.7**	23.3	(1.6)	(7)%
	$138.1	$153.3	$(15.2)	(10)%

- *Initial listing fees* in the nine months ended September 30, 2019 decreased from the nine months ended September 30, 2018 primarily due to a decline in the amount of deferred *initial listing fees* recognized in the nine months ended September 30, 2019 compared with the nine months ended September 30, 2018. We recognized *initial listing fees* received in 2018 and 2019 of $7.7 million in the nine months ended September 30, 2019 compared with *initial listing fees* received in 2017 and 2018 of $9.5 million in the nine months ended September 30, 2018.
- Based on *initial listing fees* billed in 2018 and the nine months ended September 30, 2019, the following amounts have been deferred to be recognized in Q4/19, Q1/20, Q2/20, and Q3/20: $1.9 million, $1.4 million, $0.8 million and $0.2 million respectively. Total *initial listing fees* revenue for future quarters will also depend on listing activity in those quarters.
- *Additional listing fees* in the nine months ended September 30, 2019 decreased from the nine months ended September 30, 2018 reflecting the impact of a 14% decrease in the number of transactions billed on TSX, and a

decrease in *additional listing fees* on TSXV where there was a decrease in the number of financings and total financing dollars raised.

- 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 due to the decrease in the market capitalization of issuers at December 31, 2018 compared with December 31, 2017; however, the decrease was partially offset by the impact from an increase in the maximum annual *sustaining listing fee* for corporate issuers on TSX from $110,000 to $125,000 effective January 1, 2019.

- *Other issuer services* revenue in the nine months ended September 30, 2019 was lower compared to the nine months ended September 30, 2018 reflecting decreased revenue from TSX Trust due to lower margin income as well as reduced transfer agent and corporate trust fees. This was largely attributable to lower client balances and reduced capital markets activity.

Equities and Fixed Income Trading and Clearing

(in millions of dollars)	**Nine months ended September 30, 2019**	Nine months ended September 30, 2018	**$ increase / (decrease)**	**% increase / (decrease)**
Equities and fixed income trading	**$75.3**	$80.2	($4.9)	(6)%
Equities and fixed Income clearing, settlement, depository and other services (CDS)	**67.1**	63.1	4.0	6%
	$142.4	$143.3	($0.9)	(1)%

- There was a 6% decrease in *Equities trading* revenue in the nine months ended September 30, 2019 compared with the nine months ended September 30, 2018 driven by lower volumes on TSXV somewhat offset by higher volumes on TSX and Alpha. There was also a decrease in *fixed income trading* revenue largely due to decreased activity in Government of Canada Bonds.

- The overall volume of securities traded on our equities marketplaces decreased by 8% (101.2 billion securities in the nine months ended September 30, 2019 versus 109.5 billion securities in the nine months ended September 30, 2018). Volumes on TSX increased by 3% and volumes on Alpha increased by 2% while volumes on TSXV decreased by 27% from the nine months ended September 30, 2018 to the nine months ended September 30, 2019.

- Excluding intentional crosses, in all listed issues in Canada, our combined domestic equities trading market share was 57% in the nine months ended September 30, 2019, down 1% from 58% in the nine months ended September 30, 2018[32]. The decline in market share reflects an increase in trading volume on other markets of issues not listed or traded on TSX or TSXV. We only trade securities that are listed on TSX or TSXV.

- Excluding intentional crosses, for TSX and TSXV listed issues, our combined domestic equities trading market share was approximately 65% in nine months ended September 30, 2019, down 2% from approximately 67% in nine months ended September 30, 2018.[33]

- CDS revenue increased by 6% from the nine months ended September 30, 2018 to the nine months ended September 30, 2019 reflecting revisions to the fee schedule for issuer services as well as higher international revenue.

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[32] Source: IIROC.

[33] Source: IIROC.

Derivatives Trading and Clearing

(in millions of dollars)	**Nine months ended September 30, 2019**	Nine months ended September 30, 2018	**$ increase**	**% increase**
	$99.9	$94.8	$5.1	5%

- The increase in *Derivatives Trading and Clearing* revenue was driven by a 10% increase in revenue from MX and CDCC. There was an 8% increase in volumes on MX (87.7 million contracts traded in the nine months ended September 30, 2019 versus 81.1 million contracts traded in the nine months ended September 30, 2018). There was also an increase in revenue from REPO (repurchase agreements) clearing in the nine months ended September 30, 2019 compared with the nine months ended September 30, 2018.
- The increases were also somewhat offset by a decrease in revenue from BOX following the expiry of our agreement at the end of 2018 to provide SOLA technology and services to BOX. We are currently providing transitional services to BOX.

Global Solutions, Insights and Analytics

(in millions of dollars)	**Nine months ended September 30, 2019**	Nine months ended September 30, 2018	**$ increase**	**% increase**
Trayport	**$88.7**	$83.1	$5.6	7%
GSIA (excluding Trayport)	**$135.1**	$132.4	$2.7	2%
	$223.8	$215.5	$8.3	4%

- The increase in *GSIA* revenue in the nine months ended September 30, 2019 compared with the nine months ended September 30, 2018 reflected an increase in revenue from Trayport, including VisoTech (acquired May 15, 2019). In addition, there was increased revenue from data feeds, recoveries related to under-reported usage of real-time quotes in prior periods and co-location.
- These increases were partially offset by revenue from Contigo (sold November 30, 2018) of approximately $4.0 million, and from TMX FTSE (sold April 12, 2018) of approximately $1.1 million in the nine months ended September 30, 2018.
- There was also an unfavourable impact of a stronger Canadian dollar relative to GBP, which more than offset a favourable impact from a weaker Canadian dollar relative to the U.S. dollar in the nine months ended September 30, 2019 compared with the nine months ended September 30, 2018.
- Revenue from *GSIA*, excluding VisoTech, Contigo and TMX FTSE, increased by 5% from the nine months ended September 30, 2018 to the nine months ended September 30, 2019.

Trayport

- Revenue from Trayport's core subscriber business, including VisoTech (acquired May 15, 2019), was £52.7 million in the nine months ended September 30, 2019, up 16% over nine months ended September 30, 2018. Revenue from Contigo (sold on November 30, 2018); the ancillary non-subscriber based risk application business of Trayport; was £2.3 million in the nine months ended September 30, 2018.

GSIA (excluding Trayport)

- The average number of professional market data subscriptions for TSX and TSXV products decreased by 1% from the nine months ended September 30, 2018 to the nine months ended September 30, 2019 (100,913 professional market data subscriptions in the nine months ended September 30, 2019 compared with 101,467 in the nine months ended September 30, 2018.)

- The average number of MX professional market data subscriptions increased by 2% from the nine months ended September 30, 2018 to the nine months ended September 30, 2019 (19,038 MX professional market data subscriptions in the nine months ended September 30, 2019 compared with 18,669 in the nine months ended September 30, 2018).

Other

(in millions of dollars)	**Nine months ended September 30, 2019**	Nine months ended September 30, 2018	**$ (decrease)**	**% (decrease)**
	$(0.1)	$2.6	$(2.7)	(104)%

- The decrease in *Other* revenue was primarily due to recognizing net foreign exchange gains on net monetary assets in the nine months ended September 30, 2018 compared with net foreign exchange losses in the nine months ended September 30, 2019.

Operating expenses

(in millions of dollars)	**Nine months ended September 30, 2019**	Nine months ended September 30, 2018	**$ increase / (decrease)**	**% increase / (decrease)**
Compensation and benefits	**$160.9**	$166.7	$(5.8)	(3)%
Information and trading systems	**38.0**	37.2	0.8	2%
Selling, general and administration	**55.5**	81.3	(25.8)	(32)%
Depreciation and amortization	**59.2**	52.3	6.9	13%
Strategic re-alignment expenses	**4.6**	—	4.6	n/a
	$318.2	$337.5	$(19.3)	(6)%

Operating expenses in the nine months ended September 30, 2019 were $318.2 million, down $19.3 million or 6%, from $337.5 million in the nine months ended September 30, 2018. The decrease in costs was largely related to a commodity tax provision of $7.6 million (10 cents per basic and diluted share) and a lease termination payment of $4.5 million (6 cents per basic and diluted share) in the nine months ended September 30, 2018. There was also a decrease in severance costs of approximately $7.4 million from the nine months ended September 30, 2018 to the nine months ended September 30, 2019.

Compensation and benefits

(in millions of dollars)	**Nine months ended September 30, 2019**	Nine months ended September 30, 2018	**$ (decrease)**	**% (decrease)**
	$160.9	$166.7	$(5.8)	(3)%

- *Compensation and benefits* costs decreased in the nine months ended September 30, 2019 compared with the nine months ended September 30, 2018 reflecting lower severance costs of approximately $7.4 million, lower short term employee performance incentive plan costs and an increase in the capitalization of labour costs. In addition, the decrease in expenses related to Contigo (sold November 30, 2018) exceeded the increase in costs related to VisoTech (acquired May 15, 2019) by approximately $1.6 million. These decreases were partially offset by increased costs related to higher headcount, merit increases and payroll taxes as well as higher long term employee performance incentive plan costs of approximately $3.2 million driven by the increase in our share price.
- There were 1,285 TMX Group employees at September 30, 2019 versus 1,238 employees at September 30, 2018 reflecting a higher headcount related to the acquisition of VisoTech (acquired May 15, 2019) which employs approximately 50 people. There was also an increase in headcount attributable to investing in the various growth areas of our business, including *Capital Formation* and Trayport. This increase was partially offset by a decrease from the sale of Contigo (sold November 30, 2018) which employed approximately 40 people.

Information and trading systems

(in millions of dollars)	**Nine months ended September 30, 2019**	Nine months ended September 30, 2018	**$ increase**	**% increase**
	$38.0	$37.2	$0.8	2%

- The increase in I*nformation and trading systems* expenses from the nine months ended September 30, 2018 to the nine months ended September 30, 2019 reflected higher project costs.

Selling, general and administration

(in millions of dollars)	**Nine months ended September 30, 2019**	Nine months ended September 30, 2018	**$ (decrease)**	**% (decrease)**
	$55.5	$81.3	$(25.8)	(32)%

- *Selling, general and administration* expenses decreased by $25.8 million in the nine months ended September 30, 2019 compared with the nine months ended September 30, 2018 partially due to recording a commodity tax provision of $7.6 million (10 cents per basic and diluted share) and a lease termination payment of $4.5 million (6 cents per basic and diluted share). The decrease also reflected lower project spending including amounts paid to external consultants. In addition, there were lower *Selling, general and administration* expenses of $7.7 million related to the implementation of IFRS 16, *Leases (*see **Accounting and Control Matters - Changes in accounting policies - ADOPTION OF IFRS 16**).
- The decreases in s*elling, general and administration* expenses were partially offset by increased transaction costs related to an acquisition of $0.6 million (1 cent per basic and diluted share).

Depreciation and amortization

(in millions of dollars)	**Nine months ended September 30, 2019**	Nine months ended September 30, 2018	**$ increase**	**% increase**
	$59.2	$52.3	$6.9	13%

- There were higher *Depreciation and amortization* costs of which $7.1 million related to the implementation of IFRS 16 *(*see **Accounting and Control Matters - Changes in accounting policies - ADOPTION OF IFRS 16).**
- The *Depreciation and amortization* costs in the nine months ended September 30, 2019 of $59.2 million included $35.2 million related to amortization of intangibles assets related to acquisitions (50 cents per basic and diluted share).
- The *Depreciation and amortization* costs in the nine months ended September 30, 2018 of $52.3 million included $35.7 million related to amortization of intangibles related to acquisitions (51 cents per basic and 50 cents per diluted share).

Strategic re-alignment expenses

	Nine months ended September 30, 2019		Nine months ended September 30, 2018	
(in millions of dollars)	**Pre-tax Amount**	**Basic and Diluted Earnings per Share Impact**	Pre-tax Amount	Basic and Diluted Earnings per Share Impact
	$4.6	**$0.06**	$—	$—

- *Strategic re-alignment expenses* for the nine months ended September 30, 2019 included $3.3 million related to organizational changes we made in our post-trade business, elimination of centralized innovation product development unit, and changes to our enterprise risk approach. There were also non-recurring charges for onerous contracts related to our initiative on modernizing our clearing platforms of $1.3 million (See **INITIATIVES AND ACCOMPLISHMENTS - Strategic re-alignment**).

Additional Information

Share of income from equity accounted investees

(in millions of dollars)	**Nine months ended September 30, 2019**	Nine months ended September 30, 2018	**$ increase**	**% increase**
	$3.1	$2.2	$0.9	41%

- In the nine months ended September 30, 2019 our share of income from equity accounted investees increased by $0.9 million which is primarily attributable to increases in our share of income from BOX, partially offset by a decrease in our share of income from TMX FTSE (sold on April 12, 2018).

Other income

(in millions of dollars)	**Nine months ended September 30, 2019**	Nine months ended September 30, 2018	**$ (decrease)**	**% (decrease)**
	$2.3	$26.8	$(24.5)	(91)%

- In the nine months ended September 30, 2018, we completed the sale of our entire 24.2% interest in TMX FTSE. The proceeds of $70.4 million resulted in a gain on sale of approximately $26.8 million before and after income taxes (48 cents per basic and diluted share).
- In the nine months ended September 30, 2019, we completed the sale of our interest in Bermuda Stock Exchange resulting in a gain on sale of approximately $2.3 million before tax ($2.0 million after income tax, or 4 cents per basic and diluted share).

Net finance costs

(in millions of dollars)	**Nine months ended September 30, 2019**	Nine months ended September 30, 2018	**$ (decrease)**	**% (decrease)**
	$27.1	$30.0	$(2.9)	(10)%

- The decrease in net finance costs from the nine months ended September 30, 2018 to the nine months ended September 30, 2019 reflected lower interest expense due to decreased debt levels. The lower costs were partially offset by the impact from a higher average interest rate in the first nine months of 2019 driven by the interest rate on our Series E Debentures compared with that on our Series A Debentures, which matured at the beginning of Q4/18. The decrease was also partially offset by a charge of $2.7 million relating to the implementation of IFRS 16, *Leases (*see **Accounting and Control Matters - Changes in accounting policies - ADOPTION OF IFRS 16**).

Income tax expense and effective tax rate

Income Tax Expense (in millions of dollars)		**Effective Tax Rate** (%)	
Nine months ended September 30, 2019	Nine months ended September 30, 2018	**Nine months ended September 30, 2019**	Nine months ended September 30, 2018
$64.1	$54.8	**24%**	20%

Excluding adjustments, primarily related to the items noted below, the effective tax rate would have been approximately 26% for both the nine months ended September 30, 2019, and for the nine months ended September 30, 2018.

2019

- In the nine months ended September 30, 2019, the Alberta general corporate income tax rate decreased. This change resulted in a decrease in net deferred income tax liabilities and a corresponding decrease in income tax expense of $4.3 million.

2018

- In the nine months ended September 30, 2018, we realized a capital loss on the windup of a limited partnership, resulting in a tax benefit of approximately $11.8 million. A portion of this capital loss was utilized to eliminate the income tax otherwise payable of $3.8 million on the sale of our interest in TMX FTSE. In addition, we carried back the balance of this net capital loss to reduce the income tax of $8.0 million on the sale of NGX in 2017. Also, the non-taxable portion of the capital gain on the sale of our interest in TMX FTSE resulted in a tax benefit of approximately $3.3 million. As a result, there was a decrease in income tax expense, which reduced our effective tax rate for the nine months ended September 30, 2018.

Total equity

(in millions of dollars)	**As at September 30, 2019**	as at December 31, 2018	**$ increase**
Total equity	**$3,438.5**	$3,381.8	$56.7

- At September 30, 2019, there were 56,199,264 common shares issued and outstanding and 1,685,980 options outstanding under the share option plan.
- At October 31, 2019, there were 56,199,264 common shares issued and outstanding and 1,685,980 options outstanding under the share option plan.
- The increase in *Total equity* is primarily attributable to the inclusion of net income of $200.1 million, and proceeds from exercised share options of $22.3 million, less dividend payments to shareholders of TMX Group of $104.2 million and foreign currency translation differences of $63.7 million.

Segments

The following information reflects TMX Group's segment results for the nine months ended September 30, 2019 compared with the nine months ended September 30, 2018.

Nine months ended September 30, 2019

(in millions of dollars)	Capital Formation	Equities and Fixed Income Trading & Clearing	Derivatives Trading & Clearing	Global Solutions, Insights & Analytics	Other	Total
Revenue from external customers	$ 138.1	$ 142.4	$ 99.9	$ 223.8	$ (0.1)	$ 604.1
Inter-segment revenue	—	1.2	—	0.3	(1.5)	—
Total revenue	138.1	143.6	99.9	224.1	(1.6)	604.1
Income (loss) from operations	76.0	65.4	42.8	142.2	(40.5)	285.9

Nine months ended September 30, 2018

(in millions of dollars)	Capital Formation	Equities and Fixed Income Trading & Clearing	Derivatives Trading & Clearing	Global Solutions, Insights & Analytics	Other	Total
Revenue from external customers	$ 153.3	$ 143.3	$ 94.8	$ 215.5	$ 2.6	$ 609.5
Inter-segment revenue	—	1.2	—	0.4	(1.6)	—
Total revenue	153.3	144.5	94.8	215.9	1.0	609.5
Income (loss) from operations	87.5	61.9	40.3	128.2	(45.9)	272.0

Income (loss) from operations

The decrease in *Income from operations* from *Capital Formation* reflected lower revenue from all listing fee types, especially *additional listing fee* revenue, and lower revenue from TSX Trust in the nine months ended September 30, 2019 compared with the nine months ended September 30, 2018. This was partially offset by lower operating expenses in the nine months ended September 30, 2019 compared with the nine months ended September 30, 2018.

The increase in I*ncome from operations* from *Equities and Fixed Income Trading and Clearing* reflected lower operating expenses and an increase in revenue from *CDS* in the nine months ended September 30, 2019 compared with the nine months ended September 30, 2018. The increases were somewhat offset by a decrease in *Equities and Fixed Income Trading* revenue.

Income from operations from *Derivatives Trading and Clearing* increased reflecting higher revenue from MX and CDCC, driven by an 8% increase in volumes on MX, an increase in revenue from REPO (repurchase agreements) clearing and reduced rebates from CDCC in the nine months ended September 30, 2019 compared with the nine months ended

September 30, 2018. This increase was partially offset by a decrease in revenue from BOX, and higher operating expenses in the nine months ended September 30, 2019 compared with the nine months ended September 30, 2018.

The increase in *Income from operations* from *Global Solutions, Insights and Analytics* largely reflects an increase in revenue from Trayport, including VisoTech (acquired May 15, 2019). In addition, there was increased revenue from data feeds, recoveries related to under-reported usage of real-time quotes in prior periods and co-location. There were also lower operating expenses in the nine months ended September 30, 2019 compared with the nine months ended September 30, 2018. These increases were partially offset by revenue from Contigo (sold November 30, 2018) of approximately $4.0 million, and from TMX FTSE (sold April 12, 2018) of approximately $1.1 million in the nine months ended September 30, 2018.

Other includes certain revenue as well as corporate and other costs, not allocated to the operating segments. Revenue related to foreign exchange gains and losses and other services are presented in the *Other* segment. Costs and expenses related to the amortization of purchased intangibles, along with certain consolidation and elimination adjustments, are also presented in *Other*. The lower *loss from operations* for the *Other* segment reflected a decrease in corporate costs, including a commodity tax provision in the nine months ended September 30, 2018. This decrease was partially offset by a decrease in *Other* revenue due to recognizing net foreign exchange losses on net monetary assets in the nine months ended September 30, 2019 compared with net foreign exchange gains in the nine months ended September 30, 2018.

LIQUIDITY AND CAPITAL RESOURCES

Summary of Cash Flows

Q3/19 compared with Q3/18

(in millions of dollars)	**Q3/19**	Q3/18	**$ increase / (decrease) in cash**
Cash flows from operating activities	**$96.9**	$100.4	$(3.5)
Cash flows from/(used in) financing activities	**(61.4)**	(40.0)	(21.4)
Cash flows from/(used in) investing activities	**(15.4)**	(42.2)	26.8

- In Q3/19, *Cash flows from operating activities* were down slightly compared with Q3/18 reflecting a decrease in cash related to trade and other payables as well as an increase in income taxes paid. The decreases were largely offset by higher income from operations (excluding depreciation and amortization).
- In Q3/19, *Cash flows used in financing activities* were higher than in Q3/18. During Q3/19 there was a net increase in cash used to redeem Commercial Paper of $14.8 million and a decrease in drawings on liquidity facilities of $3.8 million compared with Q3/18.
- In Q3/19, *Cash flows used in investing activities* were lower than in Q3/18. There was a reduction in the net purchase of marketable securities in Q3/19 of $27.3 million compared with Q3/18.

Nine months ended September 30, 2019 compared with Nine months ended September 30, 2018

(in millions of dollars)	**Nine months ended September 30, 2019**	Nine months ended September 30, 2018	**$ increase / (decrease) in cash**
Cash flows from operating activities	**$260.9**	$278.7	$(17.8)
Cash flows from/(used in) financing activities	**(154.4)**	(278.8)	124.4
Cash flows from/(used in) investing activities	**(68.2)**	10.4	(78.6)

- In the nine months ended September 30, 2019, *Cash flows from operating activities* decreased compared with the nine months ended September 30, 2018 reflecting a decrease in cash related to trade and other payables. The decrease in cash was partially offset by higher income from operations (excluding depreciation and amortization), and an increase in cash related to other assets and liabilities.
- In the nine months ended September 30, 2019, *Cash flows used in financing activities* were lower than in the nine months ended September 30, 2018 reflecting a net decrease in cash used to redeem Commercial Paper of $344.7 million. This was partially offset by proceeds of $200.0 million on the issuance of our Series E Debentures in the first nine months of 2018. There was also an increase in cash used to pay dividends to equity holders of $11.9 million and a decrease in drawings on liquidity facilities of $7.1 million in the nine months ended September 30, 2019 compared with the nine months ended September 30, 2018.
- In the nine months ended September 30, 2019, *Cash flows used in investing activities* were higher than in the nine months ended September 30, 2018 when we generated cash from investing activities. During the nine months ended September 30, 2018, we received proceeds of $70.4 million on the sale of our interest in TMX FTSE compared with proceeds from the sale of our interest in Bermuda Stock Exchange of $3.1 million during the nine months ended September 30, 2019. In the nine months ended September 30, 2019, we also had a cash outflow of $23.6 million related to an acquisition. Partially offsetting these decreases in cash, there was a decrease of $13.2 million in the net purchase of marketable securities in the nine months ended September 30, 2019 compared with the nine months ended September 30, 2018.

Summary of Cash Position and Other Matters[34]

Cash, Cash Equivalents and Marketable Securities

(in millions of dollars)	**As at September 30, 2019**	as at December 31, 2018	**$ increase**
	$241.7	$230.7	$11.0

We had $241.7 million of cash, cash equivalents and marketable securities at September 30, 2019. There was an increase in cash, cash equivalents and marketable securities primarily reflecting cash flows from operating activities of $260.9 million, proceeds from exercised options of $22.3 million, proceeds from the sale of our interest in Bermuda Stock Exchange of $3.1 million and interest received of $3.1 million. Offsetting these increases in cash and cash equivalents were a cash outflow related to an acquisition of $23.6 million, the net movement in Commercial Paper of approximately $54.2 million, a decrease in cash of $39.8 million related to repayment of a bank overdraft from December 31, 2018, cash outflows for dividends to TMX Group shareholders of $104.2 million, interest paid of $17.3 million and additions to premises and equipment and intangible assets of $41.0 million. Based on our current business operations and model, we believe that we have sufficient cash resources and access to financing to operate our business, make interest payments, as well as

[34] The "*Summary of Cash Position and Other Matters*" section above contains certain forward-looking statements. Please refer to *"Caution Regarding Forward-Looking Information"* for a discussion of risks and uncertainties related to such statements.

meet our covenants under the trust indentures governing our Debentures and the terms of the Credit Agreement (as defined in the 2018 MD&A) and commercial paper program (Commercial Paper Program) (see **LIQUIDITY AND CAPITAL RESOURCES - Commercial Paper, Debentures, Credit and Liquidity Facilities**), and satisfy the capital maintenance requirements imposed by regulators.

We will also have cash outlays related to the modernization of our clearing platforms (see - **INITIATIVES AND ACCOMPLISHMENTS - Update on Modernization of Clearing Platforms**).

Debt financing of future investment opportunities could be limited by current and future economic conditions, the covenants in the Credit Agreement and the trust indentures governing the Debentures, and by capital maintenance requirements imposed by regulators. At September 30, 2019, there was $270.0 million of Commercial Paper outstanding, and the authorized limit under the program was $500.0 million.

Total Assets

(in millions of dollars)	**As at September 30, 2019**	as at December 31, 2018	**$ increase**
	$36,313.7	$31,657.9	$4,655.8

- Our consolidated balance sheet as at September 30, 2019 includes outstanding balances on open REPO agreements within *Balances with Participants and Clearing Members*. These balances have equal amounts included within *Total Liabilities*. The increase in *Total Assets* of $4,655.8 million from December 31, 2018 reflected higher balances in CDCC at September 30, 2019.

Commercial Paper, Debentures, Credit and Liquidity Facilities

Commercial Paper

(in millions of dollars)	**As at September 30, 2019**	as at December 31, 2018	**$ (decrease)**
	$270.0	$319.5	$(49.5)

There was $270.0 million of Commercial Paper outstanding, including accrued interest, under the program at September 30, 2019 reflecting a net reduction of approximately $49.5 million from December 31, 2018. Commercial paper is short term in nature, and the average term to maturity from the date of issue was 61.0 days in the nine months ended September 30, 2019.

Debentures

TMX Group has the following Debentures outstanding:

(in millions of dollars)	**As at September 30, 2019**	as at December 31, 2018	**$ increase/ (decrease)**
Series B - Non-Current Debentures	**$249.6**	$249.5	$0.1
Series D - Non-Current Debentures	**$298.5**	$298.4	$0.1
Series E - Non-Current Debentures	**$198.9**	$198.9	$0.0
	$747.0	$746.8	$0.2

For additional information on the Debentures, see **Debentures** under the heading **LIQUIDITY AND CAPITAL RESOURCES** in our 2018 Annual MD&A.

Credit and Liquidity Facilities

For additional information on our credit and liquidity facilities, please see **Credit Facility** under the heading **LIQUIDITY AND CAPITAL RESOURCES** in our 2018 Annual MD&A.

As at September 30, 2019, all covenants were met under the Credit Agreement.

Effective Interest Rates

The effective interest rates as at September 30, 2019 for the Debentures and Commercial Paper are shown below:

Debentures and Commercial Paper	**Principal** ($CAD millions)	**Maturity**	**All-in Rate**
Series B Debentures	250.0	Oct. 3, 2023	4.461%
Series D Debentures	300.0	Dec. 11, 2024	2.997%
Series E Debentures	200.0	Jun. 5, 2028	3.779%
Commercial Paper	270.0	Oct 2, 2019 - Nov. 29, 2019	1.852%

Other Credit and Liquidity Facilities

CDCC maintains a $15,594.0 million REPO uncommitted facility (December 31, 2018 – $13,788.0 million) that is in place to provide end of day liquidity in the event that CDCC is unable to clear the daylight liquidity facilities to zero. Effective November 4, 2019, CDCC further amended the amount to $18,102.0 million. On March 1, 2019, this facility was extended from March 1, 2019 to February 28, 2020.

CDCC also maintains a $400.0 million syndicated revolving standby liquidity facility to provide end of day liquidity in the event that CDCC is unable to clear the daylight liquidity facilities to zero. On February 28, 2019, this facility was extended from March 1, 2019 to February 28, 2020.

CDS maintains a secured standby credit arrangement of US$720.0 million, or Canadian equivalent, that can be drawn in either Canadian or US currency. On March 25, 2019, CDS extended the maturity date to March 24, 2020.
In addition, CDS has a secured standby liquidity facility of $2.0 billion, or US equivalent, that can be drawn in either Canadian or US currency. On March 25, 2019, CDS extended the maturity date to March 24, 2020.

For additional information on our other credit and liquidity facilities, please see **Other Credit and Liquidity Facilities** under the heading **LIQUIDITY AND CAPITAL RESOURCES** in our 2018 Annual MD&A.

MANAGING CAPITAL

Our primary objectives in managing capital are described in our 2018 Annual MD&A.

As at September 30, 2019, we were in compliance with each of these externally imposed capital requirements. For the year ending December 31, 2019, TSX Inc. has received an exemption with regards to its financial leverage ratio, as a result of adopting IFRS 16, *Leases*. See **Credit Facility** and **Other Credit and Liqudity Facilities** and **MANAGING CAPITAL** in our 2018 Annual MD&A for a description of the financial covenants imposed on us.

QUARTERLY FINANCIAL INFORMATION

(in millions of dollars except per share amounts - unaudited)	Sep 30 2019	Jun 30 2019	Mar 31 2019	Dec 31 2018	Sep 30 2018	Jun 30 2018	Mar 31 2018	Dec 31 2017
Capital Formation	$43.7	$52.6	$41.8	$45.4	$45.1	$57.8	$50.4	$49.3
Equities and Fixed Income Trading	23.5	25.6	26.2	28.6	25.1	25.8	29.3	25.2
Equities and fixed Income - clearing, settlement, depository and other services (CDS)	21.8	23.0	22.3	22.7	20.3	21.0	21.8	20.4
Derivatives Trading & Clearing	33.5	33.8	32.6	35.1	30.2	33.3	31.3	27.6
Global Solutions, Insights and Analytics	73.6	75.6	74.6	73.8	72.1	70.7	72.7	48.3
Other	0.2	(0.3)	—	2.0	—	0.9	1.7	—
Revenue	196.3	210.3	197.5	207.6	192.8	209.5	207.2	170.8
Operating expenses before acquisition costs	104.7	106.2	107.3	110.6	106.3	119.7	111.5	87.0
Income from operations before acquisition costs	91.6	104.1	90.2	97.0	86.5	89.8	95.7	83.8
Acquisition costs	—	—	—	—	—	—	—	13.4
Income from operations	91.6	104.1	90.2	97.0	86.5	89.8	95.7	70.4
Income from continuing operations, net of tax	61.7	77.2	61.2	69.8	57.5	95.6	63.1	39.9
Income from discontinued operations, net of tax	—	—	—	—	—	—	—	162.4
Net income	61.7	77.2	$61.2	69.8	57.5	95.6	63.1	202.3
Earnings per share from continuing operations[35]								
Basic	1.10	1.38	1.10	1.25	1.03	1.72	1.14	0.72
Diluted	1.09	1.37	1.09	1.24	1.02	1.71	1.13	0.72
Earnings per share[36]								
Basic	1.10	1.38	1.10	1.25	1.03	1.72	1.14	3.65
Diluted	1.09	1.37	1.09	1.24	1.02	1.71	1.13	3.63

[35] Earnings per share from continuing operations is based on income from continuing operations, net of tax.

[36] Earnings per share information is based on Net income.

Q3/19 compared with Q2/19

- *Revenue* was $196.3 million in Q3/19, down $14.0 million from Q2/19 reflecting decreases in all segments including *Capital Formation* driven by lower additional listing fees, *Equities and Fixed Income Trading & Clearing*, and *Global Solutions, Insights and Analytics.*

- *Operating expenses before acquisition costs* decreased in Q3/19 compared with Q2/19 reflecting a reduction in Strategic re-alignment expenses, a decrease in project spending and fees as well as increased recoverable expenses. The decreases were somewhat offset by an increase of approximately $3.9 million in long term employee performance incentive plan costs driven by the increase in our share price.

- *Income from operations* decreased from Q2/19 to Q3/19 due to lower revenue partially offset by lower operating expenses.

- *Net income* in Q3/19 was $61.7 million, or $1.10 per common share on a basic and $1.09 on a diluted basis, compared with net income of $77.2 million, or $1.38 per common share on a basic and $1.37 on a diluted basis in Q2/19. There were lower revenues in Q3/19 compared with Q2/19 partially offset by lower operating expenses.

Q2/19 compared with Q1/19

- *Revenue* was $210.3 million in Q2/19, up $12.8 million from Q1/19 reflecting increases in *Capital Formation* driven by higher additional listing fees*, Derivatives Trading & Clearing,* and *Global Solutions, Insights and Analytics* driven by Trayport.

- *Operating expenses before acquisition costs* were down in Q2/19 compared with Q1/19 reflecting lower strategic re-alignment costs, reduced payroll taxes and pension adjustments as well as lower *Deprecation and Amortization* costs. The decreases were largely offset by higher severance costs, project spending, long-term employee performance incentive plan costs as well as expenses and transaction costs related to VisoTech (acquired May 15, 2019).

- *Income from operations* increased from Q1/19 to Q2/19 largely reflecting the higher revenue and also the lower operating expenses.

- *Net income* in Q2/19 was $77.2 million, or $1.38 per common share on a basic and $1.37 on a diluted basis, compared with net income of $61.2 million, or $1.10 per common share on a basic and $1.09 on a diluted basis in Q1/19. There were significantly higher revenues and also lower operating expenses in Q2/19 compared with Q1/19. There was also a gain on sale of interest in Bermuda Stock Exchange of approximately $2.0 million after tax (4 cents per basic and diluted share) and a deferred income tax recovery of $4.3 million related to a decrease in the Alberta corporate income tax rate (8 cents per basic and diluted share) in Q2/19.

Q1/19 compared with Q4/18

- *Revenue* was $197.5 million in Q1/19, down $10.1 million from Q4/18 reflecting decreases in *Capital Formation, Equities and Fixed Income Trading & Clearing, Derivatives Trading & Clearing,* and *Other* partially offset by an increase in *Global Solutions, Insights and Analytics* driven by Trayport.

- *Operating expenses before acquisition costs* were down in Q1/19 compared with Q4/18 reflecting a decrease of $1.1 million related to Contigo (sold November 30, 2018), lower employee performance incentive plan costs of $1.7 million, lower severance costs of $2.5 million, lower project spend of $2.5 million, and lower *Information and trading systems* spend of $2.5 million. These decreases were somewhat offset by increased payroll taxes of $3.5 million and strategic re-alignment expense of $3.3 million in Q1/19.

- *Income from operations* decreased from Q4/18 to Q1/19 due to lower revenue partially offset by lower operating expenses.

- *Net income* in Q1/19 was $61.2 million, or $1.10 per common share on a basic and $1.09 on a diluted basis, compared with net income of $69.8 million, or $1.25 per common share on a basic and $1.24 on a diluted basis in Q4/18. Overall, there was lower revenue partially offset by lower operating expenses in Q1/19 compared with Q4/18. There was a gain on sale of Contigo of approximately $2.3 million after tax (4 cents per basic and diluted share), and a gain on reduction in our shareholding in CanDeal of $0.9 million after tax (2 cents per basic and diluted share) in Q4/18. In addition, there was a net income tax recovery on gain on sale of NGX resulting in a tax benefit of approximately $2.0 million (4 cents per basic and diluted share) in Q4/18.

For additional information on the five previous quarters, please see Select Annual and Quarterly financial information in our 2018 Annual MD&A.

Accounting and Control Matters

Changes in accounting policies

The following new IFRS standards and amendments were effective for TMX Group from January 1, 2019:

- IFRS 16, *Leases;*
- IFRIC 23, *Uncertainty over Income Tax Treatments*; and
- Annual improvements 2015-2017 cycle.

There was no impact on the interim financial statements as a result of their adoption, except for IFRS 16 as discussed below.

TMX Group has applied IFRS 16, *Leases*, from January 1, 2019 using the modified retrospective approach and therefore comparative information has not been restated, and continues to be reported under IAS 17, Leases, and IFRIC 4, *Determining Whether an Arrangement Contains a Lease*. On transition to IFRS 16, TMX Group elected to apply the practical expedient to grandfather the assessment of which contracts are leases. TMX Group only applied IFRS 16 to contracts that were previously identified as leases. Contracts that were previously not identified as leases were not reassessed. Therefore, the definition of a lease under IFRS 16 has been applied only to contracts entered into or changed on or after January 1, 2019. In the comparative period, as a lessee, TMX Group classified leases that transfer substantially all of the risks and rewards of ownership as finance leases. Assets held under other leases were classified as operating leases and were not recognized on TMX Group's balance sheet.

At inception of a contract, TMX Group assesses whether a contract is, or contains, a lease. A contract is, or contains, a lease if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration. TMX Group allocates the consideration in the contract to each lease and non-lease component on the basis of their relative stand-alone prices.

As a lessee, TMX Group recognizes a right-of-use asset and a lease liability at the lease commencement date. The right-of-use asset is initially measured at cost, which comprises the initial amount of the lease liability adjusted for any lease payments made at or before the commencement date, plus any initial direct costs incurred and any estimated costs to dismantle and remove the underlying asset or to restore the underlying asset or the site on which it is located, less any lease incentives received. The right-of-use asset is subsequently depreciated using the straight-line method from the commencement date to the end of the lease term and is reduced for any impairment losses and adjusted for certain remeasurements of the lease liability.

TMX Group applies judgement in determining the lease term for some lease contracts in which there is a renewal option. Lease payments included in the measurement of the lease liability comprise the following:

- Fixed payments, including in-substance fixed payments which may contain variability but are unavoidable; and
- Variable payments that depend on an index or a rate, are initially measured using the index or rate as at the commencement date. Variable payments based on usage or performance are not included in the measurement of the lease liability.

The lease liability is measured at amortized cost using the effective interest method. The lease liability is subsequently increased by the interest cost and decreased by lease payments made, over the term of the lease. It is remeasured when there is a change in future lease payments arising from a change in an index or rate, a change in the estimate of the amount expected to be payable under a residual value guarantee, or as appropriate, changes in the assessment of whether a purchase or extension option is reasonably certain to be exercised or a termination option is reasonably certain not to be exercised. When a lease liability is remeasured, a corresponding adjustment is also made to the carrying amount of the right-of-use asset.

Short-term leases and leases of low-value assets

TMX Group has elected to not recognize right-of-use assets and lease liabilities for short-term leases that have a lease term of 12 months or less, and leases of low-value assets. TMX Group continues to recognize the lease payments associated with these leases as an expense over the term of the lease on a straight-line basis.

ADOPTION OF IFRS 16

Substantially all of TMX Group's identified leases are premise leases. At transition, lease liabilities were measured at the present value of the remaining lease payments, discounted at TMX Group's incremental borrowing rate as at January 1, 2019. Right-of-use assets are measured at an amount equal to the lease liability, adjusted by the amount of any prepaid or accrued lease payments. TMX Group has applied judgment in determining the lease term for some lease contracts in which there is a renewal option or termination option.

TMX Group applied the following practical expedients when applying IFRS 16 to leases previously classified as operating leases under IAS 17:

- applied a single discount rate to a portfolio of leases with similar characteristics;
- applied the exemption not to recognize right-of-use assets and liabilities for leases with less than 12 months of lease term;
- used hindsight when determining the lease term if the contract contains options to extend or terminate the lease; and
- relied on TMX Group's assessment of whether leases were onerous applying IAS 37, *Provisions, Contingent Liabilities and Contingent Assets*, which was made immediately before the date of initial application as an alternative to performing an impairment review.

Impact on Condensed Consolidated Interim Balance Sheet

On transition to IFRS 16, TMX Group recognized $94.9 million of right-of-use assets and $103.2 million of lease liabilities, of which $8.2 million was classified as current lease liabilities and recorded in "Other current liabilities". The difference between right-of-use assets and lease liabilities is attributable to previously accrued lease payments. When measuring lease liabilities, TMX Group discounted lease payments using its incremental borrowing rate, which is derived from an indicative credit spread as at January 1, 2019. TMX Group applied a weighted average incremental borrowing rate of 3.4%.

Impact on Condensed Consolidated Interim Income Statement

For the three and nine months ended September 30, 2019, the following is a summary of the impact of implementing IFRS 16:

$ increase / (decrease) in net income **(in millions of dollars)**	**Q3/19**	**Nine months ended September 30, 2019**
Depreciation and amortization expense	(2.4)	(7.1)
Net finance costs	(0.9)	(2.7)
Selling, general and administration expenses (related to occupancy costs)	2.6	7.8
Income tax expense	0.1	0.4
Overall impact on Net Income	**(0.6)**	**(1.6)**

Future changes in accounting policies

The following standard is not yet effective for the year ending December 31, 2019, and has not been applied in the preparation of the interim financial statements:

- Amendments to conceptual framework - On March 29, 2018, the IASB issued a revised version of its *Conceptual Framework for Financial Reporting* that underpins IFRS Standards. The IASB also issued *Amendments to References to the Conceptual Framework* in IFRS Standards to update references in IFRS Standards to previous versions of the Conceptual Framework. TMX Group intends to adopt the amendments for the annual period beginning on January 1, 2020. TMX Group does not expect the amendments to have a material impact on its financial statements.

Changes in Internal Control over Financial Reporting

There were no changes to internal control over financial reporting (ICFR) during the quarter ended September 30, 2019 that materially affected, or are reasonably likely to materially affect, our ICFR.

CAUTION REGARDING FORWARD-LOOKING INFORMATION

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

Examples of forward-looking information in this MD&A include, but are not limited to, growth objectives; the ability to integrate VisoTech into Trayport and the expected impact of the VisoTech acquisition on TMX Group's results; the proposed relaunch of the Two–Year Government of Canada Bond Futures; 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 anticipated cost savings resulting from this initiative and the timing of the modernization and the anticipated savings; other statements related to cost reductions; the impact of the decrease of market capitalization of TSX and TSXV issuers overall (from 2017 to 2018) net of changes to sustaining fees on TMX Group's revenue; anticipated increases to strategic re-alignment costs as a result of organizational changes, expected cost savings resulting from this initiative, and the timing thereof; TMX Group's anticipated statutory income tax rate for 2019; factors relating to stock, and derivatives exchanges and clearing houses and the business, strategic goals and priorities, market conditions, pricing, proposed technology and other initiatives, financial results or financial condition, operations and prospects of TMX Group which are subject to significant risks and uncertainties.

These risks include: 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 or uncertainties including changes in business cycles that impact our sector; failure to retain and attract qualified personnel; geopolitical and other factors which could cause business interruption; dependence on information technology; 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 effectively integrate acquisitions to achieve planned economics, 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; productivity at TMX Group, as well as that of TMX Group's competitors; market competition; research and development activities; the successful introduction and client acceptance of new products; successful introduction of various technology assets and capabilities; the impact on TMX Group and its customers of various regulations; TMX Group's ongoing relations with its employees; and the extent of any labour, equipment or other disruptions at any of its operations of any significance other than any planned maintenance or similar shutdowns.

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

- TMX Group's success in achieving growth initiatives and business objectives;
- continued investment in growth businesses and in transformation initiatives including next generation post-trade systems;
- no significant changes to our effective tax rate, recurring revenue, and number of shares outstanding;
- moderate levels of market volatility;
- level of listings, trading, and clearing consistent with historical activity;
- economic growth consistent with historical activity;
- no significant changes in regulations;
- continued disciplined expense management across our business;
- continued re-prioritization of investment towards enterprise solutions and new capabilities; and
- free cash flow generation consistent with historical run rate.

While we anticipate that subsequent events and developments may cause our views to change, we have no intention to update this forward-looking information, except as required by applicable securities law. This forward-looking information should not be relied upon as representing our views as of any date subsequent to the date of this MD&A. We have attempted to identify important factors that could cause actual actions, events or results to differ materially from those current expectations described in forward-looking information. However, there may be other factors that cause actions, events or results not to be as anticipated, estimated or intended and that could cause actual actions, events or results to differ materially from current expectations. There can be no assurance that forward-looking information will prove to be accurate, as actual results and future events could differ materially from those anticipated in such statements. Accordingly, readers should not place undue reliance on forward-looking information. These factors are not intended to represent a complete list of the factors that could affect us. A description of the above-mentioned items is contained under the heading **RISKS AND UNCERTAINTIES** in the 2018 Annual MD&A.

Financial Statements

TMX GROUP LIMITED
Condensed Consolidated Interim Balance Sheets

(In millions of Canadian dollars)
(Unaudited)

	Note	September 30, 2019	December 31, 2018
Assets			
Current assets:			
Cash and cash equivalents		**$ 172.7**	$ 175.1
Restricted cash and cash equivalents		**149.5**	131.4
Marketable securities		**69.0**	55.6
Trade and other receivables		**104.4**	105.9
Balances with Participants and Clearing Members		**30,571.0**	25,991.4
Other current assets		**32.2**	25.9
		31,098.8	26,485.3
Non-current assets:			
Goodwill and intangible assets		**5,000.5**	5,054.9
Right-of-use assets	*2*	**94.8**	—
Other non-current assets		**94.9**	92.6
Deferred income tax assets		**24.7**	25.1
Total Assets		**$ 36,313.7**	$ 31,657.9
Liabilities and Equity			
Current liabilities:			
Trade and other payables		**$ 92.1**	$ 110.2
Participants' tax withholdings		**149.5**	131.4
Balances with Participants and Clearing Members		**30,571.0**	25,991.4
Debt	*8*	**270.0**	319.5
Credit and liquidity facilities drawn	*8*	**4.7**	—
Other current liabilities	*2*	**76.8**	107.9
		31,164.1	26,660.4
Non-current liabilities:			
Debt	*8*	**747.0**	746.8
Lease liabilities	*2*	**96.3**	—
Other non-current liabilities		**66.6**	54.0
Deferred income tax liabilities		**801.2**	814.9
Total Liabilities		**32,875.2**	28,276.1
Equity:			
Share capital		**2,962.7**	2,938.0
Contributed surplus		**12.1**	12.3
Retained earnings		**505.9**	410.0
Accumulated other comprehensive (loss) income		**(42.2)**	21.5
Total Equity		**3,438.5**	3,381.8
Commitments and contingent liabilities			
Total Liabilities and Equity		**$ 36,313.7**	$ 31,657.9

See accompanying notes which form an integral part of these condensed consolidated interim financial statements.

TMX GROUP LIMITED
Condensed Consolidated Interim Income Statements

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

	Note	For the three months ended September 30 2019	2018	For the nine months ended September 30 2019	2018
Revenue	*5*	**$ 196.3**	$ 192.8	**$ 604.1**	$ 609.5
REPO interest:					
Interest income		**74.6**	54.0	**237.7**	134.7
Interest expense		**(74.6)**	(54.0)	**(237.7)**	(134.7)
Net REPO interest		**—**	—	**—**	—
Total revenue		**196.3**	192.8	**604.1**	609.5
Compensation and benefits		**55.8**	54.8	**160.9**	166.7
Information and trading systems		**13.3**	12.7	**38.0**	37.2
Selling, general and administration		**16.1**	21.4	**55.5**	81.3
Depreciation and amortization	*2*	**19.5**	17.4	**59.2**	52.3
Strategic re-alignment expenses	*4*	**—**	—	**4.6**	—
Total operating expenses		**104.7**	106.3	**318.2**	337.5
Income from operations		**91.6**	86.5	**285.9**	272.0
Share of income from equity accounted investees		**1.0**	0.8	**3.1**	2.2
Other income		**—**	—	**2.3**	26.8
Finance income (costs):					
Finance income		**1.1**	1.3	**3.1**	3.2
Finance costs	*2*	**(10.0)**	(11.0)	**(30.2)**	(33.2)
Net finance costs		**(8.9)**	(9.7)	**(27.1)**	(30.0)
Income before income tax expense		**83.7**	77.6	**264.2**	271.0
Income tax expense		**22.0**	20.1	**64.1**	54.8
Net income		**$ 61.7**	$ 57.5	**$ 200.1**	$ 216.2
Earnings per share:					
Basic	*7*	**$ 1.10**	$ 1.03	**$ 3.57**	$ 3.89
Diluted	*7*	**$ 1.09**	$ 1.02	**$ 3.54**	$ 3.86

See accompanying notes which form an integral part of these condensed consolidated interim financial statements.

TMX GROUP LIMITED
Condensed Consolidated Interim Statements of Comprehensive Income

(In millions of Canadian dollars)

(Unaudited)	For the three months ended September 30		For the nine months ended September 30	
	2019	2018	**2019**	2018
Net income	**$ 61.7**	$ 57.5	**$ 200.1**	$ 216.2
Other comprehensive loss:				
Items that may be reclassified subsequently to the consolidated income statements:				
Unrealized loss on translating financial statements of foreign operations	**(19.9)**	(29.9)	**(63.7)**	(4.9)
Reclassification to net income of foreign currency translation differences	**—**		**—**	(2.7)
Total items that may be reclassified subsequently to the consolidated income statements	**(19.9)**	(29.9)	**(63.7)**	(7.6)
Total comprehensive income	**$ 41.8**	$ 27.6	**$ 136.4**	$ 208.6

See accompanying notes which form an integral part of these condensed consolidated interim financial statements.

TMX GROUP LIMITED
Condensed Consolidated Interim Statements of Changes in Equity

(In millions of Canadian dollars)

(Unaudited)

For the nine months ended September 30, 2019

	Note	Share capital	Contributed surplus	Accumulated other comprehensive (loss) income	Retained earnings	Total equity
Balance at January 1, 2019		$ 2,938.0	$ 12.3	$ 21.5	$ 410.0	$ 3,381.8
Net income		—	—	—	200.1	200.1
Other comprehensive loss:						
Foreign currency translation differences		—	—	(63.7)	—	(63.7)
Total comprehensive (loss) income		—	—	(63.7)	200.1	136.4
Dividends to equity holders	*10*	—	—	—	(104.2)	(104.2)
Proceeds from exercised share options		22.3	—	—	—	22.3
Cost of exercised share options		2.4	(2.4)	—	—	—
Cost of share option plan		—	2.2	—	—	2.2
Balance at September 30, 2019		$ 2,962.7	$ 12.1	$ (42.2)	$ 505.9	$ 3,438.5

See accompanying notes which form an integral part of these condensed consolidated interim financial statements.

TMX GROUP LIMITED
Condensed Consolidated Interim Statements of Changes in Equity

(In millions of Canadian dollars)
(Unaudited)

For the nine months ended September 30, 2018

	Note	Share capital	Contributed surplus	Accumulated other comprehensive (loss) income	Retained earnings	Total equity
Balance at January 1, 2018		$ 2,915.5	$ 11.8	$ 2.9	$ 252.6	$ 3,182.8
Adjustment on initial application of IFRS 15		—	—	—	(4.8)	(4.8)
Adjusted balance at January 1, 2018		2,915.5	11.8	2.9	247.8	3,178.0
Net income		—	—	—	216.2	216.2
Other comprehensive income:						
Foreign currency translation differences		—	—	(4.9)	—	(4.9)
Reclassification to net income of foreign currency translation differences		—	—	(2.7)	—	(2.7)
Total comprehensive (loss) income		—	—	(7.6)	216.2	208.6
Dividends to equity holders	*10*	—	—	—	(92.3)	(92.3)
Proceeds from exercised share options		19.3	—	—	—	19.3
Cost of exercised share options		2.3	(2.3)	—	—	—
Cost of share option plan		—	2.3	—	—	2.3
Balance at September 30, 2018		$ 2,937.1	$ 11.8	$ (4.7)	$ 371.7	$ 3,315.9

See accompanying notes which form an integral part of these condensed consolidated interim financial statements.

TMX GROUP LIMITED
Condensed Consolidated Interim Statements of Cash Flows

(In millions of Canadian dollars)
(Unaudited)

	Note	For the three months ended September 30 2019	For the three months ended September 30 2018	For the nine months ended September 30 2019	For the nine months ended September 30 2018
Cash flows from (used in) operating activities:					
Income before income taxes		**$ 83.7**	$ 77.6	**$ 264.2**	$ 271.0
Adjustments to determine net cash flows:					
Depreciation and amortization		**19.5**	17.4	**59.2**	52.3
Write-offs and recoveries		**—**	(0.1)	**—**	(0.1)
Other income		**—**	—	**(2.3)**	(26.8)
Net finance costs		**8.9**	9.7	**27.1**	30.0
Share of income from equity accounted investees		**(1.0)**	(0.8)	**(3.1)**	(2.2)
Cost of share option plan		**0.7**	0.9	**2.2**	2.3
Unrealized foreign exchange (gains) losses		**0.5**	(0.2)	**—**	(2.5)
Trade and other receivables, and prepaid expenses		**8.5**	10.9	**2.7**	(2.2)
Trade and other payables		**9.2**	17.1	**(25.0)**	17.0
Provisions		**0.4**	(0.7)	**(2.2)**	5.4
Deferred revenue		**(18.5)**	(17.6)	**16.2**	25.5
Other assets and liabilities		**6.6**	3.9	**6.4**	(1.0)
Income taxes paid		**(21.6)**	(17.7)	**(84.5)**	(90.0)
		96.9	100.4	**260.9**	278.7
Cash flows (used in) from financing activities:					
Interest paid	*2*	**(1.4)**	(0.7)	**(17.3)**	(17.3)
Net settlement on derivative instruments		**—**	—	**0.4**	—
Repayment of lease liabilities	*2*	**(2.3)**	—	**(6.1)**	—
Proceeds from exercised options		**7.8**	5.2	**22.3**	19.3
Dividends paid to equity holders	*10*	**(34.8)**	(32.3)	**(104.2)**	(92.3)
Credit facility and debt financing fees		**—**	(0.1)	**—**	(1.4)
Proceeds from issuance of debenture		**—**	—	**—**	200.0
Net movement of Commercial Paper	*8*	**(34.5)**	(19.7)	**(54.2)**	(398.9)
Credit and liquidity facilities drawn, net	*8*	**3.8**	7.6	**4.7**	11.8
		(61.4)	(40.0)	**(154.4)**	(278.8)
Cash flows (used in) from investing activities:					
Interest received		**1.1**	1.8	**3.1**	3.2
Dividends received		**—**	—	**2.9**	8.2
Additions to premises and equipment and intangible assets		**(13.0)**	(13.5)	**(41.0)**	(44.8)
Acquisition of subsidiary, net of cash	*3*	**(0.3)**	—	**(23.6)**	—
Proceeds from sales		**—**	—	**3.8**	70.4
Marketable securities, net		**(3.2)**	(30.5)	**(13.4)**	(26.6)
		(15.4)	(42.2)	**(68.2)**	10.4
Increase in cash and cash equivalents		**20.1**	18.2	**38.3**	10.3
Cash and cash equivalents, net, beginning of the period	*8*	**152.9**	167.1	**135.3**	175.0
Unrealized foreign exchange losses on cash and cash equivalents held in foreign currencies		**(0.3)**	(0.1)	**(0.9)**	(0.1)
Cash and cash equivalents, end of the period		**$ 172.7**	$ 185.2	**$ 172.7**	$ 185.2

See accompanying notes which form an integral part of these condensed consolidated interim financial statements.

GENERAL INFORMATION

TMX Group Limited is a company domiciled in Canada and incorporated under the Business Corporations Act (Ontario). The registered office is located at 100 Adelaide Street West, Toronto, Ontario, Canada.

TMX Group Limited controls, directly or indirectly, a number of entities which operate exchanges, markets, and clearinghouses primarily for capital markets in Canada, and provides select services globally.

The unaudited condensed consolidated interim financial statements as at September 30, 2019 and December 31, 2018, and for the three and nine months ended September 30, 2019 and 2018 (the "interim financial statements"), comprise the accounts of TMX Group Limited and its subsidiaries (collectively referred to as the "Company"), and the Company's interests in equity accounted investees.

NOTE 1 – BASIS OF PREPARATION

STATEMENT OF COMPLIANCE

The interim financial statements have been prepared by management in accordance with International Financial Reporting Standards ("IFRS") and IFRS Interpretations Committee ("IFRIC") interpretations, as issued by the International Accounting Standards Board ("IASB"), for the preparation of interim financial statements, and they are in compliance with IAS 34, *Interim Financial Reporting*.

The interim financial statements do not contain all disclosures required by IFRS for annual financial statements, but have been prepared using the same accounting policies and methods of application as those used in the most recently prepared audited annual consolidated financial statements, except as discussed in note 2. Accordingly, the interim financial statements should be read in conjunction with the audited annual consolidated financial statements of the Company for the year ended December 31, 2018.

Changes to significant accounting policies are described in note 2.

The interim financial statements were approved by the Company's Board of Directors on November 7, 2019.

USE OF ESTIMATES AND JUDGEMENTS

The preparation of the interim financial statements in conformity with IFRS requires management to make judgements, estimates and assumptions that affect the reported amounts of assets, liabilities and contingent liabilities at the date of the interim financial statements and the reported amounts of revenue and expenses during the reporting period. The judgements, estimates and associated assumptions are based on historical experience and other factors that management considers to be relevant. The areas of significant judgement and estimation were identified in the Company's audited annual consolidated financial statements for the year ended December 31, 2018, except for judgements pertaining to the adoption of new accounting policies on January 1, 2019 (note 2). Actual results could differ from these estimates and assumptions made.

Judgements, estimates and underlying assumptions are reviewed on an ongoing basis, and revisions to accounting estimates are recognized in the period in which the estimates are revised and in any future periods affected.

NOTE 2 – SIGNIFICANT ACCOUNTING POLICIES

The following new standards and amendments were effective for the Company from January 1, 2019:

- IFRS 16, *Leases*;
- IFRIC 23, *Uncertainty over Income Tax Treatments*; and
- Annual improvements 2015-2017 cycle.

There was no impact on the interim financial statements as a result of their adoption, except for IFRS 16 as discussed below.

IFRS 16, *LEASES*

The Company has applied IFRS 16 from January 1, 2019 using the modified retrospective approach and therefore comparative information has not been restated, and continues to be reported under International Accounting Standards ("IAS") 17, *Leases*, and IFRIC 4, *Determining Whether an Arrangement Contains a Lease*. On transition to IFRS 16, the Company elected to apply the practical expedient to grandfather the assessment of which contracts are leases. The Company only applied IFRS 16 to contracts that were previously identified as leases. Contracts that were previously not identified as leases were not reassessed. Therefore, the definition of a lease under IFRS 16 has been applied only to contracts entered into or changed on or after January 1, 2019. In the comparative period, as a lessee, the Company classified leases that transferred substantially all of the risks and rewards of ownership as finance leases. Assets held under other leases were classified as operating leases and were not recognized on the Company's balance sheet.

ACCOUNTING POLICY APPLICABLE FROM JANUARY 1, 2019

At inception of a contract, the Company assesses whether a contract is, or contains, a lease. A contract is, or contains, a lease if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration. The Company allocates the consideration in the contract to each lease and non-lease component on the basis of their relative stand-alone prices.

As a lessee, the Company recognizes a right-of-use asset and a lease liability at the lease commencement date. The right-of-use asset is initially measured at cost, which comprises the initial amount of the lease liability adjusted for any lease payments made at or before the commencement date, plus any initial direct costs incurred and any estimated costs to dismantle and remove the underlying asset or to restore the underlying asset or the site on which it is located, less any lease incentives received. The right-of-use asset is subsequently depreciated using the straight-line method from the commencement date to the end of the lease term and is reduced for any impairment losses and adjusted for certain remeasurements of the lease liability.

The lease liability is initially measured at the present value of the lease payments that are not paid at the commencement date, discounted using the interest rate implicit in the lease or, if that rate cannot be readily determined, the Company's incremental borrowing rate. The Company applies judgement in determining the lease term for some lease contracts in which there is a renewal option.

Lease payments included in the measurement of the lease liability comprise the following:

- Fixed payments, including in-substance fixed payments which may contain variability but are unavoidable; and
- Variable payments that depend on an index or a rate, are initially measured using the index or rate as at the commencement date. Variable payments based on usage or performance are not included in the measurement of the lease liability.

The lease liability is measured at amortized cost using the effective interest method. The lease liability is subsequently increased by the interest cost and decreased by lease payments made, over the term of the lease. It is remeasured when there is a change in future lease payments arising from a change in an index or rate, a change in the estimate of the amount expected to be payable under a residual value guarantee, or as appropriate, changes in the assessment of whether a purchase or extension option is reasonably certain to be exercised or a termination option is reasonably certain not to be exercised. When a lease liability is remeasured, a corresponding adjustment is also made to the carrying amount of the right-of-use asset.

Short-term leases and leases of low-value assets

The Company has elected to not recognize right-of-use assets and lease liabilities for short-term leases that have a lease term of 12 months or less, and leases of low-value assets. The Company continues to recognize the lease payments associated with these leases as an expense over the term of the lease on a straight-line basis.

ADOPTION OF IFRS 16

Substantially all of the Company's identified leases are premises leases. At transition, lease liabilities were measured at the present value of the remaining lease payments, discounted at the Company's incremental borrowing rate as at January 1, 2019. Right-of-use assets were measured at an amount equal to the lease liability, adjusted by the amount of any prepaid or accrued lease payments. The Company has applied judgement in determining the lease term for some lease contracts in which there is a renewal option or termination option.

The Company applied the following practical expedients when applying IFRS 16 to leases previously classified as operating leases under IAS 17:

- applied a single discount rate to a portfolio of leases with similar characteristics;
- applied the exemption not to recognize right-of-use assets and liabilities for leases with less than 12 months of lease term;
- used hindsight when determining the lease term if the contract contains options to extend or terminate the lease; and
- relied on the Company's assessment of whether leases were onerous applying IAS 37, *Provisions, Contingent Liabilities and Contingent Assets*, which was made immediately before the date of initial application as an alternative to performing an impairment review.

On transition to IFRS 16, the Company recognized $94.9 of right-of-use assets and $103.2 of lease liabilities, of which $8.2 was classified as current lease liabilities and recorded in "Other current liabilities". The difference between right-of-use assets and lease liabilities is attributable to previously accrued lease payments. When measuring lease liabilities, the Company discounted lease payments using its incremental borrowing rate, which is derived from an indicative credit spread as at January 1, 2019. The Company applied a weighted average incremental borrowing rate of 3.4%.

As at December 31, 2018, the Company disclosed $145.4 in operating lease commitment for these contracts. In reconciling operating lease commitment to opening lease liabilities, the Company noted that the change is mostly attributable to interest expense on lease liabilities.

For the three months ended September 30, 2019, the Company recognized $2.4, $0.9 and $0.1 of depreciation expense on right-of-use assets, interest expense on lease liabilities, and income tax recovery, respectively. For the nine months ended September 30, 2019, the Company recognized $7.1, $2.7 and $0.4 of depreciation expense on right-of-use assets, interest expense on lease liabilities, and income tax recovery, respectively. As at September 30, 2019, $8.3 of lease liabilities were classified as current lease liabilities and recorded in "Other current liabilities".

NOTE 3 – ACQUISITION OF SUBSIDIARY

On May 15, 2019, the Company completed the acquisition of a subsidiary for €17.2 ($25.9). The acquisition has been accounted for as a business combination with the Company consolidating 100% of the results of its operations from the date of acquisition. The assets and liabilities of the subsidiary are included in the consolidated financial statements. The allocation of the purchase price will be finalized within twelve months following the acquisition date. The Company estimates that the majority of the purchase price relates to goodwill and intangible assets.

NOTE 4 – STRATEGIC RE-ALIGNMENT EXPENSES

During the nine months ended September 30, 2019, the Company incurred costs of $4.6, related to onerous contracts, as well as severance as a result of certain organizational changes.

NOTE 5 – REVENUE

The Company's primary contracts from customers are disaggregated by major products and service lines below, and categorized by operating segments as identified and disclosed in note 6.

	For the three months ended September 30,		For the nine months ended September 30,	
Global Solutions, Insights & Analytics	**2019**	2018	**2019**	2018
Trayport	**$ 29.3**	$ 27.9	**$ 88.7**	$ 83.1
Subscribers and usage	**23.3**	23.2	**71.2**	71.6
Other	**21.0**	21.0	**63.9**	60.8
	73.6	72.1	**223.8**	215.5
Capital Formation				
Initial listing fees	**2.6**	3.3	**8.4**	10.3
Additional listing fees	**17.4**	17.5	**56.2**	66.6
Sustaining fees	**17.3**	17.8	**51.8**	53.1
Other issuer services	**6.4**	6.5	**21.7**	23.3
	43.7	45.1	**138.1**	153.3
Derivatives Trading & Clearing	**33.5**	30.2	**99.9**	94.8
Equities and Fixed Income Trading & Clearing				
Equities and fixed income trading	**23.5**	25.1	**75.3**	80.2
Equities and fixed income clearing, settlement, depository and other services (CDS)	**21.8**	20.3	**67.1**	63.1
	45.3	45.4	**142.4**	143.3
Other	**0.2**	—	**(0.1)**	2.6
Total Revenue	**$ 196.3**	192.8	**$ 604.1**	$ 609.5

NOTE 6 – SEGMENT INFORMATION

The Company has four reportable segments:

- **Global Solutions, Insights & Analytics**: to deliver integrated data sets to fuel high-value proprietary and third party analytics to help clients make better trading and investment decisions. The Company's operations included in the Global Solutions, Insights & Analytics segment are TMX Datalinx, TMX Insights and Trayport.
- **Capital Formation:** to energize and expand the "capital market community" to better facilitate capital raising for issuers of all types at all stages of their development and to provide access to alternative sources of capital. The Company's operations included in the Capital Formation segment are: Toronto Stock Exchange, a national stock exchange serving the senior equities market; TSX Venture Exchange, a national stock exchange serving the public venture equity market; and TSX Trust, a provider of corporate trust, registrar, transfer agency and foreign exchange services.
- **Derivatives Trading & Clearing:** to intensify new product creation and leverage our unique market position to benefit from increasing demand for derivatives products both in Canada and globally. The Company's operations included in the Derivatives Trading & Clearing segment are Montréal Exchange, a national derivatives exchange; and Canadian Derivatives Clearing Corporation ("CDCC"), a clearinghouse for options and futures contracts and certain over-the-counter products and fixed income repurchase agreements.
- **Equities and Fixed Income Trading & Clearing:** to operate innovative, efficient, reliable, fast, easy to use platforms for equities trading and clearing. The Company's operations included in the Equities and Fixed Income Trading & Clearing segment are the trading operations of Toronto Stock Exchange, TSX Venture Exchange, and TSX Alpha Exchange; CDS Clearing and Depository Services Inc. ("CDS Clearing"), an automated facility for the clearing and settlement of equities and fixed income transactions and custody of securities in Canada and Shorcan Brokers Limited, a fixed income inter-dealer broker.

The Company has certain revenue and corporate costs not allocated to the operating segments. Revenue related to foreign exchange gains and losses and other services are presented in the Other segment. Costs and expenses related to the amortization of purchased intangibles, along with certain consolidation and elimination adjustments, are also presented in the Other segment.

Information related to each reportable segment is as follows:

For the three months ended												**September 30, 2019**
		Global Solutions Insights & Analytics		**Capital Formation**		**Derivatives Trading & Clearing**		**Equities and Fixed Income Trading & Clearing**		**Other**		**Total**
Revenue (external)	**$**	**73.6**	**$**	**43.7**	**$**	**33.5**	**$**	**45.3**	**$**	**0.2**	**$**	**196.3**
Inter-segment revenue		**0.1**		**—**		**—**		**0.4**		**(0.5)**		**—**
Total revenue	**$**	**73.7**	**$**	**43.7**	**$**	**33.5**	**$**	**45.7**	**$**	**(0.3)**	**$**	**196.3**
Income (loss) from operations	**$**	**46.5**	**$**	**23.5**	**$**	**13.8**	**$**	**19.2**	**$**	**(11.4)**	**$**	**91.6**
Selected items:												
Depreciation and amortization	**$**	**1.9**	**$**	**—**	**$**	**0.1**	**$**	**0.1**	**$**	**17.4**	**$**	**19.5**

For the three months ended												September 30, 2018
		Global Solutions Insights & Analytics		Capital Formation		Derivatives Trading & Clearing		Equities and Fixed Income Trading & Clearing		Other		Total
Revenue (external)	$	72.1	$	45.1	$	30.2	$	45.4	$	—	$	192.8
Inter-segment revenue		0.1		—		—		0.5		(0.6)		—
Total revenue	$	72.2	$	45.1	$	30.2	$	45.9	$	(0.6)	$	192.8
Income (loss) from operations	$	43.2	$	23.8	$	13.1	$	17.9	$	(11.5)	$	86.5
Selected items:												
Depreciation and amortization	$	1.5	$	—	$	0.1	$	0.1	$	15.7	$	17.4

For the nine months ended						**September 30, 2019**
	Global Solutions Insights & Analytics	**Capital Formation**	**Derivatives Trading & Clearing**	**Equities and Fixed Income Trading & Clearing**	**Other**	**Total**
Revenue (external)	**$ 223.8**	**$ 138.1**	**$ 99.9**	**$ 142.4**	**$ (0.1)**	**$ 604.1**
Inter-segment revenue	**0.3**	**—**	**—**	**1.2**	**(1.5)**	**—**
Total revenue	**$ 224.1**	**$ 138.1**	**$ 99.9**	**$ 143.6**	**$ (1.6)**	**$ 604.1**
Income (loss) from operations	**$ 142.2**	**$ 76.0**	**$ 42.8**	**$ 65.4**	**$ (40.5)**	**$ 285.9**
Selected items:						
Depreciation and amortization	**$ 6.0**	**$ —**	**$ 0.3**	**$ 0.4**	**$ 52.5**	**$ 59.2**

For the nine months ended						September 30, 2018
	Global Solutions Insights & Analytics	Capital Formation	Derivatives Trading & Clearing	Equities and Fixed Income Trading & Clearing	Other	Total
Revenue (external)	$ 215.5	$ 153.3	$ 94.8	$ 143.3	$ 2.6	$ 609.5
Inter-segment revenue	0.4	—	—	1.2	(1.6)	—
Total revenue	$ 215.9	$ 153.3	$ 94.8	$ 144.5	$ 1.0	$ 609.5
Income (loss) from operations	$ 128.2	$ 87.5	$ 40.3	$ 61.9	$ (45.9)	$ 272.0
Selected items:						
Depreciation and amortization	$ 4.6	$ —	$ 0.3	$ 0.4	$ 47.0	$ 52.3

NOTE 7 – EARNINGS PER SHARE

Basic earnings per share is determined by dividing net income by the weighted average number of common shares outstanding during the reporting period. Diluted earnings per share is determined by dividing the net income by the weighted average number of common shares outstanding during the reporting period, adjusted for the effects of all potential dilutive common shares arising from share options granted to employees.

Basic and diluted earnings per share for the period are as follows:

For the three months ended	September 30, 2019	September 30, 2018
Net income	**$ 61.7**	$ 57.5
Weighted average number of common shares outstanding – basic	**56,121,234**	55,730,037
Effect of dilutive share options	**636,002**	514,389
Weighted average number of common shares outstanding – diluted	**56,757,236**	56,244,426
Basic earnings per share	**$ 1.10**	$ 1.03
Diluted earnings per share	**$ 1.09**	$ 1.02

For the nine months ended	September 30, 2019	September 30, 2018
Net income	**$ 200.1**	$ 216.2
Weighted average number of common shares outstanding – basic	**55,990,577**	55,585,391
Effect of dilutive share options	**499,396**	478,984
Weighted average number of common shares outstanding – diluted	**56,489,973**	56,064,375
Basic earnings per share	**$ 3.57**	$ 3.89
Diluted earnings per share	**$ 3.54**	$ 3.86

NOTE 8 – DEBT, CREDIT AND LIQUIDITY FACILITIES

(A) DEBT

The Company has the following debt outstanding at:

	Interest rate	Maturity date(s)	Principal/ Authorized amount	September 30, 2019 Carrying amount	December 31, 2018 Carrying amount
Series B Debentures	4.461%	Oct 3, 2023	$ 250.0	**$ 249.6**	$ 249.5
Series D Debentures	2.997%	Dec 11, 2024	300.0	**298.5**	298.4
Series E Debentures	3.779%	June 5, 2028	200.0	**198.9**	198.9
Debentures				**747.0**	746.8
Commercial Paper	1.84% - 1.89%	Oct 2 - Nov 29, 2019	500.0	**270.0**	319.5
Commercial Paper				**270.0**	319.5
TMX Group Limited credit facility	1 month B.A./ LIBOR + 122.5 bps	May 2, 2021	500.0	**—**	—
Credit facility				**—**	—
Total debt				**1,017.0**	1,066.3
Less: current portion of debt				**(270.0)**	(319.5)
Non-current debt				**$ 747.0**	$ 746.8

(i) Debentures

During the three and nine months ended September 30, 2019, the Company recognized interest expense on its Series B, Series D and Series E debentures of $2.8 , $2.3 and $1.9 and $8.4, $6.9 and $5.7, respectively (three and nine months ended September 30, 2018 – $2.9, $2.3 and $2.0 and $8.5, $6.9 and $2.5, respectively). For Series A debentures, which matured on October 3, 2018, the Company recognized interest expense of $3.3 and $10.0, for the three and nine months ended September 30, 2018, respectively.

(ii) Commercial paper

During the three and nine months ended September 30, 2019, the Company issued Commercial Paper with a cumulative amount of $491.0 and $1,491.3, respectively (three and nine months ended September 30, 2018 – $30.1 and $1,196.1, respectively). During the same period, the Company repaid Commercial Paper with a cumulative amount of $525.5 and $1,545.5, respectively (three and nine months ended September 30, 2018 - $49.8 and $1,595.0, respectively).

(B) CREDIT AND LIQUIDITY FACILITIES

The Company has the following credit and liquidity facilities that were amended or drawn and outstanding at:

	Interest rate†	Maturity date(s)	Authorized	September 30, 2019 Carrying amount	December 31, 2018 Carrying amount
CDS Clearing secured standby liquidity facility	–	Mar 24, 2020	2,000.0	**$ —**	$ —
CDS Clearing secured standby liquidity facility	–	Mar 24, 2020	US$720.0	**—**	—
CDCC syndicated revolving standby liquidity facility	–	Feb 28, 2020	400.0	**4.7**	—
CDCC syndicated REPO facility	–	Feb 28, 2020	15,594.0	**—**	—
Total credit and liquidity facilities drawn				**$ 4.7**	$ —

†The interest rate charged on borrowings under the credit and liquidity facilities vary as the actual rate will be based on the prevailing market rates at the time of draw.

(i) TMX Group Limited credit facility

The TMX Group Limited credit facility continues to provide 100% backstop to the commercial paper program as well as for general corporate purposes. The amount available to be drawn under the TMX Group Limited credit facility is limited to $500 (or the equivalent USD) less the aggregate amount, at any point in time, of: (i) Commercial Paper outstanding (September 30, 2019 – $270.0); and (ii) inter-company notes payable outstanding to CDS Limited, CDS Clearing, CDCC and Shorcan Brokers Limited (September 30, 2019 – $29.7).

(ii) CDS Clearing facilities

CDS Clearing maintains a secured standby liquidity facility of US$720, or Canadian dollar equivalent, that can be drawn in either United States ("US") or Canadian currency. On March 25, 2019, CDS Clearing extended the maturity date to March 24, 2020.

CDS Clearing also has a secured standby liquidity facility of $2,000, or US equivalent, that can be drawn in either Canadian or US currency. On March 25, 2019, CDS Clearing extended the maturity date to March 24, 2020.

At December 31, 2018, CDS Clearing had $39.8 in bank overdraft, which was recorded in "Other current liabilities" and which resulted in net cash and cash equivalents of $135.3 on the consolidated statement of cash flows. The overdraft cleared on January 2, 2019.

(iii) CDCC syndicated revolving standby liquidity and syndicated REPO facilities

CDCC maintains a $15,594.0 REPO uncommitted facility (December 31, 2018 – $13,788.0) that is in place to provide end of day liquidity in the event that CDCC is unable to clear the daylight liquidity facilities to zero. On March 1, 2019, CDCC extended this facility from March 1, 2019 to February 28, 2020. During the period, CDCC amended the amount to $15,594.0. Effective November 4, 2019, CDCC further amended the amount to $18,102.0.

CDCC also maintains a $400.0 syndicated revolving standby liquidity facility to provide end of day liquidity in the event that CDCC is unable to clear the daylight liquidity facilities to zero. Advances under the facility are secured by collateral in the form of securities that have been received by, or pledged to, CDCC. On February 28, 2019, CDCC extended this facility from March 1, 2019 to February 28, 2020.

As at September 30, 2019, CDCC had drawn $4.7 to facilitate a failed REPO settlement. The amount is fully offset by liquid securities included in cash and cash equivalents and was fully repaid subsequent to the reporting date.

(C) RECONCILIATION OF LIABILITIES ARISING FROM FINANCING ACTIVITIES

The table below details changes in the Company's liabilities arising from financing activities, including both cash and non-cash changes. Liabilities arising from financing activities are those for which cash flows were, or future cash flows will be, classified in the Company's consolidated statement of cash flows arising from financing activities.

	Balance at December 31, 2018	Financing cash flows	Recognition of leases under IFRS 16 (non-cash)	Other (non-cash)	**Balance at September 30, 2019**
Debentures	$ 746.8	$ —	$ —	$ 0.2	**$ 747.0**
Commercial Paper	319.5	(54.2)	—	4.7	**270.0**
CDCC syndicated revolving standby liquid facility	—	4.7	—	—	**4.7**
Lease liabilities	0.1	(6.1)	110.8	(0.2)	**104.6**
Total	$ 1,066.4	$ (55.6)	$ 110.8	$ 4.7	**$ 1,126.3**

NOTE 9 – FINANCIAL INSTRUMENTS

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

	September 30, 2019 Carrying amount	September 30, 2019 Fair value	December 31, 2018 Carrying amount	December 31, 2018 Fair value
Assets at fair value through profit or loss				
Marketable securities	**$ 69.0**	**$ 69.0**	$ 55.6	$ 55.6
Total return swaps	**6.4**	**6.4**	—	—
Interest rate swaps	—	—	0.5	0.5
	75.4	**75.4**	56.1	56.1
Assets at fair value through other comprehensive income				
Investment in privately-owned company	—	—	0.8	0.8
	—	—	0.8	0.8
Assets at amortized cost				
Cash and cash equivalents	**172.7**	**172.7**	175.1	175.1
Restricted cash and cash equivalents	**149.5**	**149.5**	131.4	131.4
Trade and other receivables	**104.4**	**104.4**	105.9	105.9
Promissory note	**5.0**	**5.0**	5.0	5.0
Clearing Members cash collateral	**1,183.3**	**1,183.3**	1,179.0	1,179.0
Balances with Clearing Members	**28,657.3**	**28,657.3**	24,110.4	24,110.4
Balances with Participants	**730.4**	**730.4**	702.0	702.0
	31,002.6	**31,002.6**	26,408.8	26,408.8
Liabilities at fair value through profit or loss				
Total return swaps	—	—	(3.9)	(3.9)
	—	—	(3.9)	(3.9)
Liabilities at amortized cost				
Other trade and other payables	**(48.2)**	**(48.2)**	(57.1)	(57.1)
Bank overdraft	—	—	(39.8)	(39.8)
Accrued interest payable	**(10.9)**	**(10.9)**	(3.9)	(3.9)
Participants' tax withholdings	**(149.5)**	**(149.5)**	(131.4)	(131.4)
Clearing Members cash collateral	**(1,183.3)**	**(1,183.3)**	(1,179.0)	(1,179.0)
Balances with Clearing Members	**(28,657.3)**	**(28,657.3)**	(24,110.4)	(24,110.4)
Balances with Participants	**(730.4)**	**(730.4)**	(702.0)	(702.0)
Obligations under finance lease	—	—	(0.1)	(0.1)
Credit and liquidity facilities drawn	**(4.7)**	**(4.7)**	—	—
Commercial Paper	**(270.0)**	**(270.0)**	(319.5)	(319.5)
Debentures	**(747.0)**	**(792.6)**	(746.8)	(761.7)
	$ (31,801.3)	**$ (31,846.9)**	$ (27,290.0)	$ (27,304.9)

The carrying amount of the Company's financial instruments approximate their fair values at each reporting date, with the exception of the debentures. The fair values of the debentures were obtained using Level 2 observable market prices as inputs.

FAIR VALUE MEASUREMENT

The categories within the fair value hierarchy of the Company's financial instruments carried at fair value are as follows:

As at		**Fair value measurements using:**		**September 30, 2019**
	Level 1	**Level 2**	**Level 3**	
Marketable securities	**$ 69.0**	**$ —**	**$ —**	**$ 69.0**
Total return swaps	**—**	**6.4**	**—**	**6.4**

As at		Fair value measurements using:		December 31, 2018
Asset/(Liability)	Level 1	Level 2	Level 3	
Marketable securities	$ 55.6	$ —	$ —	$ 55.6
Total return swaps	—	(3.9)	—	(3.9)
Interest rate swaps	—	0.5	—	0.5
Investment in privately-owned company	—	—	0.8	0.8

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

NOTE 10 – DIVIDENDS

Dividends recognized and paid in the period are as follows:

For the nine months ended		**September 30, 2019**		September 30, 2018
	Dividend per share	**Total paid**	Dividend per share	Total paid
Dividend paid in March	**$ 0.62**	**$ 34.6**	$ 0.50	$ 27.7
Dividend paid in June	**$ 0.62**	**$ 34.8**	$ 0.58	$ 32.3
Dividend paid in September	**$ 0.62**	**$ 34.8**	$ 0.58	$ 32.3
Total dividends paid		**$ 104.2**		$ 92.3

On November 7, 2019, the Company's Board of Directors declared a dividend of 66 cents per share. This dividend will be paid on December 6, 2019 to shareholders of record on November 22, 2019 and is estimated to amount to $37.0.

Investor Contact Information

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Le rapport est également disponible en français.

Dividend Information

The Board of Directors of TMX Group Limited declared a dividend of $0.66 on each common share outstanding, payable on December 6, 2019 to shareholders of record at the close of business on November 22, 2019. TMX Group hereby advises that this dividend is an "eligible dividend" for Canadian income tax purposes. Shareholders with questions regarding the tax treatment of dividends should consult with their own tax advisors or contact their local office of the Canada Revenue Agency and where applicable, the provincial taxation authorities.

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Forward-Looking Information

This report contains forward-looking statements, which are not historical facts but are based on certain assumptions and reflect TMX Group's current expectations. These forward-looking statements are subject to a number of risks and uncertainties that could cause actual results or events to differ materially from current expectations. We have no intention to update this forward-looking information, except as required by applicable securities law.

This forward-looking information should not be relied upon as representing our views as of any date subsequent to the date of this report. Please see "Caution regarding Forward-Looking Information" in the Q3-2019 Management's Discussion and Analysis for some of the risk factors that could cause actual events or results to differ materially from current expectations.

For more information

Please contact TMX Group if you have any additional questions or require further clarification.

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