TMX Group Limited Reports Results for Third Quarter 2020

- Revenue of $207.6 million, up 6% from $196.3 million in Q3/19
- Diluted earnings per share of $1.23, up 13% from $1.09 in Q3/19
- Adjusted diluted earnings per share of $1.40, up 12% from $1.25 in Q3/19
- Cash flows from operating activities of $101.7 million, up 5% from $96.9 million in Q3/19

November 4, 2020 (TORONTO) – TMX Group Limited [TSX:X] ("TMX Group") today announced results for the third quarter ended September 30, 2020.

Commenting on the third quarter of 2020 and the company's outlook, John McKenzie, Chief Executive Officer of TMX Group, said:

"TMX's third quarter results reflect the continued strength in our business model, and the value of our consistent, strategic focus on diversifying revenue streams. Looking ahead, as the world and our industry continues to navigate each phase of the ongoing COVID-19 pandemic, we are committed to working alongside our clients and diverse stakeholder community to ensure that our world class markets remain responsive, innovative and competitive into the future. Continuing on into the fourth quarter of the year, our enterprise-wide focus is on advancing the key tenets of our long-term global growth strategy and generating sustainable growth for our shareholders."

Commenting on performance in the third quarter of 2020, Frank Di Liso, interim Chief Financial Officer of TMX Group, said:

"As we work through uncertain market conditions, TMX Group continues to deliver solid revenue and earnings growth highlighting our streamlined operating model. Increased capital markets activity during the quarter, including a surge in issuer financings on Toronto Stock Exchange and TSX Venture Exchange and higher equities trading and clearing volumes, drove a 6% increase in overall revenue compared with the third quarter of 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, gain on sale of interest in Bermuda Stock Exchange, transaction related costs, change in net deferred income tax liabilities resulting from decrease in Alberta corporate income tax rate, increase in deferred income tax liabilities relating to a change in the U.K. tax rate, net litigation settlement costs and reduction in commodity tax provision. 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.

Quarter ended September 30, 2020 (Q3/20) Compared with Quarter ended September 30, 2019 (Q3/19)

The information below reflects the financial statements of TMX Group for Q3/20 compared with Q3/19. Certain comparative information has been reclassified in order to conform with the financial presentation adopted in the current year.

(in millions of dollars, except per share amounts)	**Q3/20**	Q3/19	**$ increase**	**% increase**
Revenue	**$207.6**	$196.3	$11.3	6%
Operating expenses	**107.2**	104.7	2.5	2%
Income from operations	**100.4**	91.6	8.8	10%
Net income	**70.0**	61.7	8.3	13%
Adjusted net income[1]	**80.0**	70.9	9.1	13%
Earnings per share				
Basic	**1.24**	1.10	0.14	13%
Diluted	**1.23**	1.09	0.14	13%
Adjusted Earnings per share[2]				
Basic	**1.41**	1.26	0.15	12%
Diluted	**1.40**	1.25	0.15	12%
Cash flows from operating activities	**101.7**	96.9	4.8	5%

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

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

Net Income and Earnings per Share

Net income in Q3/20 was $70.0 million, or $1.24 per common share on a basic and $1.23 on a diluted basis, compared with a net income of $61.7 million, or $1.10 per common share on a basic and $1.09 on a diluted basis, for Q3/19. The increase in net income and earnings per share from Q3/19 to Q3/20 was largely driven by an increase in revenue somewhat offset by an increase in operating expenses. There was also an increase in our share of income from BOX. The increase in diluted earnings per share was somewhat offset by an increase in the number of weighted-average common shares outstanding in Q3/20 compared with Q3/19.

Adjusted Earnings per Share[3] Reconciliation for Q3/20 and Q3/19

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

	Q3/20		Q3/19	
(unaudited)	**Basic**	**Diluted**	Basic	Diluted
Earnings per share	**$1.24**	**$1.23**	$1.10	$1.09
Adjustments related to:				
Amortization of intangibles related to acquisitions	**0.17**	**0.17**	0.16	0.16
Transaction related costs[4]	**0.02**	**0.02**	—	—
Reduction in commodity tax provision	**(0.02)**	**(0.02)**	—	—
Adjusted earnings per share[5]	**$1.41**	**$1.40**	$1.26	$1.25
Weighted average number of common shares outstanding	**56,552,578**	**57,080,780**	56,121,234	56,757,236

Adjusted diluted earnings per share increased by 12% from $1.25 in Q3/19 to $1.40 in Q3/20 largely driven by higher revenue, somewhat offset by higher operating expenses. There was also an increase in our share of income from BOX. The increase in adjusted diluted earnings per share was somewhat reduced by an increase in the number of weighted-average common shares outstanding in Q3/20 compared with Q3/19.

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

[4] Includes costs related to the AST Canada transaction in 2020. Please refer to "Initiatives and Accomplishments" in Q3/20 MD&A for more details.

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

Adjusted Net Income[6] Reconciliation for Q3/20 and Q3/19

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

(in millions of dollars) (unaudited)	**Q3/20**	Q3/19	**$ increase / (decrease)**	**% increase / (decrease)**
Net income	**$70.0**	$61.7	$8.3	13%
Adjustments related to:				
Amortization of intangibles related to acquisitions	**9.5**	9.2	0.3	3%
Transaction related costs[7]	**1.4**	—	1.4	n/a
Reduction in commodity tax provision	**(0.9)**	—	(0.9)	n/a
Adjusted net income[8]	**$80.0**	$70.9	$9.1	13%

Adjusted net income increased by 13% from $70.9 million in Q3/19 to $80.0 million in Q3/20 largely driven by higher revenue, somewhat offset by higher operating expenses. There was also an increase in our share of income from BOX

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

[7] Includes costs related to the AST Canada transaction in 2020. Please refer to "Initiatives and Accomplishments" in Q3/20 MD&A for more details.

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

Revenue

(in millions of dollars)	**Q3/20**	Q3/19	**$ increase / (decrease)**	**% increase / (decrease)**
Capital Formation	**$50.2**	$43.7	$6.5	15%
Equities and Fixed Income Trading and Clearing	**52.2**	45.3	6.9	15%
Derivatives Trading and Clearing	**24.9**	33.5	(8.6)	(26)%
Global Solutions, Insights and Analytics	**80.3**	73.6	6.7	9%
Other	**—**	0.2	(0.2)	(100)%
	$207.6	$196.3	$11.3	6%

Revenue was $207.6 million in Q3/20, up $11.3 million or 6% from $196.3 million in Q3/19 attributable to increases in revenue from *Capital Formation, Equities and Fixed Income Trading and Clearing* as well as *Global Solutions, Insights and Analytics* offset by a decrease in *Derivatives Trading and Clearing* revenue.

Operating expenses

(in millions of dollars)	**Q3/20**	Q3/19	**$ increase / (decrease)**	**% increase / (decrease)**
Compensation and benefits	**$57.0**	$55.8	$1.2	2%
Information and trading systems	**13.9**	13.3	0.6	5%
Selling, general and administration	**15.9**	16.1	(0.2)	(1)%
Depreciation and amortization	**20.4**	19.5	0.9	5%
	$107.2	$104.7	$2.5	2%

Operating expenses in Q3/20 were $107.2 million, up $2.5 million or 2%, from $104.7 million in Q3/19. The increase in costs was primarily attributable to higher short term employee performance incentive costs and increased headcount, higher software licensing and information technology professional services costs, higher consulting fees, a write-off of leasehold improvement costs as well as increased costs related to managing our business during the COVID-19 pandemic. In addition, we incurred $1.4 million (2 cents per basic and diluted share) in transaction related costs related to the proposed AST Canada transaction. There was also an increase in recoverable costs related to CDS. Recoverable costs of $1.2 million related to CDS's clearing operation, netted in Q3/19, were included in both CDS revenue and *Selling, general and administration* expenses in Q3/20. The increases were somewhat offset by a decline in long term employee performance incentive plan costs as well as travel and entertainment expenses. In addition, there was a reduction of $1.3 million in a commodity tax provision (2 cents per basic and diluted share), which reduced *Selling, general and administration* expenses.

Additional Information

Income tax expense and effective tax rate

Income Tax Expense (in millions of dollars)		**Effective Tax Rate** (%)	
Q3/20	Q3/19	**Q3/20**	Q3/19
$25.2	$22.0	**26%**	26%

- There were no significant adjustments for Q3/20 or Q3/19, and the effective tax rate was 26% for both periods.

Nine months ended September 30, 2020 Compared with Nine months ended September 30, 2019

The information below reflects the financial statements of TMX Group for the nine months ended September 30, 2020 compared with the nine months ended September 30, 2019. Certain comparative information has been reclassified in order to conform with the financial presentation adopted in the current year.

(in millions of dollars, except per share amounts)	**Nine months ended September 30, 2020**	Nine months ended September 30, 2019	**$ increase**	**% increase**
Revenue	**$645.6**	$604.1	$41.5	7%
Operating expenses	**335.8**	318.2	17.6	6%
Income from operations	**309.8**	285.9	23.9	8%
Net income	**207.9**	200.1	7.8	4%
Adjusted net income[9]	**253.6**	225.9	27.7	12%
Earnings per share				
Basic	**3.69**	3.57	0.12	3%
Diluted	**3.65**	3.54	0.11	3%
Adjusted Earnings per share[10]				
Basic	**4.50**	4.02	0.48	12%
Diluted	**4.44**	3.99	0.45	11%
Cash flows from operating activities	**311.6**	260.9	50.7	19%

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

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

Net Income and Earnings per Share

Net income in the nine months ended September 30, 2020 was $207.9 million, or $3.69 per common share on a basic and $3.65 per common share on a diluted basis, compared with a net income of $200.1 million, or $3.57 per common share on a basic and $3.54 on a diluted basis, for the nine months ended September 30, 2019. The increase in net income reflected an increase in income from operations of $23.9 million. The increase in income from operations from the first nine months of September 30, 2019 to the first nine months of September 30, 2020 was driven by an increase in revenue of $41.5 million, offset by an increase in operating expenses of $17.6 million. The increase in operating expenses was largely attributable to net litigation settlement costs of $12.4 million (16 cents per basic and diluted common share) in Q2/20. There was also an increase in our share of income from BOX.

The increase in net income and earnings per share was reduced by significantly higher income tax expense, and a higher effective income tax rate, in the nine months ended September 30, 2020 compared with the nine months ended September 30, 2019.

- During the nine months ended September 30, 2020, there was a change in the U.K. corporate income tax rate. This resulted in an increase in deferred income tax liabilities and a corresponding increase in income tax expense of $7.4 million, which reduced net income.
- 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.

The increase in diluted earnings per share was somewhat reduced by an increase in the number of weighted-average common shares outstanding in the nine months ended September 30, 2020 compared with the nine months ended September 30, 2019.

Adjusted Earnings per Share[11] Reconciliation for Nine months ended September 30, 2020 and Nine months ended September 30, 2019

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

	Nine months ended September 30, 2020		Nine months ended September 30, 2019	
(unaudited)	**Basic**	**Diluted**	Basic	Diluted
Earnings per share	**$3.69**	**$3.65**	$3.57	$3.54
Adjustments related to:				
Amortization of intangibles related to acquisitions	**0.51**	**0.50**	0.50	0.50
Strategic re-alignment expenses[12]	**—**	**—**	0.06	0.06
Net litigation settlement costs	**0.16**	**0.16**	—	—
Gain on sale of interest in Bermuda Stock Exchange	**—**	**—**	(0.04)	(0.04)
Transaction related costs[13]	**0.03**	**0.02**	0.01	0.01
Change in net deferred income tax liabilities resulting from decrease in Alberta corporate income tax rate	**—**	**—**	(0.08)	(0.08)
Increase in deferred income tax liabilities relating to change in U.K. tax rate	**0.13**	**0.13**	—	—
Reduction in commodity tax provision	**(0.02)**	**(0.02)**	—	—
Adjusted earnings per share[14]	**$4.50**	**$4.44**	$4.02	$3.99
Weighted average number of common shares outstanding	**56,406,341**	**56,955,817**	55,990,577	56,489,973

Adjusted diluted earnings per share increased by 11% from $3.99 in the nine months ended September 30, 2019 to $4.44 in the nine months ended September 30, 2020 largely driven by increased revenue, somewhat offset by higher operating expenses, excluding net litigation settlement costs of $12.4 million. There was also an increase in our share of income from BOX.

The increase in adjusted diluted earnings per share was somewhat offset by an increase in the number of weighted-average common shares outstanding in the nine months ended September 30, 2020 compared with the nine months ended September 30, 2019.

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

[12] Please refer to "Initiatives and Accomplishments - Strategic re-alignment" in 2019 MD&A for more details.

[13] Includes costs related to the AST Canada transaction in 2020 and costs related to the acquisition of Visotech in 2019. Please refer to "Initiatives and Accomplishments" in Q3/20 MD&A and 2019 MD&A for more details.

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

Adjusted Net Income[15] Reconciliation for Nine months ended September 30, 2020 and Nine months ended September 30, 2019

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

(in millions of dollars) (unaudited)	**Nine months ended September 30, 2020**	Nine months ended September 30, 2019	$ increase / (decrease)	% increase / (decrease)
Net income	**$207.9**	$200.1	$7.8	4%
Adjustments related to:				
Amortization of intangibles related to acquisitions	**28.7**	28.1	0.6	2%
Strategic re-alignment expenses[16]	**—**	3.4	(3.4)	(100)%
Net litigation settlement costs	**9.1**	—	9.1	n/a
Gain on sale of interest in Bermuda Stock Exchange	**—**	(2.0)	2.0	(100%)
Transaction related costs[17]	**1.4**	0.6	0.8	133%
Change in net deferred income tax liabilities resulting from decrease in Alberta corporate income tax rate	**—**	(4.3)	4.3	(100%)
Increase in deferred income tax liabilities relating to change in U.K. tax rate	**7.4**	—	7.4	n/a
Reduction in commodity tax provision	**(0.9)**	—	(0.9)	n/a
Adjusted net income[18]	**$253.6**	$225.9	$27.7	12%

Adjusted net income increased by 12% from $225.9 million in the nine months ended September 30, 2019 to $253.6 million in the nine months ended September 30, 2020 largely driven by increased revenue, somewhat offset by higher operating expenses, excluding net litigation settlement costs of $12.4 million. There was also an increase in our share of income from BOX.

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

[16] Please refer to "Initiatives and Accomplishments - Strategic re-alignment" in 2019 MD&A for more details.

[17] Includes costs related to the AST Canada transaction in 2020 and costs related to the acquisition of Visotech in 2019. Please refer to "Initiatives and Accomplishments" in Q3/20 MD&A and 2019 MD&A for more details.

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

Revenue

(in millions of dollars)	**Nine months ended September 30, 2020**	Nine months ended September 30, 2019	**$ increase / (decrease)**	**% increase / (decrease)**
Capital Formation	**$138.4**	$138.1	$0.3	0%
Equities and Fixed Income Trading and Clearing	**169.9**	142.4	27.5	19%
Derivatives Trading and Clearing	**95.4**	99.9	(4.5)	(5)%
Global Solutions, Insights and Analytics	**241.1**	223.8	17.3	8%
Other	**0.8**	(0.1)	0.9	900%
	$645.6	$604.1	$41.5	7%

Revenue was $645.6 million in the nine months ended September 30, 2020, up $41.5 million or 7% compared with $604.1 million in the nine months ended September 30, 2019 attributable to increases in revenue from *Capital Formation, Equities and Fixed Income Trading and Clearing* as well as *Global Solutions, Insights and Analytics* offset by a decrease in *Derivatives Trading and Clearing* revenue.

Operating expenses

(in millions of dollars)	**Nine months ended September 30, 2020**	Nine months ended September 30, 2019	**$ increase / (decrease)**	**% increase / (decrease)**
Compensation and benefits	**$168.4**	$160.9	$7.5	5%
Information and trading systems	**39.9**	38.0	1.9	5%
Selling, general and administration	**67.8**	55.5	12.3	22%
Depreciation and amortization	**59.7**	59.2	0.5	1%
Strategic re-alignment expenses	**—**	4.6	(4.6)	(100)%
	$335.8	$318.2	$17.6	6%

Operating expenses in the nine months ended September 30, 2020 were $335.8 million, up $17.6 million or 6%, from $318.2 million in the nine months ended September 30, 2019. The increase in costs was primarily attributable to net litigation settlement costs of $12.4 million (16 cents per basic and diluted shares) included within *Selling, general and administration e*xpenses in Q2/20. There were higher costs related to our short term employee performance incentive plan and increased headcount, software licensing and information technology professional services, a write-off of leasehold improvements, bad debt expense as well as increased costs related to managing our business during the COVID-19 pandemic. In addition, we incurred $1.4 million (3 cents per basic and 2 cents per diluted share) in transaction related costs related to the proposed AST Canada transaction. There was also an increase in recoverable costs related to CDS. Recoverable costs of $4.2 million related to CDS's clearing operation, netted in the nine months ended September 30, 2019, were included in both CDS revenue and *Selling, general and administration* expenses in the nine months ended September 30, 2020.

The increases were somewhat offset by a decline in long term employee performance incentive plan costs, travel and entertainment expenses, consulting fees and marketing costs. There was also a reduction of $1.3 million in a commodity tax provision (2 cents per basic and diluted share), which reduced *Selling, general and administration* expenses. Lastly, there were *Strategic re-alignment* expenses of $4.6 million in the nine months ended September 30, 2019 with no similar costs in the nine months ended September 30, 2020.

Additional Information

Income tax expense and effective tax rate

Income Tax Expense (in millions of dollars)		**Effective Tax Rate** (%)	
Nine months ended September 30, 2020	Nine months ended September 30, 2019	**Nine months ended September 30, 2020**	Nine months ended September 30, 2019
$83.7	$64.1	**29%**	24%

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, 2020 and the nine months ended September 30, 2019.

2020

- In the nine months ended September 30, 2020, there was an increase in deferred income tax liabilities and a corresponding increase in income tax expense of $7.4 million relating to the U.K. corporate income tax rate. In Q1/20, it was announced that the U.K. corporate income tax rate would not decline as previously anticipated; therefore, we were required to revalue deferred income tax liabilities related to acquired intangible assets.

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.

FINANCIAL STATEMENTS GOVERNANCE PRACTICE

The Finance & Audit Committee of the Board of Directors of TMX Group (Board) reviewed this press release as well as the Q3/20 unaudited condensed consolidated interim financial statements and related Management's Discussion and Analysis (MD&A) and recommended they be approved by the Board. Following review by the full Board, the Q3/20 unaudited condensed consolidated interim financial statements, MD&A and the contents of this press release were approved.

CONSOLIDATED FINANCIAL STATEMENTS

Our Q3/20 unaudited condensed consolidated interim financial statements are prepared in accordance with IFRS and are reported in Canadian dollars unless otherwise indicated. Financial measures contained in the MD&A and this press release are based on financial statements prepared in accordance with IFRS, unless otherwise specified and are in Canadian dollars unless otherwise indicated.

ACCESS TO MATERIALS

TMX Group has filed its Q3/20 unaudited condensed consolidated interim financial statements and MD&A with Canadian securities regulators. This press release should be read together with our Q3/20 unaudited condensed consolidated interim financial statements and MD&A. These documents may be accessed through www.sedar.com, or on the TMX Group website at www.tmx.com. We are not incorporating information contained on the website in this press release. In addition, copies of these documents will be available upon request, at no cost, by contacting TMX Group Investor Relations by phone at (416) 947-4277 or by e-mail at TMXshareholder@tmx.com.

CAUTION REGARDING FORWARD-LOOKING INFORMATION

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

Examples of forward-looking information in this press release include, but are not limited to, growth objectives; 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 timing of the modernization; other statements related to cost reductions; the impact of the market capitalization of TSX and TSXV issuers overall (from 2019 to 2020) on TMX Group's revenue; future changes to TMX Group's anticipated statutory income tax rate for 2020; 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, the proposed timing for the completion of the acquisition of AST Canada, including the ability to obtain the required regulatory approvals and financing required to complete this acquisition, the composition of AST Canada's client base and the products and services it will provide, the anticipated benefits and synergies of the AST Canada acquisition, including the expected impact on TMX Group's earnings and adjusted earnings per share and the timing thereof, financial results or financial condition, operations and prospects of TMX Group which are subject to significant risks and uncertainties.

These risks include: competition from other exchanges or marketplaces, including alternative trading systems and new technologies, on a national and international basis; dependence on the economy of Canada; adverse effects on our results caused by global economic conditions (including COVID-19) or uncertainties including changes in business cycles that impact our sector; failure to retain and attract qualified personnel; geopolitical and other factors which could cause business interruption (including COVID-19); dependence on information technology; vulnerability of our networks and third party service providers to security risks, including cyber-attacks; failure to properly identify or implement our strategies; regulatory constraints; constraints imposed by our level of indebtedness, risks of litigation or other proceedings; dependence on adequate numbers of customers; failure to develop, market or gain acceptance of new products; failure to 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 project, including the acquisition of AST Canada; the amount of revenue and cost synergies resulting from the AST Canada acquisition; productivity at TMX Group, as well as that of TMX Group’s competitors; market competition; research and development activities; the successful introduction and client acceptance of new products; successful introduction of various technology assets and capabilities; the impact on TMX Group and its customers of various regulations; TMX Group’s ongoing relations with its employees; and the extent of any labour, equipment or other disruptions at any of its operations of any significance other than any planned maintenance or similar shutdowns.

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

- TMX Group's success in achieving growth initiatives and business objectives;
- continued investment in growth businesses and in transformation initiatives including next generation post-trade systems;
- no significant changes to our effective tax rate, recurring revenue, and number of shares outstanding;
- moderate levels of market volatility;
- level of listings, trading, and clearing consistent with historical activity;

- economic growth consistent with historical activity;
- no significant changes in regulations;
- continued disciplined expense management across our business;
- continued re-prioritization of investment towards enterprise solutions and new capabilities;
- free cash flow generation consistent with historical run rate; and
- a limited impact from the COVID-19 pandemic on our plans to grow our business over the long term including on the ability of our listed issuers to raise capital.

While we anticipate that subsequent events and developments may cause our views to change, we have no intention to update this forward-looking information, except as required by applicable securities law. This forward-looking information should not be relied upon as representing our views as of any date subsequent to the date of this press release. We have attempted to identify important factors that could cause actual actions, events or results to differ materially from those current expectations described in forward-looking information. However, there may be other factors that cause actions, events or results not to be as anticipated, estimated or intended and that could cause actual actions, events or results to differ materially from current expectations. There can be no assurance that forward-looking information will prove to be accurate, as actual results and future events could differ materially from those anticipated in such statements. Accordingly, readers should not place undue reliance on forward-looking information. These factors are not intended to represent a complete list of the factors that could affect us. A description of the above-mentioned items is contained in the section "***Enterprise Risk Management***" of our 2019 Annual MD&A which is incorporated by reference into our Q3/20 MD&A, and also in the section **"*Update to Enterprise Risk Management*"** in our Q3/20 MD&A.

About TMX Group (TSX:X)

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

Teleconference / Audio Webcast

TMX Group will host a teleconference / audio webcast to discuss the financial results for Q3/20.

Time: 8:00 a.m. - 9:00 a.m. ET on Thursday, November 5, 2020.

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

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

Teleconference Number: 647-427-7450 or 1-888-231-8191

Audio Replay: 416-849-0833 or 1-855-859-2056

The pass code for the replay is 8099338.

For more information please contact:

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