UNITED STATES
SECURITIES AND EXCHANGE COMMISSION
Washington, D.C. 20549

Form 6-K

REPORT OF FOREIGN PRIVATE ISSUER
PURSUANT TO RULE 13a-16 OR 15d-16
UNDER THE SECURITIES EXCHANGE ACT OF 1934

For the month of November 2018

Commission File Number: 001-37403

THE STARS GROUP INC.
(Translation of registrant's name into English)

200 Bay Street
South Tower, Suite 3205
Toronto, Ontario, Canada
M5J 2J3
(Address of principal executive offices)

Indicate by check mark whether the registrant files or will file annual reports under cover of Form 20-F or Form 40-F.

Form 20-F ☐ Form 40-F ☒

Indicate by check mark if the registrant is submitting the Form 6-K in paper as permitted by Regulation S-T Rule 101(b)(1): ☐

Indicate by check mark if the registrant is submitting the Form 6-K in paper as permitted by Regulation S-T Rule 101(b)(7): ☐

On November 7, 2018, The Stars Group Inc. (the "Company") reported its financial results for the three and nine months ended September 30, 2018 and issued a news release regarding the same and other matters (the "Release"). On the same date, the Company filed on SEDAR at www.sedar.com its (i) Interim Condensed Consolidated Financial Statements for the three and nine months ended September 30, 2018 (the "Q3 Financial Statements"), (ii) Management's Discussion and Analysis for the three and nine months ended September 30, 2018 (the "Q3 MD&A"), (iii) Chief Executive Officer Certification of Interim Filings, dated November 7, 2018 (the "CEO Certification"), and (iv) Chief Financial Officer Certification of Interim Filings, dated November 7, 2018 (the "CFO Certification").

Copies of the Release, Q3 Financial Statements, Q3 MD&A, CEO Certification and CFO Certification are each attached hereto as Exhibits 99.1, 99.2, 99.3, 99.4 and 99.5, respectively, and are incorporated herein by reference.

SIGNATURES

Pursuant to the requirements of the Securities Exchange Act of 1934, the registrant has duly caused this report to be signed on its behalf by the undersigned, thereunto duly authorized.

The Stars Group Inc.

Date: November 7, 2018

By: /s/ Brian Kyle
Name: Brian Kyle
Title: Chief Financial Officer

EXHIBIT INDEX

Exhibit No.	Description
99.1	News Release, dated November 7, 2018
99.2	Interim Condensed Consolidated Financial Statements for the three and nine months ended September 30, 2018
99.3	Management's Discussion and Analysis for the three and nine months ended September 30, 2018
99.4	Chief Executive Officer Certification of Interim Filings, dated November 7, 2018
99.5	Chief Financial Officer Certification of Interim Filings, dated November 7, 2018

Exhibit 99.1

The Stars Group Reports Third Quarter 2018 Results

TORONTO, November 7, 2018 – The Stars Group Inc. (NASDAQ: TSG)(TSX: TSGI) today reported its financial results for the third quarter ended September 30, 2018 and provided certain additional highlights and updates. Unless otherwise noted, all dollar ($) amounts are in U.S. dollars.

"This was a landmark quarter during a transformative year for the company as we begin to deliver on our vision to become the world's favorite iGaming destination," stated Rafi Ashkenazi, The Stars Group's Chief Executive Officer. "We completed our acquisition of Sky Betting & Gaming, which was cleared by the CMA in October, making us the leader in the UK online betting and gaming market. We also launched BetEasy in Australia and sports betting in New Jersey."

"We are pleased with our quarterly results, which reflect both continued organic growth from our International business and contributions from both BetEasy and Sky Betting & Gaming, despite unfavorable sporting results during the period," said Mr. Ashkenazi.

"As we continue our transformation and look towards 2019, we are excited to take advantage of the opportunities ahead of us by leveraging our leading positions in attractive markets, strong brands, technology and operating expertise," concluded Mr. Ashkenazi.

Third Quarter 2018 Summary

Consolidated

	Three Months Ended September 30,			Nine Months Ended September 30,		
In thousands of U.S. Dollars (except percentages and per share amounts)	2018	2017	% Change	2018	2017	% Change
Total Revenue	571,983	329,443	73.6%	1,376,386	952,065	44.6%
Gross Profit	442,757	266,966	65.8%	1,083,259	774,460	39.9%
Operating Income	70,901	118,724	(40.3%)	185,832	335,128	(44.5%)
Net Earnings (loss)	9,730	75,874	(87.2%)	(70,733)	212,110	(133.3%)
Adjusted Net Earnings [1]	119,500	119,595	(0.1%)	389,285	346,990	12.2%
Adjusted EBITDA [1]	198,252	155,767	27.3%	541,545	453,305	19.5%
Adjusted EBITDA Margin [1]	34.7%	47.3%	(26.7%)	39.3%	47.6%	(17.4%)
Diluted (loss) earnings per Common Share ($/Share)	0.06	0.37	(84.9%)	(0.34)	1.05	(132.3%)
Adjusted Diluted Net Earnings per Share ($/Share) [1]	0.45	0.58	(23.8%)	1.67	1.71	(2.2%)
Net cash flows from operating activities	73,227	144,870	(49.5%)	369,307	370,843	(0.4%)
Free Cash Flow [1]	(26,723)	95,306	(128.0%)	140,392	255,028	(45.0%)

[1] Non-IFRS measure. For important information on The Stars Group's non-IFRS measures, see below under "Non-IFRS Measures" and the tables under "Reconciliation of Non-IFRS Measures to Nearest IFRS Measures".

- **Total Revenues** – Revenues for the quarter increased 73.6% year-over-year primarily as a result of the contribution of revenue from the acquisitions of Sky Betting & Gaming (“SBG”) and BetEasy, as well as organic growth in the International segment.

- **Adjusted EBITDA and Adjusted EBITDA Margin** – Adjusted EBITDA for the quarter increased 27.3% year-over-year, primarily driven by the impact of the acquisitions of SBG and BetEasy and by increased gross profit from organic growth within the International segment. Adjusted EBITDA Margin for the quarter decreased 26.7% year-over-year, primarily driven by the higher contribution from the Betting and Gaming verticals within each segment.

- **Consolidated Debt and Cash –** The total principal amount owing on long-term debt outstanding at the end of the quarter was $5.65 billion with a carrying value of $5.52 billion. The Stars Group ended the third quarter of 2018 with approximately $419 million in operational cash on its balance sheet, which translated into Net Debt of $5.1 billion. Subsequent to the quarter end, on October 24, 2018, The Stars Group fully repaid the $100 million outstanding on its revolving credit facility using cash on its balance sheet.

- **U.S. Sports Betting Update** – On August 10, 2018, The Stars Group and Mount Airy Casino Resort announced a partnership to enter Pennsylvania’s online sports wagering and gaming market, where The Stars Group will offer to customers in Pennsylvania its online poker, casino (including slots and tables) and sports wagering products. On September 13, 2018, The Stars Group launched its BetStars online sports betting brand in New Jersey through its partnership with Resorts Casino Hotel. The offering, which is initially available through mobile, provides New Jersey customers with an innovative and robust mobile-led sportsbook alongside The Stars Group’s already existing online poker and casino offerings available through the PokerStarsNJ and PokerStars Casino NJ brands.

- **Sky Betting & Gaming Update –** On July 10, 2018, The Stars Group completed the previously announced Sky Betting & Gaming acquisition for $4.7 billion, and on October 11, 2018, the UK Competition & Markets Authority cleared the acquisition, allowing The Stars Group to begin executing on its integration plans. As it relates to the previously announced expected synergies of at least $70 million, The Stars Group currently believes that approximately 53% will relate to headcount and other staff costs, 23% to purchasing costs and 24% to other cost savings. In addition, The Stars Group currently estimates that it may achieve approximately $5 million of such synergies before year end, followed by a further $50 million in 2019 and an additional $15 million in 2020. The Stars Group continues to expect approximately $85 million in implementation costs to achieve those synergies, with the majority of such costs being incurred in 2019.

International

	Three Months Ended September 30,			Nine Months Ended September 30,		
In thousands of U.S. Dollars (except otherwise noted)	**2018**	**2017**	**% Change**	**2018**	**2017**	**% Change**
Stakes	*233,694*	*163,844*	*42.6%*	*705,251*	*451,699*	*56.1%*
Betting Net Win Margin (%)	*9.0%*	*7.1%*	*26.1%*	*8.1%*	*6.1%*	*33.4%*
Revenue						
Poker	212,832	221,393	(3.9%)	675,688	642,946	5.1%
Gaming	107,602	83,474	28.9%	316,253	243,959	29.6%
Betting	21,030	11,688	79.9%	57,351	27,541	108.2%
Other [2]	10,982	12,888	(14.8%)	35,155	37,619	(6.5%)
Total Revenue	**352,446**	**329,443**	**7.0%**	**1,084,447**	**952,065**	**13.9%**
Gross Profit	**287,522**	**266,966**	**7.7%**	**873,444**	**774,460**	**12.8%**
Gross Profit Margin (%)	81.6%	81.0%	0.7%	80.5%	81.3%	(1.0%)
General and administrative	111,295	95,250	16.8%	319,668	276,798	15.5%
Sales and marketing	31,912	32,624	(2.2%)	119,136	97,914	21.7%
Research and development	6,808	6,030	12.9%	22,985	18,513	24.2%
Operating Income	**137,507**	**133,062**	**3.3%**	**411,655**	**381,235**	**8.0%**
Adjusted EBITDA [1]	**182,228**	**162,880**	**11.9%**	**533,025**	**478,264**	**11.4%**
Adjusted EBITDA Margin (%) [1]	**51.7%**	**49.4%**	**4.6%**	**49.2%**	**50.2%**	**(2.2%)**

[1] Non-IFRS measure. For important information on The Stars Group’s non-IFRS measures, see below under “Non-IFRS Measures” and the tables under “Reconciliation of Non-IFRS Measures to Nearest IFRS Measures”.

[2] Other revenue includes $1.0 million that the Corporation excluded from its consolidated results as it related to certain non-gaming related transactions with the United Kingdom segment.

- **Poker –** Poker revenue for the quarter was $212.8 million, or a decrease of approximately 3.9% year-over-year. Excluding the impact of year-over-year changes in foreign exchange rates, Poker revenues for the quarter would have increased by 0.3%. The reported decrease was primarily driven by foreign exchange fluctuations, the cessation of operations in certain markets, notably Australia in September 2017, and cross selling to other verticals (particularly during the FIFA World Cup), and offset by, among other things, the *Stars Rewards* loyalty program (introduced during the quarter ended September 30, 2017) and the introduction of shared poker liquidity in France and Spain in the first quarter and Portugal in the second quarter.

- **Gaming –** Gaming revenue for the quarter was $107.6 million, or an increase of 28.9% year-over-year. Excluding the impact of year-over-year changes in foreign exchange rates, Gaming revenues for the quarter would have increased by 32.5%. The reported increase was primarily the result of product and content improvements to *PokerStars Casino*, including the introduction of over 250 new casino games since the beginning of the year and the launch of *PokerStars Casino* in certain new markets. This was partially offset by, among other things, the impact of year-over-year changes in foreign exchange rates.

- **Betting –** Betting revenue for the quarter was $21.0 million, or an increase of 79.9% year-over-year. Excluding the impact of year-over-year changes in foreign exchange rates, Betting revenues for the quarter would have increased by 86.5%. The reported increase was primarily the result of increases in Stakes and Betting Net Win Margin. These increases were primarily driven by increased wagering activity due to product and content improvements to *BetStars*, the launch of *BetStars* in certain new markets, and the 2018 FIFA World Cup.

- **Adjusted EBITDA and Adjusted EBITDA Margin** – Adjusted EBITDA for the quarter increased 11.9% year-over-year, primarily driven by increased revenue and gross profit across all segments as noted above. Adjusted EBITDA Margin for the quarter increased 4.6% year-over-year, primarily driven by increased revenues combined with operational leverage from additional product and content improvements and a decline in sales and marketing expenses in the quarter.

- **Quarterly Real-Money Active Uniques (QAUs) –** QAUs were 2.0 million, which represents a decrease of 3.1% year-over-year. This decrease was primarily the result of the cessation of real-money online poker operations in certain markets, notably Australia in September 2017, and The Stars Group's continued strategy of focusing on high-value customers (primarily recreational players), as offset by the growth and expansion of the real-money casino and betting product offerings.

- **Quarterly Net Yield (QNY) –** QNY was $167, an increase of 11.3% year-over-year, and QNY excluding the impact of year-over-year changes in foreign exchange rates was $174, an increase of 16.0% year-over-year. QNY is a non-IFRS measure.

- **Net Deposits –** Net Deposits were $335 million, an increase of 4.1% year-over-year. The increase was primarily driven by the implementation of the *Stars Rewards* loyalty program and continued focus on high-value customers (primarily recreational players), foreign exchange fluctuations and continued development of the casino and betting product offerings.

- **Stakes and Betting Net Win Margin –** Stakes were $233.7 million, an increase of 42.6% year-over-year, and Betting Net Win Margin was 9.0%, an increase of 1.9 percentage points year-over-year. The increases in the quarter were primarily due to product and content improvements to *BetStars* driving incremental QAUs, the launch of *BetStars* in certain new markets, and the World Cup. The Betting Net Win Margin for the International segment is less exposed to the English Premier League and UK horse racing, and as such, was not impacted to the same extent by the operator-unfavorable results The Stars Group experienced within the United Kingdom segment as a whole.

United Kingdom

In thousands of U.S. Dollars (except otherwise noted)	Three Months Ended September 30,			Nine Months Ended September 30,		
	2018	2017	% Change	2018	2017	% Change
Stakes	*1,221,854*	—	—	*1,221,854*	—	—
Betting Net Win Margin (%)	*7.0%*	—	—	*7.0%*	—	—
Revenue						
Poker	2,884	—	—	2,884	—	—
Gaming	73,318	—	—	73,318	—	—
Betting	85,189	—	—	85,189	—	—
Other	6,989	—	—	6,989	—	—
Total Revenue	**168,380**	**—**	—	**168,380**	**—**	—
Gross Profit	**121,226**	**—**	—	**121,226**	**—**	—
Gross Profit Margin (%)	72.0%	—	—	72.0%	—	—
			—			—
General and administrative	104,697	—	—	104,697	—	—
Sales and marketing [2]	40,224	—	—	40,224	—	—
Research and development	4,940	—	—	4,940	—	—
Operating Loss	**(28,635)**	**—**	—	**(28,635)**	**—**	—
Adjusted EBITDA [1]	**27,943**	**—**	—	**27,943**	**—**	—
Adjusted EBITDA Margin (%) [1]	**16.6%**	—	—	**16.6%**	—	—

[1] Non-IFRS measure. For important information on The Stars Group's non-IFRS measures, see below under "Non-IFRS Measures" and the tables under "Reconciliation of Non-IFRS Measures to Nearest IFRS Measures".
[2] Sales and marketing expense includes $1.0 million that the Corporation excluded from its consolidated results as it related to certain non-gaming related transactions with the United Kingdom segment.

- **Revenue, Adjusted EBITDA and Adjusted EBITDA Margin** – Revenue from July 10, 2018 through the end of the quarter ended September 30, 2018, was $168.4 million. Adjusted EBITDA and Adjusted EBITDA Margin for the same period were $27.9 million and 16.6%, respectively. Revenue for the period was primarily impacted by low Betting Net Win Margin when compared to historical averages driven by particularly operator-unfavorable sports results. This was partially offset by strong Stakes during the period, due to strong growth in QAUs. Adjusted EBITDA and Adjusted EBTIDA Margin were similarly impacted by the low Betting Net Win Margin and were also impacted by marketing investment for the start of the European football season.

- **Stakes and Betting Net Win Margin –** Stakes and Betting Net Win Margin from July 10, 2018 through the end of the quarter ended September 30, 2018 were $1.22 billion and 7.0%, respectively. The Betting Net Win Margin can vary significantly from quarter to quarter; however, over the long term, the Corporation believes that these margins tend to become more predictable. The Betting Net Win Margin is below SBG's expected long-term average of approximately 9% primarily as a result of operator-unfavorable results in English Premier League football and horse racing, which collectively represent a significant portion of Stakes. The Stars Group believes that had Betting Net Win Margin been 9% during the period, Betting revenue would have been $110.0 million as opposed to $85.2 million.

Australia

In thousands of U.S. Dollars (except otherwise noted)	Three Months Ended September 30, 2018	2017	% Change	Nine Months Ended September 30, 2018	2017	% Change
Stakes	*825,438*	—	—	*1,693,164*	—	—
Betting Net Win Margin (%)	*6.3%*	—	—	*7.4%*	—	—
Revenue						
Betting	52,157	—	—	124,559	—	—
Total Revenue	**52,157**	—	—	**124,559**	—	—
Gross Profit	**35,154**	—	—	**89,589**	—	—
Gross Profit Margin (%)	67.4%	—	—	71.9%	—	—
General and administrative	39,963	—	—	84,588	—	—
Sales and marketing	21,050	—	—	37,523	—	—
Research and development	114	—	—	1,098	—	—
Operating Loss	**(25,973)**	—	—	**(33,620)**	—	—
Adjusted EBITDA [1]	**(4,764)**	—	—	**7,861**	—	—
Adjusted EBITDA Margin (%) [1]	**(9.1%)**	—	—	**6.3%**	—	—

[1] Non-IFRS measure. For important information on The Stars Group's non-IFRS measures, see below under "Non-IFRS Measures" and the tables under "Reconciliation of Non-IFRS Measures to Nearest IFRS Measures".

- **Revenue, Adjusted EBITDA and Adjusted EBITDA Margin** – Revenue for the quarter was $52.2 million. Adjusted EBITDA and Adjusted EBITDA Margin for the same period were $(4.8) million and (9.1)%, respectively. Revenue for the quarter was impacted by low Betting Net Win Margin when compared to historical averages driven by particularly operator-unfavorable sports results.

- **Stakes and Betting Net Win Margin** – Stakes and Betting Net Win Margin for the quarter ended September 30, 2018 were $825.4 million and 6.3%, respectively. The Betting Net Win Margin can vary significantly from quarter to quarter; however, over the long term, the Corporation believes that these margins tend to become more predictable. The Betting Net Win Margin is below BetEasy's long-term average of 8.5% primarily as a result of operator-unfavorable results in horse racing, which represents a significant portion of Stakes. The Stars Group believes that had Betting Net Win Margin been 8.5% during the quarter, Betting revenue would have been $70.2 million as opposed to $52.2 million.

For additional information regarding The Stars Group's reporting segments and major lines of operations, please see The Stars Group's unaudited interim condensed consolidated financial statements for the three and nine months ended September 30, 2018 (the "Q3 2018 Financial Statements"), including note 6 therein, and management's discussion and analysis thereon (the "Q3 2018 MD&A").

Historic Supplemental Information and 2019 Update

Due to its recent acquisitions of SBG and BetEasy and to provide additional clarity with respect to the historical performance of The Stars Group's business on a proforma basis for the three and nine months ended September 30, 2018 and 2017, and presented based on The Stars Group's current reporting segments and lines of operations, see the information below under the heading "Supplementary Information". Certain of this information contains non-IFRS measures. For important information on The Stars Group's non-IFRS measures, see below under "Non-IFRS Measures" and the tables under "Reconciliation of Non-IFRS Measures to Nearest IFRS Measures".

In addition, to provide further clarity with respect to the potential impact of such acquisitions on its full year 2019 results, The Stars Group is also providing information for certain financial items:

- Depreciation and amortization excluding purchase price allocation amortization of between $65 and $75 million;

- Cash interest expense of between $295 and $305 million;

- Effective tax rate (applied to Adjusted EBITDA less cash interest expense and non-purchase price allocation related depreciation and amortization) of between 8.0 and 10.0%; and

- Diluted Shares of between 274 and 278 million.

These unaudited expected financial items are based on certain accounting assumptions and reflect management's view of current and future market and business conditions, including assumptions of (i) no material impairment or write-down of the assets to which this depreciation and amortization relates, (ii) no material change in the prevailing EURIBOR or LIBOR rates as at September 30, 2018 and no material adverse impact on applicable hedging counterparties, (iii) no material change in the mix of taxable income by jurisdiction, in the rate of corporate tax or tax regimes in the jurisdictions in which The Stars Group currently operates and no material change in the geographies where The Stars Group currently offers its products, (iv) no material increases or decreases in The Stars Group's issued and outstanding shares, (v) no other material regulatory events, and (vi) no material foreign currency exchange rate fluctuations, particularly against the Euro, Great Britain pound sterling and Australian dollar.

Supplementary information

	Proforma Three Months Ended September 30, 2018				
In millions of U.S. Dollars	International	United Kingdom	Australia[2]	Corporate[3]	Consolidated
Stakes	233.7	1,404.7	825.4	—	2,463.8
Betting Net Win Margin	9.0%	7.3%	6.3%	—	7.1%
Revenue					
Poker	212.8	3.2	—	—	216.0
Gaming	107.6	83.9	—	—	191.5
Betting	21.0	102.3	52.2	—	175.5
Other	11.0	8.4	—	(1.0)	18.4
Total	**352.4**	**197.8**	**52.2**	**(1.0)**	**601.4**
Operating Income (loss)	**137.5**	**(67.9)**	**(26.0)**	**(12.0)**	**31.6**
Adjusted EBITDA[1]	**182.2**	**37.5**	**(4.8)**	**(7.2)**	**207.7**
Adjusted EBITDA Margin[1]	51.7%	19.0%	(9.1%)	—	34.5%
QAUs (millions)	2.0	2.0	0.3	—	—

	Proforma Three Months Ended September 30, 2017				
In millions of U.S. Dollars	International	United Kingdom	Australia[2]	Corporate	Consolidated
Stakes	163.8	1,207.6	437.1	—	1,808.5
Betting Net Win Margin	7.1%	9.0%	9.1%	—	8.8%
Revenue					
Poker	221.4	3.6	—	—	225.0
Gaming	83.5	72.8	—	—	156.3
Betting	11.7	108.4	39.7	—	159.8
Other	12.8	6.6	—	—	19.4
Total	**329.4**	**191.4**	**39.7**	**—**	**560.5**
Operating Income (loss)	**133.1**	**(24.7)**	**(10.0)**	**(14.3)**	**84.1**
Adjusted EBITDA[1]	**162.9**	**54.7**	**(2.9)**	**(7.1)**	**207.6**
Adjusted EBITDA Margin[1]	49.4%	28.6%	(7.3%)	—	37.0%
QAUs (millions)	2.1	1.6	0.1	—	—

In millions of U.S. Dollars	Proforma Nine Months Ended September 30, 2018				
	International	United Kingdom	Australia[2]	Corporate[3]	Consolidated
Stakes	705.3	4,194.9	1,982.2		6,882.4
Betting Net Win Margin	8.1%	8.9%	7.6%	—	8.4%
Revenue					
Poker	675.7	10.5	—	—	686.2
Gaming	316.2	244.2	—	—	560.4
Betting	57.3	372.0	150.4	—	579.7
Other	35.2	27.2	—	(1.0)	61.4
Total	**1,084.4**	**653.9**	**150.4**	**(1.0)**	**1,887.7**
Operating Income (loss)	**411.7**	**(177.8)**	**(35.4)**	**(163.5)**	**35.0**
Adjusted EBITDA[1]	**533.0**	**161.4**	**13.5**	**(27.3)**	**680.6**
Adjusted EBITDA Margin[1]	49.2%	24.7%	9.0%	—	36.1%

In millions of U.S. Dollars	Proforma Nine Months Ended September 30, 2017				
	International	United Kingdom	Australia[2]	Corporate	Consolidated
Stakes	451.7	3,728.6	1,194.5	—	5,374.8
Betting Net Win Margin	6.1%	8.5%	9.2%	—	8.4%
Revenue					
Poker	643.0	10.6	—	—	653.6
Gaming	244.0	206.4	—	—	450.4
Betting	27.5	315.8	109.5	—	452.8
Other	37.6	18.6	—	—	56.2
Total	**952.1**	**551.4**	**109.5**	**—**	**1,613.0**
Operating Income (loss)	**381.2**	**(80.0)**	**(16.2)**	**(46.1)**	**238.9**
Adjusted EBITDA[1]	**478.3**	**161.0**	**3.5**	**(25.0)**	**617.8**
Adjusted EBITDA Margin[1]	50.2%	29.2%	3.2%	—	38.3%

FX Rates Average for the three months ended	**Mar. 31, 2017**	**Jun. 30, 2017**	**Sept. 30, 2017**	**Mar. 31, 2018**	**Jun. 30, 2018**	**Sept. 30, 2018**
GBP to USD	1.2393	1.2786	1.3087	1.3917	1.3616	1.3035
AUD to USD	0.7579	0.7508	0.7890	0.7861	0.7572	0.7393

[1] Non-IFRS measure. For important information on The Stars Group's non-IFRS measures, see below under "Non-IFRS Measures" and the tables under "Reconciliation of Non-IFRS Measures to Nearest IFRS Measures".

[2] The Australia segment supplementary information includes the results of operations of William Hill Australia beginning with its acquisition on April 24, 2018. In August 2018, The Stars Group substantially completed its migration of customers and platforms and integration of William Hill Australia into BetEasy.

[3] Other revenue includes $1.0 million that the Corporation excluded from its consolidated results as it related to certain non-gaming related transactions with the United Kingdom segment.

Financial Statements, Management's Discussion and Analysis and Additional Information

The Stars Group's Q3 2018 Financial Statements, Q3 2018 MD&A, and additional information relating to The Stars Group and its business, can be found on SEDAR at www.sedar.com, Edgar at www.sec.gov and The Stars Group's website at www.starsgroup.com. The financial information presented in this news releases was derived from the Q3 2018 Financial Statements.

In addition to press releases, securities filings and public conference calls and webcasts, The Stars Group intends to use its investor relations page on its website as a means of disclosing material information to its investors and others and for complying with its disclosure obligations under applicable securities laws. Accordingly, investors and others should monitor the website in addition to following The Stars Group's press releases, securities filings and public conference calls and webcasts. This list may be updated from time to time.

Conference Call and Webcast Details

The Stars Group will host a conference call today, November 7, 2018 at 8:30 a.m. ET to discuss its financial results for the third quarter ended 2018 and related matters, and provide additional detail with respect to the information in this news release, its webcast presentation, its Q3 2018 Financial Statements and Q3 2018 MD&A, as well as certain additional historical supplemental financial information, including on a proforma basis for the SBG and BetEasy acquisitions. To access via tele-conference, please dial +1 855-327-6838 or +1-631-891-4304 ten minutes prior to the scheduled start of the call. The playback will be made available two hours after the event at +1-844-512-2921 or +1 412-317-6671. The Conference ID number is 10005822. To access the webcast please use the following link: http://public.viavid.com/index.php?id=132084

Reconciliation of Non-IFRS Measures to Nearest IFRS Measures

The tables below present reconciliations of Adjusted EBITDA, Adjusted Net Earnings and Adjusted Diluted Net Earnings per Share to net (loss) earnings, which is the nearest IFRS measure:

	Three Months Ended September 30, 2018				
In thousands of U.S. Dollars (except per share amounts)	International	United Kingdom	Australia	Corporate	Consolidated
Net earnings (loss)	137,507	(28,635)	(25,973)	(73,169)	9,730
Income tax recovery	—	—	—	13,189	13,189
Net financing charges	—	—	—	(74,360)	(74,360)
Operating income (loss)	137,507	(28,635)	(25,973)	(11,998)	70,901
Depreciation and amortization	34,398	53,642	10,855	43	98,938
Add (deduct) the impact of the following:					
Acquisition-related costs and deal contingent forwards	—	—	—	1,667	1,667
Stock-based compensation	—	—	—	3,154	3,154
Loss from investments and associates	123	—	—	—	123
Impairment of intangibles assets and assets held for sale	3,869	—	—	—	3,869
Other costs	6,331	2,936	10,354	(21)	19,600
Total adjusting items	**10,323**	**2,936**	**10,354**	**4,800**	**28,413**
Adjusted EBITDA	**182,228**	**27,943**	**(4,764)**	**(7,155)**	**198,252**

	Nine Months Ended September 30, 2018				
In thousands of U.S. Dollars (except per share amounts)	International	United Kingdom	Australia	Corporate	Consolidated
Net earnings (loss)	412,723	(28,635)	(33,620)	(421,201)	(70,733)
Income tax recovery	—	—	—	15,438	15,438
Net financing charges	—	—	—	(273,071)	(273,071)
Net earnings from associates	1,068	—	—	—	1,068
Operating income (loss)	411,655	(28,635)	(33,620)	(163,568)	185,832
Depreciation and amortization	108,354	53,642	20,723	62	182,781
Add (deduct) the impact of the following:					
Acquisition-related costs and deal contingent forwards	—	—	—	112,485	112,485
Stock-based compensation	—	—	—	8,802	8,802
Loss from investments and associates	370	—	—	—	370
Impairment of intangibles assets and assets held for sale	4,943	—	—	—	4,943
Other costs	7,703	2,936	20,758	14,935	46,332
Total adjusting items	**13,016**	**2,936**	**20,758**	**136,222**	**172,932**
Adjusted EBITDA	**533,025**	**27,943**	**7,861**	**(27,284)**	**541,545**

In thousands of U.S. Dollars (except per share amounts)	Three Months Ended September 30, 2017				
	International	United Kingdom	Australia	Corporate	Consolidated
Net earnings (loss)	130,493	—	—	(54,619)	75,874
Income tax recovery	—	—	—	(2,186)	(2,186)
Net financing charges	—	—	—	(38,095)	(38,095)
Net loss from associates	(2,569)	—	—	—	(2,569)
		—	—		
Operating income (loss)	133,062	—	—	(14,338)	118,724
Depreciation and amortization	36,626	—	—	5	36,631
Add (deduct) the impact of the following:					
Stock-based compensation	—	—	—	3,298	3,298
Gain from investments	(8,920)	—	—	—	(8,920)
Reversal of impairment of intangibles assets and assets held for sale	(1,117)	—	—	—	(1,117)
Other costs	3,229	—	—	3,922	7,151
Total adjusting items	**(6,808)**	**—**	**—**	**7,220**	**412**
Adjusted EBITDA	**162,880**	**—**	**—**	**(7,113)**	**155,767**

In thousands of U.S. Dollars (except per share amounts)	Nine Months Ended September 30, 2017				
	International	United Kingdom	Australia	Corporate	Consolidated
Net earnings (loss)	378,666	—	—	(166,556)	212,110
Income tax recovery	—	—	—	(856)	(856)
Net financing charges	—	—	—	(119,593)	(119,593)
Net loss from associates	(2,569)	—	—	—	(2,569)
Operating income (loss)	381,235	—	—	(46,107)	335,128
Depreciation and amortization	108,814	—	—	152	108,966
Add (deduct) the impact of the following:					
Stock-based compensation				7,914	7,914
Gain from investments	(9,137)	—	—	(4,429)	(13,566)
Reversal of impairment of intangibles assets and assets held for sale	(6,162)	—	—	(2,267)	(8,429)
Other costs	3,514	—	—	19,778	23,292
Total adjusting items	**(11,785)**	**—**	**—**	**20,996**	**9,211**
Adjusted EBITDA	**478,264**	**—**	**—**	**(24,959)**	**453,305**

In thousands of U.S. Dollars (except per share amounts)	Three Months Ended September 30, 2018	Three Months Ended September 30, 2017	Nine Months Ended September 30, 2018	Nine Months Ended September 30, 2017
Net (loss) earnings	**9,730**	**75,874**	**(70,733)**	**212,110**
Income tax (recovery) expense	(13,189)	2,186	(15,438)	856
Net loss (earnings) before tax	**(3,459)**	**78,060**	**(86,171)**	**212,966**
Add (deduct) the impact of the following:	—	—	—	—
Interest accretion	8,984	10,767	30,064	35,708
Loss on debt extinguishment	18,521	—	143,497	—
Re-measurement of contingent consideration	5,056	—	8,753	—
Re-measurement of derivatives	(11,300)	—	(11,300)	—
Ineffectiveness of cash flow hedges	(11,949)	—	(11,949)	—
Acquisition-related costs and deal contingent forwards	1,667	—	112,485	—
Amortization of acquisition intangibles	92,107	31,077	154,965	93,227
Stock based compensation	3,154	3,298	8,802	7,914
(Gain) loss from investments and associates	123	(6,353)	(698)	(10,998)
Impairment (reversal of impairment) of intangibles assets and assets held for sale	3,869	(1,117)	4,943	(8,429)
Other costs (income)	19,600	7,151	46,332	23,292
Income tax impact of the above	(6,873)	(3,288)	(10,438)	(6,690)
Adjusted net earnings	**119,500**	**119,595**	**389,285**	**346,990**
Adjusted net earnings attributable to				
Shareholders of The Stars Group Inc.	119,961	119,595	389,430	346,990
Non-controlling interest	(461)	—	(145)	—
	—	—	—	—
Weighted average diluted number of shares	269,526,633	204,800,009	232,640,294	202,796,952
Adjusted Diluted Net Earnings per Share attributable to Shareholders of The Stars Group Inc	0.45	0.58	1.67	1.71

The table below presents certain items comprising “Other costs” in the reconciliation tables above:

In thousands of U.S. Dollars	Three Months Ended September 30, 2018 $000's	Three Months Ended September 30, 2017 $000's	Nine Months Ended September 30, 2018 $000's	Nine Months Ended September 30, 2017 $000's
Integration costs	17,088	—	28,555	—
Financial (income) expenses	(4,948)	2,839	(2,899)	3,062
Termination of employment agreements	4,486	1,358	6,544	4,166
AMF and other investigation professional fees	(888)	(1,265)	3,771	3,888
Lobbying (US and Non-US) and other legal expenses	4,260	2,916	9,918	12,233
Non-recurring professional fees	1,423	664	1,976	2,168
Retention bonuses	25	41	259	1,271
Loss on disposal of assets	—	338	41	599
Austria gaming duty	(3,679)	—	(3,679)	(5,000)
Termination of affiliate agreements	—	—	—	407
Other	1,833	260	1,846	498
Other costs	**19,600**	**7,151**	**46,332**	**23,292**

The tables below present reconciliations of proforma Adjusted EBITDA to operating income (loss), which is the nearest IFRS measure:

	Proforma Three Months Ended September 30, 2018				
In millions of U.S. Dollars	International	United Kingdom	Australia[1]	Corporate	Consolidated
Operating income (loss)	137.5	(67.9)	(26.0)	(12.0)	31.6
Depreciation and amortization	34.4	102.5	10.9	—	147.8
Add (deduct) the impact of the following:					
Acquisition related costs	—	2.9	10.3	1.7	14.9
Impairment of intangible assets	3.9	—	—	—	3.9
Other Adjustments	6.4	—	—	3.1	9.5
Total adjusting items	**10.3**	**2.9**	**10.3**	**4.8**	**28.3**
Adjusted EBITDA	**182.2**	**37.5**	**(4.8)**	**(7.2)**	**207.7**

	Proforma Three Months Ended September 30, 2017				
In millions of U.S. Dollars	International	United Kingdom	Australia[1]	Corporate	Consolidated
Operating income (loss)	133.1	(24.7)	(10.0)	(14.3)	84.1
Depreciation and amortization	36.6	79.4	6.0	—	122.0
Add (deduct) the impact of the following:					
Impairment of intangible assets	(1.1)	—	—	—	(1.1)
Other Adjustments	(5.7)	—	1.1	7.2	2.6
Total adjusting items	**(6.8)**	**—**	**1.1**	**7.2**	**1.5**
Adjusted EBITDA	**162.9**	**54.7**	**(2.9)**	**(7.1)**	**207.6**

	Proforma Nine Months Ended September 30, 2018				
In millions of U.S. Dollars	International	United Kingdom	Australia[1]	Corporate	Consolidated
Operating income (loss)	411.7	(177.8)	(35.4)	(163.5)	35.0
Depreciation and amortization	108.4	269.9	25.6	—	403.9
Add (deduct) the impact of the following:					
Acquisition related costs	—	2.9	10.3	112.5	125.7
Impairment of intangible assets	4.8	—	—	—	4.8
Transaction related costs	—	66.4	—	—	66.4
Other Adjustments	8.1	—	13.0	23.7	44.8
Total adjusting items	**12.9**	**69.3**	**23.3**	**136.2**	**241.7**
Adjusted EBITDA	**533.0**	**161.4**	**13.5**	**(27.3)**	**680.6**

In millions of U.S. Dollars	Proforma Nine Months Ended September 30, 2017 International	United Kingdom	Australia[1]	Corporate	Consolidated
Operating income (loss)	381.2	(80.0)	(16.2)	(46.1)	238.9
Depreciation and amortization	108.8	232.9	17.1	0.2	359.0
Add (deduct) the impact of the following:					
Impairment of intangible assets	(6.1)	8.1	—	(2.3)	(0.3)
Other Adjustments	(5.6)	—	2.6	23.2	20.2
Total adjusting items	**(11.7)**	**8.1**	**2.6**	**20.9**	**19.9**
Adjusted EBITDA	**478.3**	**161.0**	**3.5**	**(25.0)**	**617.8**

[1] The Australia segment supplementary information includes the results of operations of William Hill Australia beginning with its acquisition on April 24, 2018. In August 2018, The Stars Group substantially completed its migration of customers and platforms and integration of William Hill Australia into BetEasy.

The table below presents a reconciliation of Free Cash Flow to net cash flows from operating activities, which is the nearest IFRS measure:

In thousands of U.S. Dollars	Three Months Ended September 30, 2018	Three Months Ended September 30, 2017	Nine Months Ended September 30, 2018	Nine Months Ended September 30, 2017
Net cash inflows from operating activities	73,227	144,870	369,307	370,843
Customer deposit liability movement	1,552	(2,884)	(12,349)	22,398
	74,779	141,986	356,958	393,241
Capital Expenditure:				
Additions to deferred development costs	(16,496)	(6,275)	(32,686)	(16,701)
Additions to property and equipment	(9,530)	(3,253)	(18,791)	(5,507)
Additions to intangible assets	(4,426)	(565)	(16,268)	(1,484)
Interest paid	(62,113)	(30,556)	(128,391)	(95,620)
Debt principal repayments	(8,937)	(6,031)	(20,430)	(18,901)
Free Cash Flow	(26,723)	95,306	140,392	255,028

The table below presents a reconciliation of Net Debt:

In thousands of U.S. Dollars	As at September 30, 2018
Current portion of long-term debt	35,750
Long-term debt	5,483,900
Less: Cash and cash equivalents - operational	418,896
Net Debt	**5,100,754**

For additional information on The Stars Group's non-IFRS measures, see below and the Q3 2018 MD&A, including under the headings "Management's Discussion and Analysis", "Limitations of Key Metrics, Other Data and Non-IFRS Measures" and "Key Metrics and Non-IFRS Measures".

About The Stars Group

The Stars Group is a global leader in the online and mobile gaming and interactive entertainment industries, entertaining millions of customers across its online real- and play-money poker, gaming and betting product offerings, which are delivered through both mobile and desktop applications and the web. The Stars Group offers these products directly or indirectly under several ultimately owned or licensed gaming and related consumer businesses and brands, including, among others, PokerStars, PokerStars Casino, BetStars, Full Tilt, BetEasy, Sky Bet, Sky Vegas, Sky Casino, Sky Bingo, Sky Poker, and Oddschecker, as well as live poker tour and events brands, including the PokerStars Players No Limit Hold'em Championship, European Poker Tour, PokerStars Caribbean Adventure, Latin American Poker Tour, Asia Pacific Poker Tour, PokerStars Festival and PokerStars MEGASTACK. The Stars Group is one of the world's most licensed online gaming operators with its subsidiaries collectively holding licenses or approvals in 19 jurisdictions throughout the world, including in Europe, Australia, and the Americas. The Stars Group's vision is to become the world's favorite iGaming destination and its mission is to provide its customers with winning moments.

Cautionary Note Regarding Forward Looking Statements

This news release contains forward-looking statements and information within the meaning of the Private Securities Litigation Reform Act of 1995 and applicable securities laws, including, without limitation, certain financial and operational expectations and projections, such as certain future operational and growth plans and strategies, and certain financial items relating to the full year 2019 results. Forward-looking statements and information can, but may not always, be identified by the use of words such as “seek”, “anticipate”, “plan”, “continue”, “estimate”, “expect”, “may”, “will”, “project”, “predict”, “potential”, “targeting”, “intend”, “could”, “might”, “would”, “should”, “believe”, “objective”, “ongoing”, “imply”, “assumes”, “goal”, “likely” and similar references to future periods or the negatives of these words or variations or synonyms of these words or comparable terminology and similar expressions. These statements and information, other than statements of historical fact, are based on management’s current expectations and are subject to a number of risks, uncertainties, and assumptions, including market and economic conditions, business prospects or opportunities, future plans and strategies, projections, technological developments, anticipated events and trends and regulatory changes that affect The Stars Group, its subsidiaries, and its and their respective customers and industries. Although The Stars Group and management believe the expectations reflected in such forward-looking statements and information are reasonable and are based on reasonable assumptions and estimates as of the date hereof, there can be no assurance that these assumptions or estimates are accurate or that any of these expectations will prove accurate. Forward-looking statements are inherently subject to significant business, regulatory, economic and competitive risks, uncertainties and contingencies that could cause actual events to differ materially from those expressed or implied in such statements. Specific risks and uncertainties include, but are not limited to: the heavily regulated industry in which The Stars Group carries on its business; risks associated with interactive entertainment and online and mobile gaming generally; current and future laws or regulations and new interpretations of existing laws or regulations, or potential prohibitions, with respect to interactive entertainment or online gaming or activities related to or necessary for the operation and offering of online gaming; potential changes to the gaming regulatory framework; legal and regulatory requirements; ability to obtain, maintain and comply with all applicable and required licenses, permits and certifications to offer, operate and market its product offerings, including difficulties or delays in the same; significant barriers to entry; competition and the competitive environment within addressable markets and industries; impact of inability to complete future or announced acquisitions or to integrate businesses successfully, including, without limitation, Sky Betting & Gaming and BetEasy; The Stars Group’s substantial indebtedness requires that it use a significant portion of its cash flow to make debt service payments; The Stars Group’s secured credit facilities contain covenants and other restrictions that may limit its flexibility in operating its business; risks associated with advancements in technology, including artificial intelligence; ability to develop and enhance existing product offerings and new commercially viable product offerings; ability to mitigate foreign exchange and currency risks; ability to mitigate tax risks and adverse tax consequences, including, without limitation, changes in tax laws or administrative policies relating to tax and the imposition of new or additional taxes, such as value-added and point of consumption taxes, and gaming duties; The Stars Group’s exposure to greater than anticipated tax liability; risks of foreign operations generally; protection of proprietary technology and intellectual property rights; ability to recruit and retain management and other qualified personnel, including key technical, sales and marketing personnel; defects in product offerings; losses due to fraudulent activities; management of growth; contract awards; potential financial opportunities in addressable markets and with respect to individual contracts; ability of technology infrastructure to meet applicable demand and reliance on online and mobile telecommunications operators; systems, networks, telecommunications or service disruptions or failures or cyber-attacks and failure to protect customer data, including personal and financial information; regulations and laws that may be adopted with respect to the Internet and electronic commerce or that may otherwise impact The Stars Group in the jurisdictions where it is currently doing business or intends to do business, particularly those related to online gaming or that could impact the ability to provide online product offerings, including, without limitation, as it relates to payment processing; ability to obtain additional financing or to complete any refinancing on reasonable terms or at all; customer and operator preferences and changes in the economy; dependency on customers’ acceptance of its product offerings; consolidation within the gaming industry; litigation costs and outcomes; expansion within existing and into new markets; relationships with vendors and distributors; natural events; contractual relationships of Sky Betting & Gaming or The Stars Group with Sky plc and/or its subsidiaries; counterparty risks; failure of systems and controls of The Stars Group to restrict access to its products; reliance on scheduling and live broadcasting of major sporting events; macroeconomic conditions and trends in the gaming and betting industry; bookmaking risks; an ability to realize projected financial increases attributable to acquisitions and The Stars Group’s business strategies; and an ability to realize all or any of The Stars Group’s estimated synergies and cost savings in connection with acquisitions, including, without limitation, the acquisition of Sky Betting & Gaming and the Australian acquisitions. These factors are not intended to represent a complete list of the factors that could affect The Stars Group; however, these factors as well as other applicable risks and uncertainties include, but are not limited to, those identified in The Stars Group’s annual information form for the year ended December 31, 2017, including under the heading “Risk Factors and Uncertainties”, in the June 21, 2018 prospectus supplement to the short form base shelf prospectus dated January 16, 2018 under the heading “Risk Factors”, and in the Q3 2018 MD&A, including under the headings “Risk Factors and Uncertainties”, “Limitations of Key Metrics, Other Data and Non-IFRS Measures” and “Key Metrics and Non-IFRS Measures”, each available on SEDAR at www.sedar.com, EDGAR at www.sec.gov and The Stars Group’s website at www.starsgroup.com, and in other filings that The Stars Group has made and may make in the future with applicable securities authorities in the future, should be considered carefully. Investors are cautioned not to put undue reliance on forward-looking statements or information. Any forward-looking statement or information in this news release are expressly qualified by this cautionary statement. Any forward-looking statement or information speaks only as of the date hereof, and The Stars Group undertakes no obligation to correct or update any forward-looking statement, whether as a result of new information, future events or otherwise, except as required by applicable law.

Non-IFRS Measures

This news release references non-IFRS financial measures, including Adjusted EBITDA, Adjusted EBITDA Margin, Adjusted Net Earnings, Adjusted Diluted Net Earnings per Share, Free Cash Flow, Net Debt and the numerator of QNY. The Stars Group believes these non-IFRS financial measures will provide investors with useful supplemental information about the financial performance of its business, enable comparison of financial results between periods where certain items may vary independent of business performance, and allow for greater transparency with respect to key metrics used by management in operating its business. Although management believes these financial measures are important in evaluating The Stars Group, they are not intended to be considered in isolation or as a substitute for, or superior to, financial information prepared and presented in accordance with IFRS. They are not recognized measures under IFRS and do not have standardized meanings prescribed by IFRS. These measures may be different from non-IFRS financial measures used by other companies, limiting its usefulness for comparison purposes. Moreover, presentation of certain of these measures is provided for year-over-year comparison purposes, and investors should be cautioned that the effect of the adjustments thereto provided herein have an actual effect on The Stars Group's operating results. In addition to QNY, which is defined below under "Key Metrics and Other Data", The Stars Group provides the following non-IFRS measures in this news release:

Adjusted EBITDA means net earnings before financial expenses, income taxes expense (recovery), depreciation and amortization, stock-based compensation, restructuring, net earnings (loss) on associate and certain other items as set out in the reconciliation tables under "Reconciliation of Non-IFRS Measures to Nearest IFRS Measures" above.

Adjusted EBITDA Margin means Adjusted EBITDA as a proportion of total revenue.

Adjusted Net Earnings means net earnings before interest accretion, amortization of intangible assets resulting from purchase price allocations following acquisitions, stock-based compensation, restructuring, net earnings (loss) on associate, and certain other items. In addition, beginning with the Q3 2018 MD&A, adjustments are made for (i) the re-measurement of contingent consideration, which was previously included in, and adjusted for through, interest accretion, but starting with the Q3 2018 Financial Statements it is now a separate line item, (ii) the re-measurement of embedded derivatives and ineffectiveness on cash flow hedges, each of which are new line items in the Q3 2018 Financial Statements, and (iii) certain non-recurring tax adjustments and settlements. Each adjustment to net earnings is then adjusted for the tax impact, where applicable, in the respective jurisdiction to which the adjustment relates, as set out in the reconciliation tables under "Reconciliation of Non-IFRS Measures to Nearest IFRS Measures" above.

Adjusted Diluted Net Earnings per Share means Adjusted Net Earnings attributable to the Shareholders of The Stars Group Inc. divided by Diluted Shares. Diluted Shares means the weighted average number of Common Shares on a fully diluted basis, including options, other equity-based awards, warrants and the preferred shares of The Stars Group. The effects of anti-dilutive potential Common Shares are ignored in calculating Diluted Shares. Diluted Shares used in the calculation of diluted earnings per share may differ from diluted shares used in the calculation of Adjusted Diluted Net Earnings per Share where the dilutive effects of the potential Common Shares differ. See note 9 in the Q3 2018 Financial Statements. For the three and nine months ended September 30, 2018, Diluted Shares used for the calculation of Adjusted Diluted Net Earnings per Share equalled 269,526,633 and 232,640,294, respectively, compared with 204,800,009 and 202,796,952 for the same periods in 2017, respectively.

Free Cash Flow means net cash flows from operating activities after adding back customer deposit liability movements, and after capital expenditures and debt servicing cash flows (excluding voluntary prepayments), as set out in the reconciliation tables under "Reconciliation of Non-IFRS Measures to Nearest IFRS Measures" above. The Corporation believes that removing movements in customer deposit liabilities provides a more meaningful understanding of its free cash flows as customer deposits are not available funds for the Corporation to use for financial or operational purposes.

Net Debt means total long-term debt less operational cash.

To show the foreign exchange impact due to translation and purchasing power the Corporation calculates revenue on a constant currency basis, by translating the International segment's revenue for the three and nine months ended September 30, 2018 using the prior year's monthly exchange rates for its local source currencies other than the U.S. dollar, which The Stars Group believes is a useful metric that facilitates comparison to its historical performance.

For additional information on The Stars Group's non-IFRS measures, see above and the Q3 2018 MD&A, including under the headings "Management's Discussion and Analysis", "Limitations of Key Metrics, Other Data and Non-IFRS Measures" and "Key Metrics and Non-IFRS Measures".

Key Metrics and Other Data

The Stars Group provides the following key metrics in this news release:

QAUs for the International and Australia reporting segments means active unique customers (online, mobile and desktop client) who (i) made a deposit or transferred funds into their real-money account with The Stars Group at any time, and (ii) generated real-money

online rake or placed a real-money online bet or wager on during the applicable quarterly period. The Stars Group defines “active unique customer” as a customer who played or used one of its real-money offerings at least once during the period, and excludes duplicate counting, even if that customer is active across multiple lines of operation (Poker, Gaming and/or Betting, as applicable) within the applicable reporting segment. The definition of QAUs excludes customer activity from certain low-stakes, non-raked real-money poker games, but includes real-money activity by customers using funds (cash and cash equivalents) deposited by The Stars Group into such customers’ previously funded accounts as promotions to increase their lifetime value.

QAUs for the United Kingdom reporting segment (which currently includes the Sky Betting & Gaming business operations only) means active unique customers (online and mobile) who have settled a Stake or made a wager on any betting or gaming product within the relevant period. The Stars Group defines unique for the United Kingdom reporting segment as a customer who played at least once on one of its real-money offerings during the period, and excludes duplicate counting, even if that customer is active across more than one line of operation. For the purpose of the three months ended September 30, 2018, QAUs for the United Kingdom reporting segment also include the applicable pre-acquisition period.

QNY means combined revenue for The Stars Group’s lines of operation (i.e., Poker, Gaming and/or Betting, as applicable), excluding Other revenues, as reported during the applicable quarterly period (or as adjusted to the extent any accounting reallocations are made in later periods) divided by the total QAUs during the same period. The United Kingdom reporting segment’s definition of QNY includes revenue noted in the definition above for the full financial quarter, including the pre-acquisition period. QNY is a non-IFRS measure. The Stars Group does not provide a reconciliation for the numerator of QNY as the revenue components thereof are set forth in this news release.

Net Deposits means the aggregate of gross deposits or transfer of funds made by customers into their real-money online accounts less withdrawals or transfer of funds by such customers from such accounts, in each case during the applicable quarterly period. Gross deposits exclude (i) any deposits, transfers or other payments made by such customers into The Stars Group’s play-money and social gaming offerings, and (ii) any real-money funds (cash and cash equivalents) deposited by The Stars Group into such customers’ previously funded accounts as promotions to increase their lifetime value.

Stakes means betting amounts wagered on The Stars Group’s applicable online betting product offerings, and is also an industry term that represents the aggregate amount of funds wagered by customers within the Betting line of operation for the period specified.

Betting Net Win Margin is calculated as Betting revenue as a proportion of Stakes.

The Stars Group is in the process of the integration and migration of customers and platforms with respect to the Australian acquisitions (which management believes is substantially complete as of the date hereof), the integration of Sky Betting & Gaming, and the implementation of its new operating and reporting segments, and once complete, The Stars Group may revise or remove currently presented key metrics or non-IFRS measures or report certain additional or other key metrics or non-IFRS measures in the future.

For additional information on The Stars Group’s key metrics and other data, see the Q3 2018 MD&A, including under the headings “Limitations of Key Metrics, Other Data and Non-IFRS Measures”, “Key Metrics and Non-IFRS Measures” and “Segment Results of Operations”.

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UNAUDITED INTERIM CONDENSED CONSOLIDATED STATEMENTS OF EARNINGS

	Three Months Ended September 30,		Nine Months Ended September 30,	
In thousands of U.S. Dollars (except per share amounts)	2018	2017	2018	2017
Revenues	571,983	329,443	1,376,386	952,065
Cost of revenue	(129,226)	(62,477)	(293,127)	(177,605)
Gross profit	**442,757**	**266,966**	**1,083,259**	**774,460**
General and administrative	(267,463)	(109,096)	(671,556)	(322,344)
Sales and marketing	(92,531)	(33,116)	(196,848)	(98,475)
Research and development	(11,862)	(6,030)	(29,023)	(18,513)
Operating income	**70,901**	**118,724**	**185,832**	**335,128**
Net financing charges	(74,360)	(38,095)	(273,071)	(119,593)
Net earnings from associates	—	(2,569)	1,068	(2,569)
(Loss) earnings before income taxes	**(3,459)**	**78,060**	**(86,171)**	**212,966**
Income tax recovery	13,189	(2,186)	15,438	(856)
Net (loss) earnings	**9,730**	**75,874**	**(70,733)**	**212,110**
Net (loss) earnings attributable to				
Shareholders of The Stars Group Inc.	15,127	76,082	(63,067)	211,987
Non-controlling interest	(5,397)	(208)	(7,666)	123
Net (loss) earnings	**9,730**	**75,874**	**(70,733)**	**212,110**
(Loss) earnings per Common Share (U.S. dollars)				
Basic	$ 0.06	$ 0.52	$ (0.34)	$ 1.45
Diluted	$ 0.06	$ 0.37	$ (0.34)	$ 1.05
Weighted Average Common Shares Outstanding (thousands)				
Basic	257,322	147,351	186,517	146,537
Diluted	269,527	204,800	186,517	202,797

UNAUDITED INTERIM CONDENSED CONSOLIDATED STATEMENTS OF FINANCIAL POSITION

In thousands of U.S. Dollars	As at September 30, 2018	As at December 31, 2017
ASSETS		
Current assets		
Cash and cash equivalents - operational	418,896	283,225
Cash and cash equivalents - customer deposits	327,765	227,098
Total cash and cash equivalents	746,661	510,323
Restricted cash advances and collateral	10,696	7,862
Prepaid expenses and other current assets	50,816	29,695
Current investments - customer deposits	104,125	122,668
Accounts receivable	154,102	100,409
Income tax receivable	29,643	16,540
Derivatives	—	2,037
Total current assets	**1,096,043**	**789,534**
Non-current assets		
Restricted cash advances and collateral	10,700	45,834
Prepaid expenses and other non-current assets	27,496	26,551
Non-current accounts receivable	12,430	11,818
Property and equipment	76,745	44,837
Income tax receivable	11,805	14,061
Deferred income taxes	6,597	5,141
Derivatives	32,904	—
Goodwill and intangible assets	10,205,886	4,477,350
Total non-current assets	**10,384,563**	**4,625,592**
Total assets	**11,480,606**	**5,415,126**
LIABILITIES		
Current liabilities		
Accounts payable and other liabilities	434,087	194,187
Customer deposits	429,574	349,766
Current provisions	31,853	17,590
Derivatives	14,136	—
Income tax payable	91,864	35,941
Due to related parties	2,028	—
Current portion of long-term debt	35,750	4,990
Total current liabilities	**1,039,292**	**602,474**
Non-current liabilities		
Long-term debt	5,483,900	2,353,579
Long-term provisions	4,268	3,093
Derivatives	21,093	111,762
Other long-term liabilities	91,521	—
Due to related parties	34,267	—
Income tax payable	12,825	24,277
Deferred income taxes	594,297	16,510
Total non-current liabilities	**6,242,171**	**2,509,221**
Total liabilities	**7,281,463**	**3,111,695**
EQUITY		
Share capital	4,095,038	1,884,219
Reserves	(442,234)	(142,340)
Retained earnings	542,146	561,519
Equity attributable to the Shareholders of The Stars Group Inc.	**4,194,950**	**2,303,398**
Non-controlling interest	4,193	33
Total equity	**4,199,143**	**2,303,431**
Total liabilities and equity	**11,480,606**	**5,415,126**

UNAUDITED INTERIM CONDENSED CONSOLIDATED STATEMENTS OF CASH FLOWS

In thousands of U.S. Dollars	Nine Months Ended September 30, 2018	Nine Months Ended September 30, 2017
Operating activities		
Net (loss) earnings	(70,733)	212,110
Add (deduct):		
Income tax (recovery) expense recognized in net earnings	(15,438)	856
Net financing charges	273,071	118,824
Depreciation and amortization	182,781	108,966
Unrealized loss (gain) on foreign exchange	58,954	(9,891)
Unrealized loss (gain) on investments	584	(9,332)
Impairment (reversal of impairment) of intangible assets and assets held for sale	4,901	(8,430)
Net (earnings) loss from associates	(1,068)	2,569
Realized loss (gain) on current investments and promissory note	420	(9,155)
Income taxes paid	(27,182)	(8,941)
Changes in non-cash operating elements of working capital	(49,805)	(10,284)
Customer deposit liability movement	12,349	(22,398)
Other	473	5,949
Net cash inflows from operating activities	**369,307**	**370,843**
Investing activities		
Acquisition of subsidiaries, net of cash acquired	(1,865,262)	(6,516)
Additions to intangible assets	(16,268)	(1,484)
Additions to property and equipment	(18,791)	(5,507)
Additions to deferred development costs	(32,686)	(16,701)
Net sale of investments utilizing customer deposits	18,543	4,466
Cash movement from (to) restricted cash	35,000	—
Settlement of promissory note	—	8,084
Net investment in associates	1,068	(2,000)
Proceeds on disposal of interest in associate classified as held for sale	—	16,127
Other	(1,074)	(6,577)
Net cash outflows from investing activities	**(1,879,470)**	**(10,108)**
Financing activities		
Issuance of Common Shares	717,250	—
Transaction costs on issuance of Common Shares	(32,312)	—
Issuance of Common Shares in relation to stock options	30,572	9,921
Redemption of SBG preferred shares and payment of shareholder loan on acquisition	(674,286)	—
Issuance of long-term debt	5,957,976	—
Repayment of long-term debt	(2,865,456)	(133,901)
Repayment of long-term debt assumed on business combination	(1,079,729)	—
Interest paid	(36,559)	(4,719)
Transaction costs on long-term debt	31,730	—
Net proceeds on related party debt	(128,391)	(95,620)
Payment of deferred consideration	—	(197,510)
Settlement of derivatives	(125,822)	13,904
Acquisition of further interest in subsidiaries	(48,240)	—
Settlement of margin	—	(7,602)
Capital contribution from non-controlling interest	12,060	—
Net cash inflows (outflows) from financing activities	**1,758,793**	**(415,527)**
Increase (decrease) in cash and cash equivalents	248,630	(54,792)
Unrealized foreign exchange difference on cash and cash equivalents	(12,292)	14,298
Cash and cash equivalents – beginning of period	510,323	267,684
Cash and cash equivalents - end of period	**746,661**	**227,190**

Exhibit 99.2

UNAUDITED INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

FOR THE THREE AND NINE MONTHS ENDED
SEPTEMBER 30, 2018

November 7, 2018

TABLE OF CONTENTS

UNAUDITED INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS	
Unaudited Interim Condensed Consolidated Statements of Earnings	2
Unaudited Interim Condensed Consolidated Statements of Comprehensive Income (Loss)	3
Unaudited Interim Condensed Consolidated Statements of Financial Position	4
Unaudited Interim Condensed Consolidated Statements of Changes in Equity	5
Unaudited Interim Condensed Consolidated Statements of Cash Flows	6
NOTES TO THE UNAUDITED INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS	
1. Nature of business	7
2. Significant accounting policies	7
3. Recent accounting pronouncements	12
4. Acquisition of subsidiaries	12
5. Revenue	16
6. Segmental information	16
7. Expenses classified by nature	21
8. Income Taxes	21
9. Earnings per share	22
10. Goodwill and intangible assets	23
11. Long-term debt	24
12. Derivatives	27
13. Provisions	31
14. Share capital	31
15. Reserves	33
16. Fair value	34
17. Adoption of new accounting standards	37
18. Related party transactions	39
19. Subsequent events	39

UNAUDITED INTERIM CONDENSED CONSOLIDATED STATEMENTS OF EARNINGS

In thousands of U.S. Dollars (except per share and share amounts)	Note	Three Months Ended September 30, 2018	Three Months Ended September 30, 2017 *†	Nine Months Ended September 30, 2018	Nine Months Ended September 30, 2017 *†
Revenues	5,6	571,983	329,443	1,376,386	952,065
Cost of revenue	7	(129,226)	(62,477)	(293,127)	(177,605)
Gross profit		**442,757**	**266,966**	**1,083,259**	**774,460**
General and administrative	7	(267,463)	(109,096)	(671,556)	(322,344)
Sales and marketing		(92,531)	(33,116)	(196,848)	(98,475)
Research and development		(11,862)	(6,030)	(29,023)	(18,513)
Operating income		**70,901**	**118,724**	**185,832**	**335,128**
Net (loss) earnings from associates		—	(2,569)	1,068	(2,569)
Net financing charges	6,7	(74,360)	(38,095)	(273,071)	(119,593)
(Loss) earnings before income taxes		**(3,459)**	**78,060**	**(86,171)**	**212,966**
Income tax recovery (expense)	8	13,189	(2,186)	15,438	(856)
Net earnings (loss)		**9,730**	**75,874**	**(70,733)**	**212,110**
Net earnings (loss) attributable to					
Shareholders of The Stars Group Inc.		15,127	76,082	(63,067)	211,987
Non-controlling interest		(5,397)	(208)	(7,666)	123
Net earnings (loss)		**9,730**	**75,874**	**(70,733)**	**212,110**
Earnings (loss) per Common Share (U.S. dollars)					
Basic	9	$0.06	$0.52	$(0.34)	$1.45
Diluted	9	$0.06	$0.37	$(0.34)	$1.05
Weighted average Common Shares outstanding (thousands)					
Basic	9	257,322	147,351	186,517	146,537
Diluted	9	269,527	204,800	186,517	202,797

* The Corporation has applied IFRS 9 and IFRS 15 from January 1, 2018. In line with the transition methods chosen by the Corporation, comparative information has not been restated. See note 17.

† Certain amounts were reclassified in the comparative periods. See note 2.

See accompanying notes.

UNAUDITED INTERIM CONDENSED CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME (LOSS)

In thousands of U.S. Dollars	Three Months Ended September 30, 2018	Three Months Ended September 30, 2017 *	Nine Months Ended September 30, 2018	Nine Months Ended September 30, 2017 *
Net earnings (loss)	**9,730**	**75,874**	**(70,733)**	**212,110**
Items that are or may be reclassified to net earnings (loss)				
Debt instruments at FVOCI – loss in fair value **	(192)	—	(546)	—
Debt instruments at FVOCI – reclassified to net earnings **	273	—	315	—
Available-for-sale investments – gain in fair value ***	—	16,261	—	32,599
Available-for-sale investments – reclassified to net earnings ***	—	(1,593)	—	(5,216)
Foreign operations – unrealized foreign currency translation differences	(94,544)	(55,279)	(63,026)	(168,064)
Cash flow hedges – effective portion of changes in fair value †	(4,559)	(41,766)	14,565	(135,065)
Cash flow hedges – reclassified to net earnings †	(10,953)	48,083	(20,444)	141,604
Other comprehensive loss	(109,975)	(34,294)	(69,136)	(134,142)
Total comprehensive (loss) income	**(100,245)**	**41,580**	**(139,869)**	**77,968**
Total comprehensive (loss) income attributable to:				
Shareholders of The Stars Group Inc.	(92,645)	41,788	(130,000)	77,845
Non-controlling interest	(7,600)	(208)	(9,869)	123
Total comprehensive (loss) income	**(100,245)**	**41,580**	**(139,869)**	**77,968**

* The Corporation has applied IFRS 9 and IFRS 15 from January 1, 2018. In line with the transition methods chosen by the Corporation, comparative information has not been restated. See note 17.

** Net of income tax (expense) recovery of $(42,000) and $475,000 for the three and nine months ended September 30, 2018, respectively (2017 - net of income tax of $nil for both periods).

*** Net of income tax of $nil for each of the three and nine months ended September 30, 2018 (2017 - net of income tax recovery of $146,000 for both periods).

† Net of income tax expense of $nil for each of the three and nine months ended September 30, 2018 (2017 – net of income tax of $nil for both periods).

See accompanying notes.

UNAUDITED INTERIM CONDENSED CONSOLIDATED STATEMENTS OF FINANCIAL POSITION

In thousands of U.S. Dollars	Note	As at September 30, 2018	As at December 31, 2017 *†
ASSETS			
Current assets			
Cash and cash equivalents - operational		418,896	283,225
Cash and cash equivalents - customer deposits		327,765	227,098
Total cash and cash equivalents		746,661	510,323
Restricted cash advances and collateral		10,696	7,862
Prepaid expenses and other current assets		50,816	29,695
Current investments - customer deposits		104,125	122,668
Accounts receivable		154,102	100,409
Income tax receivable		29,643	16,540
Derivatives	12	—	2,037
Total current assets		**1,096,043**	**789,534**
Non-current assets			
Restricted cash advances and collateral		10,700	45,834
Prepaid expenses and other non-current assets		27,496	26,551
Non-current accounts receivable		12,430	11,818
Property and equipment		76,745	44,837
Income tax receivable		11,805	14,061
Deferred income taxes	8	6,597	5,141
Derivatives	12	32,904	—
Goodwill and intangible assets	10	10,205,886	4,477,350
Total non-current assets		**10,384,563**	**4,625,592**
Total assets		**11,480,606**	**5,415,126**
LIABILITIES			
Current liabilities			
Accounts payable and other liabilities		434,087	194,187
Customer deposits		429,574	349,766
Current provisions	13	31,853	17,590
Derivatives	12	14,136	—
Income tax payable		91,864	35,941
Due to related parties	18	2,028	—
Current portion of long-term debt	11	35,750	4,990
Total current liabilities		**1,039,292**	**602,474**
Non-current liabilities			
Long-term debt	11	5,483,900	2,353,579
Long-term provisions	13	4,268	3,093
Derivatives	12	21,093	111,762
Other long-term liabilities	4	91,521	—
Due to related parties	18	34,267	—
Income tax payable		12,825	24,277
Deferred income taxes	8	594,297	16,510
Total non-current liabilities		**6,242,171**	**2,509,221**
Total liabilities		**7,281,463**	**3,111,695**
EQUITY			
Share capital	14	4,095,038	1,884,219
Reserves	15	(442,234)	(142,340)
Retained earnings		542,146	561,519
Equity attributable to the Shareholders of The Stars Group Inc.		**4,194,950**	**2,303,398**
Non-controlling interest		4,193	33
Total equity		**4,199,143**	**2,303,431**
Total liabilities and equity		**11,480,606**	**5,415,126**

* The Corporation has applied IFRS 9 and IFRS 15 from January 1, 2018. In line with the transition methods chosen by the Corporation, comparative information has not been restated. See note 17.
† Certain amounts were reclassified in the comparative periods during the three months ended June 30, 2018. See note 2.
See accompanying notes.

Approved and authorized for issue on behalf of the Board on November 7, 2018.

(Signed) *"Divyesh (Dave) Gadhia"*, Director
Divyesh (Dave) Gadhia,
Executive Chairman of the Board

(Signed) *"David Lazzarato"*, Director
David Lazzarato,
Chairman of the Audit Committee of the Board

UNAUDITED INTERIM CONDENSED CONSOLIDATED STATEMENTS OF CHANGES IN EQUITY

For the nine months ended September 30, 2018 and 2017:

	Share Capital								
In thousands of U.S. Dollars, except share numbers	Common Shares number	Preferred Shares number	Common Shares amount	Preferred Shares amount	Reserves (note 15)	Retained earnings	Equity attributable to the Shareholders of The Stars Group Inc.	Non-controlling interest	Total equity
Balance – January 1, 2017	**145,101,127**	**1,139,249**	**1,178,404**	**684,385**	**35,847**	**302,288**	**2,200,924**	**804**	**2,201,728**
Net earnings	—	—	—	—	—	211,987	**211,987**	123	**212,110**
Other comprehensive loss	—	—	—	—	(134,142)	—	**(134,142)**	—	**(134,142)**
Total comprehensive income	—	—	—	—	(134,142)	211,987	**77,845**	123	**77,968**
Issue of Common Shares in relation to stock options and equity awards	2,426,150	—	13,132	—	(3,211)	—	**9,921**	—	**9,921**
Share cancellation	(76,437)	—	(493)	—	493	—	—	—	—
Stock-based compensation	—	—	—	—	7,914	—	**7,914**	—	**7,914**
Acquisition of non-controlling interest	—	—	—	—	467	—	**467**	(826)	**(359)**
Balance – September 30, 2017	**147,450,840**	**1,139,249**	**1,191,043**	**684,385**	**(92,632)**	**514,275**	**2,297,071**	**101**	**2,297,172**
Balance – December 31, 2017 *	**147,947,874**	**1,139,249**	**1,199,834**	**684,385**	**(142,340)**	**561,519**	**2,303,398**	**33**	**2,303,431**
Adjustment on adoption of IFRS 9 **	—	—	—	—	213	43,694	43,907	—	**43,907**
Balance - January 1, 2018 (restated)	**147,947,874**	**1,139,249**	**1,199,834**	**684,385**	**(142,127)**	**605,213**	**2,347,305**	**33**	**2,347,338**
Net loss	—	—	—	—	—	(63,067)	**(63,067)**	(7,666)	**(70,733)**
Other comprehensive loss	—	—	—	—	(66,933)	—	**(66,933)**	(2,203)	**(69,136)**
Total comprehensive loss	—	—	—	—	(66,933)	(63,067)	**(130,000)**	(9,869)	**(139,869)**
Issue of Common Shares in relation to stock options and equity awards	1,762,810	—	37,461	—	(6,889)	—	**30,572**	—	**30,572**
Conversion of Preferred Shares to Common Shares	60,013,510	(1,139,249)	684,385	(684,385)	—	—	—	—	**—**
Issue of Common Shares in connection with acquired subsidiaries	41,049,398	—	1,477,478	—	—	—	**1,477,478**	—	**1,477,478**
Issue of Common Shares in connection with Equity Offering	18,875,000	—	690,353	—	—	—	**690,353**		**690,353**
Re-allocation from warrants reserves to share capital for exercised warrants	2,422,944	—	14,688	—	(14,688)	—	—	—	**—**
Stock-based compensation	—	—	—	—	8,802	—	**8,802**	—	**8,802**
Reversal of deferred tax on stock-based compensation	—	—	—	—	(359)	—	**(359)**	—	**(359)**
Equity fees	—	—	(5,415)	—	—	—	**(5,415)**	—	**(5,415)**
Reversal of 2014 deferred tax	—	—	(3,746)	—	—	—	**(3,746)**	—	**(3,746)**
Acquisition of non-controlling interest in subsidiary	—	—	—	—	(220,040)	—	**(220,040)**	14,029	**(206,011)**
Balance – September 30, 2018	**272,071,536**	**—**	**4,095,038**	**—**	**(442,234)**	**542,146**	**4,194,950**	**4,193**	**4,199,143**

* The Corporation has applied IFRS 9 and IFRS 15 from January 1, 2018. In line with the transition methods chosen by the Corporation, comparative information has not been restated. See note 17.

** During the nine months ended September 30, 2018, the Corporation made a non-material adjustment totaling $12.9 million to the amounts recognized in retained earnings in respect of the adoption of IFRS 9. See note 17.

See accompanying notes.

UNAUDITED INTERIM CONDENSED CONSOLIDATED STATEMENTS OF CASH FLOWS

In thousands of U.S. Dollars	Note	Nine Months Ended September 30, 2018	2017 *
Operating activities			
Net (loss) earnings		(70,733)	212,110
Add (deduct):			
Income tax (recovery) expense recognized in net earnings		(15,438)	856
Net financing charges	7	273,071	118,824
Depreciation and amortization	7	182,781	108,966
Unrealized loss (gain) on foreign exchange		58,954	(9,891)
Unrealized loss (gain) on investments		584	(9,332)
Impairment (reversal of impairment) of intangible assets and assets held for sale		4,901	(8,430)
Net (earnings) loss from associates		(1,068)	2,569
Realized loss (gain) on current investments and promissory note		420	(9,155)
Income taxes paid		(27,182)	(8,941)
Changes in non-cash operating elements of working capital		(49,805)	(10,284)
Customer deposit liability movement		12,349	(22,398)
Other		473	5,949
Net cash inflows from operating activities		**369,307**	**370,843**
Investing activities			
Acquisition of subsidiaries, net of cash acquired	4	(1,865,262)	(6,516)
Additions to intangible assets		(16,268)	(1,484)
Additions to property and equipment		(18,791)	(5,507)
Additions to deferred development costs		(32,686)	(16,701)
Net sale of investments utilizing customer deposits		18,543	4,466
Cash movement from (to) restricted cash		35,000	—
Settlement of promissory note		—	8,084
Net investment in associates		1,068	(2,000)
Proceeds on disposal of interest in associate classified as held for sale		—	16,127
Other		(1,074)	(6,577)
Net cash outflows from investing activities		**(1,879,470)**	**(10,108)**
Financing activities			
Issuance of Common Shares	14	717,250	—
Transaction costs on issuance of Common Shares	14	(32,312)	—
Issuance of Common Shares in relation to stock options	14	30,572	9,921
Redemption of SBG preferred shares and payment of shareholder loan on acquisition	4	(674,286)	—
Issuance of long-term debt		5,957,976	—
Repayment of long-term debt		(2,865,456)	(133,901)
Repayment of long-term debt assumed on business combination	4	(1,079,729)	—
Interest paid		(128,391)	(95,620)
Transaction costs on long-term debt		(36,559)	(4,719)
Net proceeds on related party debt	18	31,730	—
Payment of deferred consideration	16	—	(197,510)
Settlement of derivatives	12	(125,822)	13,904
Acquisition of further interest in subsidiaries	4	(48,240)	—
Settlement of margin		—	(7,602)
Capital contribution from non-controlling interest		12,060	—
Net cash inflows (outflows) from financing activities		**1,758,793**	**(415,527)**
Increase (decrease) in cash and cash equivalents		248,630	(54,792)
Unrealized foreign exchange difference on cash and cash equivalents		(12,292)	14,298
Cash and cash equivalents – beginning of period		510,323	267,684
Cash and cash equivalents - end of period		**746,661**	**227,190**

* The Corporation has applied IFRS 9 and IFRS 15 from January 1, 2018. In line with the transition methods chosen by the Corporation, comparative information has not been restated. See note 17.

See accompanying notes.

1. NATURE OF BUSINESS

The Stars Group Inc. ("The Stars Group" or the "Corporation") is a global leader in the online and mobile gaming and interactive entertainment industries, entertaining millions of customers across its online real- and play-money poker, gaming and betting product offerings. The Stars Group offers these products directly or indirectly under several ultimately owned or licensed gaming and related consumer businesses and brands, including, among others, *PokerStars*, *PokerStars Casino*, *BetStars*, *Full Tilt*, *BetEasy*, *Sky Bet*, *Sky Vegas*, *Sky Casino*, *Sky Bingo*, *Sky Poker, and Oddschecker*, as well as live poker tour and events brands, including the *PokerStars Players No Limit Hold'em Championship*, *European Poker Tour*, *PokerStars Caribbean Adventure*, *Latin American Poker Tour*, *Asia Pacific Poker Tour*, *PokerStars Festival* and *PokerStars MEGASTACK*.

As at September 30, 2018, The Stars Group had three reportable segments, the international business ("International"), the United Kingdom business ("United Kingdom") and the Australian business ("Australia"), each as described below, as well as a corporate cost center ("Corporate"). There are up to four major lines of operations within the Corporation's reportable segments, as applicable: real-money online poker ("Poker"), real-money online betting ("Betting"), real-money online casino gaming and, where applicable, bingo ("Gaming"), and other gaming-related revenues, including, without limitation, from social and play-money gaming, live poker events, branded poker rooms, Oddschecker and other nominal sources of revenue ("Other"). As it relates to these lines of operations, online revenues include revenues generated through the Corporation's real-money online, mobile and desktop client platforms, as applicable.

The Stars Group's primary business and main source of revenue is its online gaming businesses. These currently consist of the operations of Stars Interactive Holdings (IOM) Limited and its subsidiaries and affiliates (collectively, "Stars Interactive Group"), which it acquired in August 2014 (the ''Stars Interactive Group Acquisition''), the operations of Cyan Blue Topco Limited and its subsidiaries and affiliates (collectively, "Sky Betting & Gaming" or "SBG"), which it acquired in July 2018 (the "SBG Acquisition"), and TSG Australia Pty Ltd (formerly CrownBet Holdings Pty Limited) and its subsidiaries and affiliates, including TSGA Holdco Pty Limited (formerly William Hill Australia Holdings Pty Ltd) and its subsidiaries and affiliates ("TSGA" and where the context requires, collectively, "BetEasy"), which it acquired an 80% equity interest in between February 2018 and April 2018 (BetEasy acquired TSGA in April 2018) (collectively, the "Australian Acquisitions"). The Stars Interactive Group is based in the Isle of Man and operates globally; SBG is based in and primarily operates in the United Kingdom, the largest regulated online gaming market in the world; and BetEasy is based in and primarily operates in Australia, the second largest regulated online gaming market in the world.

The International segment currently includes the Stars Interactive Group business, which represents The Stars Group's existing business prior to the SBG Acquisition and the Australian Acquisitions, and operates across all lines of operations and in various jurisdictions around the world, including the United Kingdom, under the brands identified above in this note 1; the United Kingdom segment currently consists of the business operations of Sky Betting & Gaming, including those outside of the United Kingdom, and operates across all lines of operations primarily in the United Kingdom; and the Australia segment currently consists of the business operations of BetEasy, and operates within the Betting line of operation and primarily in Australia under the *BetEasy* brand. Prior segmental results for the three and nine months ended September 30, 2017 have been recast to be presented in a manner consistent with the changed reporting segments. See note 6.

The Stars Group was incorporated on January 30, 2004 under the Companies Act (Quebec) and continued under the Business Corporations Act (Ontario) on August 1, 2017. The registered head office is located at 200 Bay Street, South Tower, Suite 3205, Toronto, Ontario, Canada, M5J 2J3 and its common shares ("Common Shares") are listed on the Toronto Stock Exchange (the "TSX") under the symbol "TSGI", and the Nasdaq Global Select Market ("Nasdaq") under the symbol "TSG".

For reporting purposes, the Corporation prepares its unaudited interim condensed consolidated financial statements in U.S. dollars. Unless otherwise indicated, all dollar ("$") amounts and references to "USD" or "USD $" in these unaudited interim condensed consolidated financial statements are expressed in U.S. dollars. References to ''EUR'' or "€" are to European Euros, references to ''CDN'' or "CDN $" are to Canadian dollars, references to "GBP" or "£" are to British Pound Sterling and references to "AUD" or "AUD $" are to Australian dollars. Unless otherwise indicated, all references to a specific "note" refer to these notes to the unaudited interim condensed consolidated financial statements of the Corporation for the three and nine months ended September 30, 2018. References to "IFRS" and "IASB" are to International Financial Reporting Standards and the International Accounting Standards Board, respectively.

2. SIGNIFICANT ACCOUNTING POLICIES

Basis of accounting

These unaudited interim condensed consolidated financial statements have been prepared in accordance with International Accounting Standard 34—Interim Financial Reporting as issued by the International Accounting Standards Board, and do not include all the information required for full annual consolidated financial statements. Except as described below, the accounting policies and methods of computation applied in these unaudited interim condensed consolidated financial statements and related notes contained therein are consistent with those applied by the Corporation in its audited consolidated financial statements as at and for the year ended December

31, 2017 (the "2017 Financial Statements"). These unaudited interim condensed consolidated financial statements should be read in conjunction with the 2017 Financial Statements.

On January 1, 2018, the Corporation adopted the provisions in *Financial Instruments* ("IFRS 9") and *Revenue from Contracts with Customers* ("IFRS 15"). See note 17. Changes to significant accounting policies in relation to these adoptions are detailed below. The Corporation also expects to reflect these changes in accounting policies in its audited consolidated financial statements as at and for the year ended December 31, 2018.

As previously announced, in response to segment changes following the Australian Acquisitions (as defined below and further detailed in note 6), and to align with financial measures commonly used in the industry, the Corporation made certain reclassifications during the second quarter to the comparative unaudited interim condensed consolidated financial statements to enhance their comparability with the current period's presentation. Consistent reclassifications have been made to the comparative unaudited interim condensed consolidated statement of earnings during the third quarter. As a result, certain line items have been amended in the comparative unaudited interim condensed consolidated statements of earnings and financial position and the related notes to the unaudited interim condensed consolidated financial statements. These reclassifications are outlined below:

Unaudited Interim Condensed Consolidated Statement of Earnings

The following measures, which the Corporation first introduced during the second quarter of 2018, resulted in a re-classification of the applicable comparative periods: Cost of revenue, Gross profit and Operating income.

- Cost of revenue now includes the following material items:
  - Gaming duty ($33.4 million and $93.6 million for the three and nine months ended September 30, 2017), previously reported separately on the unaudited interim condensed consolidated statements of earnings.
  - Processor costs ($17.4 million and $50.8 million for the three and nine months ended September 30, 2017), previously reported within General and administrative in the unaudited interim condensed consolidated statements of earnings.
  - Royalties ($7.8 million and $21.9 million for the three and nine months ended September 30, 2017) and affiliates costs ($1.6 million and $5.1 million for the three and nine months ended September 30, 2017) previously reported within Selling costs in the unaudited interim condensed consolidated statements of earnings.

- The following material re-classifications were made to the expenses not included in Cost of revenue:
  - General and administrative expenses, as previously reported, now also include the following:
    - Foreign exchange ($2.6 million loss and $2.3 million loss for the three and nine months ended September 30, 2017) and bank charges ($0.2 million and $0.7 million for the three and nine months ended September 30, 2017), previously reported within Financial expenses.
    - A portion of Gain on investments ($8.9 million and $13.5 million for the three and nine months ended September 30, 2017), previously reported separately within Gain from investments in the unaudited interim condensed consolidated statement of earnings.
  - Sales and marketing:
    - Selling expenses remain as reported in previous periods, except for the exclusion of costs now included in Cost of revenue as described above.
  - Research and development:
    - Previously reported within General and administrative expenses and now reported separately on the unaudited interim condensed consolidated statement of earnings.
  - Net financing charges:
    - Financial expenses remain as previously reported, except for the inclusion of a portion of Gain from investments, primarily related to investment income ($0.1 million and $0.7 million for the three and nine months ended September 30, 2017) (previously reported separately on the unaudited interim condensed consolidated statement of earnings) and the exclusion of foreign exchange and bank charges (which are now included in General and administrative expenses as noted above).

Unaudited Interim Condensed Consolidated Statement of Financial Position

The following re-classifications to the comparative period, which the Corporation first made during the second quarter of 2018, include the following:

- Current assets: Prepaid expenses and deposits ($29.4 million) and Inventories ($0.3 million) were reported separately in previous periods and are now reported within Prepaid expenses and other current assets.
- Non-Current assets: Prepaid expenses and deposits ($16.5 million), Long term investments ($7.0 million) and Investment tax credits receivable ($3.1 million) were reported separately in previous periods and are now reported within Prepaid expenses and other non-current assets.

- Current Liabilities: Accounts payable and accrued liabilities ($151.5 million) and Other payables ($42.7 million) were reported separately in previous periods and are now reported within Accounts payable and other liabilities.

New significant accounting policies

IFRS 9, *Financial Instruments*

The Corporation has applied *IFRS 9, Financial Instruments* retrospectively from January 1, 2018. In accordance with the practical expedients permitted under the standard, comparative information for 2017 has not been restated.

For further information regarding the impact of IFRS 9, see note 17.

Financial Assets

Financial assets are initially recognized at fair value and from January 1, 2018 are classified into one of the following measurement categories:

- Those to be measured subsequently at fair value, either through profit or loss or other comprehensive income; or
- Those to be measured at amortized cost.

The classification depends on the Corporation's business model for managing the financial assets and the contractual terms of the cash flows. Except in very limited circumstances, the classification may not be changed subsequent to initial recognition. The Corporation only reclassifies debt instruments when its business model for managing those assets changes.

For assets measured at fair value, gains and losses are recorded in profit or loss or other comprehensive income. For investments in debt instruments, the classification depends on the business model and the contractual terms of the respective cash flows for which the investment is held. For investments in equity instruments that are not held for trading, the classification depends on whether the Corporation has made an irrevocable election at the time of initial recognition to account for the equity instruments at fair value through other comprehensive income.

At initial recognition, the Corporation measures a financial asset at its fair value plus, in the case of a financial asset not measured at FVTPL (as defined below), transaction costs that are directly attributable to the acquisition of the financial asset. Transaction costs of financial assets carried at FVTPL are expensed in profit or loss.

Debt instruments

Subsequent measurement of debt instruments depends on the Corporation's business model for managing the asset and the cash flow characteristics of that asset. There are three measurement categories into which the Corporation classifies its debt instruments:

- Amortized cost: assets that are held for collection of contractual cash flows where those cash flows represent solely payments of principal and interest are measured at amortized cost. A gain or loss on a debt instrument that is subsequently measured at amortized cost and is not part of a hedging relationship is recognized in profit or loss when the asset is derecognized or impaired. Interest income from these financial assets is recognized using the effective interest rate method.

- Fair value through other comprehensive income ("FVOCI"): assets that are held for collection of contractual cash flows and for sale, where the cash flows represent solely payments of principal and interest are measured at FVOCI. Movements in the carrying amount are recorded in other comprehensive income, with impairment gains or losses, interest revenue and foreign exchange gains and losses recognized in profit or loss. When the financial asset is derecognized, the cumulative gain or loss previously recognized in other comprehensive income is reclassified from equity to profit or loss.

- Fair value through profit or loss ("FVTPL"): assets that do not meet the criteria for classification as amortized cost or FVOCI are measured at FVTPL. A gain or loss on a debt instrument that is subsequently measured at FVTPL and is not part of a hedging relationship is recognized in profit or loss and presented in the unaudited interim condensed consolidated statements of earnings.

Equity instruments

The Corporation subsequently measures all equity instruments at fair value, except for equity instruments for which equity method accounting is applied. Where the Corporation's management elects to present fair value gains and losses on equity instruments in other comprehensive income, there is no subsequent reclassification of fair value gains and losses to profit or loss upon the derecognition of those instruments. Equity instruments are designated as FVOCI on an instrument by instrument basis when the conditions are met based

on the nature of the instrument. Dividends from such instruments continue to be recognized in profit or loss when the Corporation's right to receive payment is established.

Changes in the fair value of financial assets at FVTPL are recognized in the unaudited interim condensed consolidated statements of earnings.

Impairment

At the end of each reporting period, the Corporation assesses on a forward-looking basis the expected credit losses associated with its debt instruments carried at amortized cost and FVOCI. The impairment methodology applied depends on whether there has been a significant increase in credit risk. The impairment provision recorded in respect of debt instruments carried at amortized cost and FVOCI is determined at 12-months expected credit losses on the basis that the Corporation considers these instruments as low risk.

The Corporation applies the simplified approach permitted by IFRS 9 for trade receivables and other financial assets held at amortized cost, which requires expected lifetime losses to be recognized from initial recognition of the receivables.

The forward-looking element in determining impairment for financial assets is derived from comparison of current and projected macro-economic indicators covering primary markets in which the Corporation operates.

Financial Liabilities

Debt modification

The Corporation may pursue amendments to its credit agreements based on, among other things, prevailing market conditions. Such amendments, when completed, are considered by the Corporation to be debt modifications. For debt repayable at par with nominal break costs, the Corporation has elected to account for such debt modifications as equivalent to repayment at no cost of the original financial instrument and an origination of a new debt at market conditions. Resetting the debt to market conditions with the same lender has the same economic substance as extinguishing the original financial instrument and originating new debt with a third-party lender at market conditions. The transaction is accounted for as an extinguishment of the original debt instrument, which is derecognized and replaced by the amended debt instrument, with any unamortized costs or fees incurred on the original debt instrument recognized as part of the gain or loss on extinguishment.

For all other debt, the accounting treatment of debt modifications depends upon whether the modified terms are substantially different than the previous terms. The terms of an amended debt agreement are considered substantially different when either: (i) the discounted present value of the cash flows under the new terms, discounted using the original effective interest rate, are at least ten percent different from the discounted present value of the remaining cash flows of the original debt or (ii) management determines that other changes to the terms of the amended agreement, such as a change in the environment in which a floating interest rate is determined, are substantially different. If the modification is considered to be substantially different, the transaction is accounted for as an extinguishment of the original debt instrument, which is derecognized and replaced by the amended debt instrument, with any unamortized costs or fees incurred on the original debt instrument recognized as part of the gain or loss on extinguishment. If the modification is not considered to be substantially different, an adjustment to the carrying amount of the original debt instrument is recorded, which is calculated as the difference between the original contractual cash flows and the modified cash flows discounted at the original effective interest rate.

Derivatives

The Corporation uses derivative instruments for risk management purposes and does not use derivative instruments for speculative trading purposes. All derivatives are recorded at fair value in the unaudited interim condensed consolidated statements of financial position. For derivatives not designated as hedging instruments, the re-measurement of those derivatives each period is recognized in the unaudited interim condensed consolidated statements of earnings.

Derivatives are measured at fair value using pricing and valuation models whenever possible, including market-based inputs to models, broker or dealer quotations or alternative pricing sources.

As permitted by IFRS 9, the Corporation has elected to continue to apply the hedge accounting requirements of IAS 39 rather than the new requirements of IFRS 9.

IFRS 15, *Revenues from Contracts with Customers*

The Corporation has applied *IFRS 15, Revenues from Contracts with Customers* from January 1, 2018. As permitted, the Corporation has applied IFRS 15 using the modified retrospective approach, whereby the cumulative impact of adoption is recognized in opening retained earnings. Comparative information for 2017 has not been restated.

The adoption of IFRS 15 did not have a material impact on the timing and amount of revenue recognized by the Corporation.

For further information regarding the impact of IFRS 15, see note 17.

Sources of Estimation Uncertainty

Valuation of acquired intangible assets

Acquisitions may result in the recognition of certain intangible assets, recognized at fair value, including but not limited to, software technology, customer relationships, below market significant contracts, and brands. Key estimates made by management in connection with the valuation of acquired intangible assets relating to the SBG Acquisition and the Australian Acquisitions, included:

(i) Discount rates – The Corporation used discount rates ranging from 7% to 10%.
(ii) Attrition rates – The Corporation valued certain intangibles using estimated attrition rates ranging from 3% to 10%.
(iii) Technology migration – The Corporation valued technology intangibles using estimated useful lives of 5 to 7 years based on the planned migration towards newer developed technology.
(iv) Technology royalty rate – The Corporation valued certain technology intangibles using royalty rates ranging from 5% to 10%.
(v) Brand royalty rate – The Corporation valued brands using royalty rates ranging from 2.5% to 5%.
(vi) Estimating future cash flows – The Corporation considered historical performance and industry assessments among other sources in the estimation of the cash flows. Significant estimation uncertainty exists with respect to forecasting and growth assumptions used in the valuation of intangibles.

Valuation of contingent payment on acquisition of non-controlling interest

As part of the incremental acquisition of an 18% equity interest in BetEasy, BetEasy's management team will be entitled to an additional payment of up to $182 million in 2020, subject to certain performance conditions primarily related to its EBITDA, and payable in cash and/or additional Common Shares at The Stars Group's discretion. The Corporation considered this additional payment to be a contingent payment and accounted for it as part of the purchase price related to the acquisition of the 18% equity interest in BetEasy. The contingent payment is subsequently recorded at fair value at each balance sheet date, with re-measurements recorded within net financing charges in the unaudited interim condensed statement of earnings. In valuing the contingent payment as at the acquisition date and at period end, the Corporation used a discount rate of 8% for both periods, based on the term of the contingent payment period and credit risk of the counterparty and volatility of historical EBITDA for comparable companies of 25% - 30% for both periods, based on historical performance and market indicators.

Critical Accounting Judgments

Valuation of acquired intangible assets

The intangible assets described in the sources of estimation uncertainty section above are valued using various valuation methodologies, such as the market, income and cost methods. In applying these methodologies, management makes certain key judgments and assumptions. These judgments and assumptions are highly subjective and the ability to realize the future cash flows used in fair value calculations may be affected by changes in economic conditions, economic performance or business strategies. For further information regarding the valuation of acquired intangible assets, see note 4.

Acquisition of BetEasy – Control assessment

As previously reported, the Corporation acquired a 62% equity interest in BetEasy on February 27, 2018, and a further 18% equity interest on April 24, 2018. As is typical, the shareholders agreement entered into with the minority shareholders of BetEasy in connection with the Australian Acquisitions includes a number of rights and protections for the minority shareholders in certain circumstances that are directly harmful to the minority, including as it relates to significant changes to business scope, material acquisitions or financing. In the Corporation's judgment such minority shareholder rights are protective rights and the Corporation has control in accordance with *IFRS 3, Business Combinations*.

Debt extinguishment

As discussed in note 11, on April 6, 2018, the Corporation amended its long-term debt in connection with the Australian Acquisitions and recorded the amendment as an extinguishment for accounting purposes as the debt was repayable at par, and no termination costs were incurred. On July 10, 2018, the Previous First Lien Term Loans (as defined below) were repaid in full and the transaction was recorded as an extinguishment for accounting purposes. No termination costs were incurred upon repayment.

Recognition of Embedded Derivatives

The Senior Notes (as defined below) include certain embedded features allowing the Corporation to redeem the Senior Notes or allowing the holders to require a redemption of the Senior Notes. Management applied its judgment in determining whether the features represent embedded derivatives required to be bifurcated from the carrying value of the Senior Notes, including in relation to the assessment of whether the features are closely related to the host contract (i.e., the Indenture (as defined below) governing the Senior Notes). Certain features, as discussed in notes 11 and 12, were bifurcated from the carrying value of the Senior Notes.

3. RECENT ACCOUNTING PRONOUNCEMENTS

New accounting pronouncements - not yet effective

IFRS 16, *Leases* ("IFRS 16")

In 2016 the IASB issued IFRS 16 to replace IAS 17, *Leases* ("IAS 17"), effective January 1, 2019. This standard introduces a single lessee accounting model and requires a lessee to recognize assets and liabilities for all leases with a term of more than 12 months, unless the underlying asset is of low value. A lessee is required to recognize a right-of-use asset representing its right to use the underlying asset and a lease liability representing its obligation to make lease payments.

This standard substantially carries forward the lessor accounting requirements of IAS 17, while requiring enhanced disclosures to be provided by lessors.

The Corporation intends to adopt IFRS 16 from its effective date of January 1, 2019. The Corporation is currently evaluating the quantitative impact of this standard and does not anticipate applying it prior to its effective date. However, qualitatively the Corporation currently expects the following material impacts:

(i) an increase in total assets, as assets relating to leases currently accounted for as operating leases under IAS 17 will be recorded within property and equipment on the statement of financial position. Land and building represents the asset category expected to be materially impacted;
(ii) an increase in total liabilities, as liabilities relating to leases currently accounted for as operating leases under IAS 17 will be recognized;
(iii) operating lease expenses, which are currently included within general and administrative, sales and marketing and research and development expenses based on the nature of the lease, will be reclassified and recalculated resulting in the recognition of depreciation expense, recorded within general and administrative expenses and interest accretion expense, recorded within net financing costs. As a result, operating income will be impacted;
(iv) future depreciation and interest accretion for the Corporation's historic leases will also be affected by its choice of transition options, which is still under review; and
(v) there may be a corresponding effect on tax balances in relation to all of the above impacts.

4. ACQUISITION OF SUBSIDIARIES

BetEasy

As previously announced on February 27, 2018, a subsidiary of the Corporation acquired a 62% controlling equity interest in BetEasy, which it increased to an 80% controlling equity interest on April 24, 2018 as described below. Pursuant to a shareholders agreement (the "Shareholders Agreement"), the Corporation is entitled to, among other things, appoint a majority of the directors on the board of directors of BetEasy. The Corporation therefore obtained control through acquiring the majority equity interest in combination with such rights. The non-controlling interest in BetEasy is measured at the proportionate share of net assets of the subsidiary. The Corporation believes the Australian Acquisitions provide the Corporation with a strong market position in Australia and creates an opportunity for cost synergies.

In connection with the 62% equity interest in BetEasy, the Corporation entered into a put option deed with an exercise price equal to the purchase price of the 62% equity interest in BetEasy, $117.7 million (AUD$150.0 million), plus interest. The put option was set to expire on the earlier of February 28, 2019 or the completion of BetEasy's purchase of TSGA (the latter occurred on April 24, 2018 as described above). On expiration, the $0.6 million mark to market of this put option previously recognized was derecognized and recorded in general and administrative in the statement of earnings. See note 12 for further details.

On April 24, 2018, the Corporation acquired a further 18% equity interest in BetEasy for a total consideration of $229.2 million (AUD$300.6 million), comprising cash of $48.2 million (AUD$63.2 million), newly issued Common Shares valued at $96.4 million (AUD$126.4 million), see note 14, and deferred contingent payment valued at $84.6 million (AUD$111.0 million) at acquisition, which

is included in other long-term liabilities on the statement of financial position. See note 16 for details regarding the valuation of the deferred contingent payment. To finance the cash portion of the purchase price for the transaction, the Corporation obtained incremental financing as part of the April 2018 Amend and Extend. In addition, a shareholder loan was issued to certain non-controlling shareholders of BetEasy. See note 17. The acquisition of the additional equity interest in BetEasy had no impact on the fair values of the goodwill and intangible assets acquired on February 27, 2018; however, the excess of the total consideration compared to the carrying value of the 18% non-controlling interest was recognized directly in equity as acquisition reserve. See note 15.

Also on April 24, 2018, in connection with the Corporation's acquisition of the additional 18% interest in BetEasy, the Corporation entered into a non-controlling interest put-call option in relation to the 20% interest in BetEasy held by its minority interest shareholders, with an exercise price based on certain future operating performance conditions of the acquired business. This was determined to be a non-controlling interest put-call option with a variable settlement amount that can be settled in either cash or shares or a combination of both, and because the put-call option does not clearly grant the Corporation with present access to returns associated with the remaining 20% ownership interest, the Corporation recognized this put-call option as a net liability derivative. As at each of the acquisition date and September 30, 2018, the Corporation determined that the fair value of this non-controlling interest derivative was $nil.

The provisional amounts recognized in respect of the identifiable assets acquired and liabilities assumed upon acquisition of BetEasy are set out in the table below:

In thousands of U.S. Dollars	As at February 27, 2018
Financial assets	28,960
Property, plant and equipment	6,192
Identifiable intangible assets (note 10)	102,292
Financial liabilities	(59,223)
Deferred tax liability	(14,364)
Total identifiable assets	63,857
Non-controlling interest	(2,669)
Goodwill (note 10)	56,519
Total consideration	**117,707**
Satisfied by:	
Cash	117,707
Less: Cash and cash equivalent balances acquired	(17,003)
Net cash outflow arising on acquisition	**100,704**

The fair value of the financial assets includes receivables with a fair value of $4.7 million and a gross contractual value of $7.8 million. The Corporation's best estimate at the acquisition date of the contractual cash flows not to be collected is $3.1 million.

Included in the amounts recognized is a deferred tax liability of $25.9 million, comprised of a $23.4 million deferred tax liability related to acquired intangible assets and a $2.5 million deferred tax liability related to other temporary differences as well as a deferred tax asset of $11.5 million wholly related to other temporary differences.

The main factors leading to the recognition of goodwill as a result of the acquisition are the value inherent in the acquired business that cannot be recognized as a separate asset under IFRS, including future incremental earnings potential resulting from further diversification of the Corporation's business geographically and the expansion of its online betting product offerings. The goodwill is not deductible for tax purposes.

The Corporation has not completed its assessment or valuation of certain assets acquired and liabilities assumed in connection with the acquisition. Therefore, the information disclosed above for identifiable intangible assets, financial assets, financial liabilities and deferred tax liability is completed on a provisional basis and is subject to change based on further review of assumptions and if any new information is obtained about facts and circumstances that existed as of the acquisition date.

TSGA

On April 24, 2018, BetEasy acquired 100% of TSGA.

The provisional amounts recognized in respect of the identifiable assets acquired and liabilities assumed are set out in the table below:

In thousands of U.S. Dollars	As at April 24, 2018
Financial assets	41,142
Property, plant and equipment	2,048
Identifiable intangible assets (note 10)	271,939
Financial liabilities	(80,719)
Deferred tax liability	(76,394)
Total identifiable assets	158,016
Goodwill (note 10)	83,186
Total consideration	**241,202**
Satisfied by:	
Cash	241,202
Less: Cash and cash equivalent balances acquired	(32,352)
Net cash outflow arising on acquisition	**208,850**

The fair value of the financial assets includes receivables with a fair value of $16.7 million and a gross contractual value of $33.1 million. The Corporation's best estimate at the acquisition date of the contractual cash flows not to be collected is $16.4 million.

Included in the amounts recognized is a deferred tax liability of $81.0 million, comprised of a $80.4 million deferred tax liability related to acquired intangible assets and a $0.6 million deferred tax liability related to other temporary differences as well as a deferred tax asset of $4.6 million wholly related to other temporary differences.

The main factors leading to the recognition of goodwill as a result of the acquisition are the value inherent in the acquired business that cannot be recognized as a separate asset under IFRS, including future incremental earnings potential resulting from further diversification of the Corporation's business geographically and the expansion of its online betting product offerings. The goodwill is not deductible for tax purposes.

Acquisition-related costs directly related to the Australian Acquisitions were $11.3 million and were expensed in the unaudited interim condensed consolidated statements of earnings in the general and administrative category.

The Corporation has not completed its assessment or valuation of certain assets acquired and liabilities assumed in connection with the acquisition. Therefore, the information disclosed above for identifiable intangible assets, financial assets, financial liabilities and deferred tax liability is completed on a provisional basis and is subject to change based on further review of assumptions and if any new information is obtained about facts and circumstances that existed as of the acquisition date. During the three months ended September 30, 2018, the Corporation made an adjustment totaling $31.7 million as a reduction to the amounts recognized as non-controlling interest in relation to the acquisition of TSGA with a corresponding reduction to goodwill.

During the third quarter, the Corporation substantially completed its migration and integration of TSGA into BetEasy. As a result, revenues and earnings can no longer be attributed to the individual acquired entities. On a combined basis, BetEasy contributed $124.6 million of revenue and a loss of $41.9 million to the Corporation for the period between the respective dates of acquisition and September 30, 2018. BetEasy revenue has been reported in Betting revenues in the Australia segment. See note 6.

SBG

As previously announced, on July 10, 2018, the Corporation completed the SBG Acquisition. This acquisition improves the Corporation's revenue diversity across its major lines of operations; increases the Corporation's presence in locally regulated or taxed markets; develops sports betting as a second customer acquisition channel and creates an opportunity to cross-sell customers across multiple lines of operations; and enhances the Corporation's products and technology.

The provisional amounts recognized in respect of the identifiable assets acquired and liabilities assumed are set out in the table below:

In thousands of U.S. Dollars	As at July 10, 2018
Financial assets	414,972
Property, plant and equipment	18,086
Identifiable intangible assets (note 10)	3,056,301
Other financial liabilities	(393,477)
Derivative	(5,031)
Shareholder loan	(663,407)
Bank loan	(1,084,413)
Preference shares	(10,879)
Other non-current liabilities	(1,453)
Deferred tax liability	(516,200)
Total identifiable assets	814,499
Goodwill (note 10)	2,425,296
Total consideration	**3,239,795**
Satisfied by:	
Non-cash consideration:	
Common Shares Issued	1,381,044
Cash consideration:	
Cash	1,858,751
Less: Cash and cash equivalent balances acquired	(304,053)
Net cash outflow arising on acquisition	**1,554,698**
Total consideration, net of cash acquired	**2,935,742**

The fair value of the financial assets includes receivables with a fair value of $2.9 million and a gross contractual value of $3.0 million. The Corporation's best estimate at the acquisition date of the contractual cash flows not to be collected is $0.1 million.

Financial liabilities include assumed liabilities for long-term debt and shareholder loans payable of $1.08 billion and $663.4 million, respectively, SBG preferred shares of $10.9 million. Included in derivatives are cross-currency swap and interest rate swap instruments with an aggregate fair value of $(5.0) million. The Corporation redeemed the preferred shares and repaid shareholder loans payable immediately upon closing of the SBG Acquisition. The long-term debt was also repaid concurrent with the acquisition resulting in a gain on debt extinguishment of $3.5 million recorded in net financing charges and subsequently during the quarter, the applicable cross-currency and interest rate swaps were settled for a cash payment of $1.0 million.

Included in the amounts recognized is a deferred tax liability of $517.3 million related to acquired intangible assets and a deferred tax asset of $1.1 million wholly related to other temporary differences.

As at July 10, 2018, SBG had future financial commitments for marketing, technology and IT contracts of $110.2 million.

The main factors leading to the recognition of goodwill as a result of the acquisition are the value inherent in the acquired business that cannot be recognized as a separate asset under IFRS, including future incremental earnings potential resulting from further diversification of the Corporation's business geographically, expansion of its online betting, primarily sports betting, gaming and other product offerings, and the ability to cross-sell across these product offerings. The goodwill is not deductible for tax purposes.

Acquisition-related costs directly related to the SBG Acquisition were $39.7 million and were expensed in the unaudited interim condensed consolidated statements of earnings in the general and administrative category.

SBG contributed $168.4 million of revenue and a loss of $17.9 million to the Corporation for the period between the date of acquisition and September 30, 2018. SBG revenue has been reported as part of the United Kingdom segment across all revenue categories in the segmental reporting. See note 6.

The Corporation has not completed its assessment or valuation of certain assets acquired and liabilities assumed in connection with the acquisition. Therefore, the information disclosed above for identifiable intangible assets, financial assets, financial liabilities and deferred tax liability is completed on a provisional basis and is subject to change based on further review of assumptions and if any new information is obtained about facts and circumstances that existed as of the acquisition date.

Other

During the nine months ended September 30, 2018, a subsidiary of the Corporation also acquired 100% of the equity interests in two subsidiaries, Publipoker S.R.L. and Keiem Ltd, for a total consideration, net of cash acquired, of $1.0 million.

If the above noted acquisitions had been completed on the first day of the financial year, the Corporation's revenues for the three and nine months ended September 30, 2018 would have been $601.9 million and $1.9 billion, respectively, and net earnings (loss) for the three and nine months ended September 30, 2018 would have been $3.1 million and $(149.8) million, respectively.

The following tables shows acquired intangibles by asset class:

	Software Technology Acquired through Business Combinations $000's	Other Software Technology $000's	Customer Relationships $000's	Brands $000's	Deferred Development Costs $000's	Total $000's
BetEasy	—	10,904	56,714	—	34,674	102,292
TSGA	—	22,447	248,062	—	1,430	271,939
SBG	278,376	—	2,245,588	532,337	—	3,056,301
Total	**278,376**	**33,351**	**2,550,364**	**532,337**	**36,104**	**3,430,532**

5. REVENUE

The Corporation recognized the following amounts in the unaudited interim condensed consolidated statements of earnings:

	Three Months Ended September 30,		Nine Months Ended September 30,	
In thousands of U.S. Dollars	2018	2017	2018	2017
Revenue from contracts with customers	568,326	327,049	1,376,598	942,805
Other sources of revenue	3,657	2,394	(212)	9,260
Total revenue	**571,983**	**329,443**	**1,376,386**	**952,065**

Revenues from contracts with customers have not been disaggregated as the nature of the revenue streams, contract duration and timing of transfer of services are all largely homogenous. For further information regarding revenues, including segment revenues by major line of operations and geographic region. See note 6.

6. SEGMENTAL INFORMATION

Segments are reported in a manner consistent with the internal reporting provided to the Corporation's Chief Operating Decision Maker ("CODM"). The Corporation's CODM consists of its Chief Executive Officer, Chief Financial Officer and Chief Corporate Development Officer, as this group is responsible for allocating resources to, and assessing the performance of, the operating segments of the Corporation.

As a result of its previously announced Australian Acquisitions and SBG Acquisition, and potential future geographic expansion, the Corporation revised the composition of its reporting segments and the manner in which it has reported its operating results beginning with the unaudited interim condensed consolidated financial statements for the second quarter of 2018. The Corporation believes that the new presentation better reflects its current and expected management and operational structure. Earlier periods have been presented in a manner consistent with the revised segmentation. The segmentation reflects the way the CODM evaluates performance of, and allocates resources within, the business.

The CODM considers the Corporation's business from both a geographic and product offering or lines of operation perspective. Giving effect to the reporting segment changes, for the three and nine months ended September 30, 2018 and 2017, the Corporation had three reportable operating segments: International, United Kingdom and Australia, as well as a Corporate cost center. For the purposes of the unaudited interim condensed consolidated financial statements, revenue within its revised operating segments is further divided into the Poker, Gaming, Betting and Other lines of operation, as applicable. The CODM receives geographic and lines of operation revenue information throughout the year for the purpose of assessing their respective performance. Certain costs are included in Corporate. "Corporate" in itself is not a reporting segment, but it comprises costs which are not directly allocable to any of the operating segments or relate to a corporate function (tax and treasury).

Further, each reporting segment incurs certain costs, which are not segregated among major lines of operations within each reporting segment as they share the same office infrastructure, the same workforce and the same administrative resources. There are no internal reports which currently provide true costs by major lines of operations within each reporting segment and the costs to develop such reports would be excessive.

The International segment currently includes the Stars Interactive Group business, which represents The Stars Group's existing business prior to the SBG Acquisition and the Australian Acquisitions, and operates across all lines of operations and in various jurisdictions around the world, including the United Kingdom, under the brands identified above in note 1; the United Kingdom segment currently

consists of the business operations of Sky Betting & Gaming, including those outside of the United Kingdom, and operates across all lines of operations primarily in the United Kingdom; and the Australia segment currently consists of the business operations of BetEasy, and operates within the Betting line of operation and primarily in Australia under the *BetEasy* brand. Prior segmental results for the three and nine months ended September 30, 2017 have been recast to be presented in a manner consistent with the changed reporting segments.

The primary measure used by the CODM for the purpose of decision making and/or evaluation of a segment is Adjusted EBITDA. The Corporation defines Adjusted EBITDA as net earnings before financial expenses, income taxes expense (recovery), depreciation and amortization, stock-based compensation, restructuring, net earnings (loss) on associate and certain other items as set out in the reconciliation table below.

However, the CODM also uses other key measures as inputs, including, without limitation, revenue and capital expenditures, to supplement the decision-making process.

Segmental information for the three months ended September 30, 2018:

	Three Months Ended September 30, 2018					
In thousands of U.S. Dollars	International	United Kingdom	Australia	Corporate	Intercompany eliminations **	Consolidated
Revenue	352,446	168,380	52,157	—	(1,000)	571,983
Poker	212,832	2,884	—	—	—	215,716
Gaming	107,602	73,318	—	—	—	180,920
Betting	21,030	85,189	52,157	—	—	158,376
Other	10,982	6,989	—	—	(1,000)	16,971
Adjusted EBITDA (*)	182,228	27,943	(4,764)	(7,155)	—	198,252
Net financing charges	—	—	—	74,360	—	74,360
Depreciation and amortization	34,398	53,642	10,855	43	—	98,938
Capital expenditures	16,230	9,880	4,000	342	—	30,452

Segmental information for the three months ended September 30, 2017:

	Three Months Ended September 30, 2017					
In thousands of U.S. Dollars	International	United Kingdom	Australia	Corporate	Intercompany eliminations	Consolidated
Revenue	329,443	—	—	—	—	329,443
Poker	221,393	—	—	—	—	221,393
Gaming	83,474	—	—	—	—	83,474
Betting	11,688	—	—	—	—	11,688
Other	12,888	—	—	—	—	12,888
Adjusted EBITDA (*)	162,880	—	—	(7,113)	—	155,767
Net financing charges	—	—	—	38,095	—	38,095
Depreciation and amortization	36,626	—	—	5	—	36,631
Capital expenditures	10,023	—	—	70	—	10,093

Segmental information for the nine months ended September 30, 2018:

In thousands of U.S. Dollars	Nine Months Ended September 30, 2018					
	International	United Kingdom	Australia	Corporate	Intercompany eliminations **	Consolidated
Revenue	1,084,447	168,380	124,559	—	(1,000)	1,376,386
Poker	675,688	2,884	—	—	—	678,572
Gaming	316,253	73,318	—	—	—	389,571
Betting	57,351	85,189	124,559	—	—	267,099
Other	35,155	6,989	—	—	(1,000)	41,144
Adjusted EBITDA (*)	533,025	27,943	7,861	(27,284)	—	541,545
Net financing charges	—	—	—	273,071	—	273,071
Depreciation and amortization	108,354	53,642	20,723	62	—	182,781
Capital expenditures	48,719	9,880	8,658	488	—	67,745

Segmental information for the nine months ended September 30, 2017:

In thousands of U.S. Dollars	Nine Months Ended September 30, 2017					
	International	United Kingdom	Australia	Corporate	Intercompany eliminations	Consolidated
Revenue	952,065	—	—	—	—	952,065
Poker	642,946	—	—	—	—	642,946
Gaming	243,959	—	—	—	—	243,959
Betting	27,541	—	—	—	—	27,541
Other	37,619	—	—	—	—	37,619
Adjusted EBITDA (*)	478,264	—	—	(24,959)	—	453,305
Net financing charges	—	—	—	119,593	—	119,593
Depreciation and amortization	108,814	—	—	152	—	108,966
Capital expenditures	23,580	—	—	112	—	23,692

* Adjusted EBITDA is used internally by the CODM when analyzing underlying segment performance. Adjusted EBITDA is a non-IFRS financial measure and is defined above.

** The Corporation has excluded from its consolidated results $1.0 million of Other revenue included in the International segment related to certain non-gaming related transactions with the United Kingdom segment. A corresponding exclusion in the consolidated results is recorded to sales and marketing expense in the United Kingdom segment.

A reconciliation of Adjusted EBITDA to Net earnings (loss) is as follows:

In thousands of U.S. Dollars	Three Months Ended September 30, 2018	Three Months Ended September 30, 2017	Nine Months Ended September 30, 2018	Nine Months Ended September 30, 2017
Consolidated				
Adjusted EBITDA	198,252	155,767	541,545	453,305
Add (deduct) the impact of the following:				
Acquisition-related costs and deal contingent forwards	(1,667)	—	(112,485)	—
Stock-based compensation	(3,154)	(3,298)	(8,802)	(7,914)
(Loss) gain from investments and associates	(123)	8,920	(370)	13,566
(Impairment) reversal of intangibles assets and assets held for sale	(3,869)	1,117	(4,943)	8,429
Other costs	(19,600)	(7,151)	(46,332)	(23,292)
Total adjusting items	**(28,413)**	**(412)**	**(172,932)**	**(9,211)**
Depreciation and amortization	(98,938)	(36,631)	(182,781)	(108,966)
Operating income	**70,901**	**118,724**	**185,832**	**335,128**
Net financing charges	(74,360)	(38,095)	(273,071)	(119,593)
Net earnings (loss) from associates	—	(2,569)	1,068	(2,569)
(Loss) earnings before income taxes	**(3,459)**	**78,060**	**(86,171)**	**212,966**
Income tax recovery (expense)	13,189	(2,186)	15,438	(856)
Net (loss) earnings	**9,730**	**75,874**	**(70,733)**	**212,110**

The distribution of the Corporation's assets by reporting segment is as follows:

	International	**United Kingdom**	**Australia**	**Corporate**	**Total**
Total assets as at September 30, 2018	5,282,303	5,549,534	543,841	104,928	11,480,606
Total assets as at December 31, 2017	5,398,392	—	—	16,734	5,415,126

The distribution of the Corporation's non-current assets (goodwill, intangible assets and property and equipment) by geographic region is as follows:

In thousands of U.S. Dollars	As at September 30, 2018	As at December 31, 2017
Geographic Area		
Canada	65,698	53,394
Isle of Man	4,369,763	4,446,503
Italy	34	35
United Kingdom	5,356,510	6,511
Australia	475,444	—
Other licensed or approved jurisdictions	15,182	15,744
	10,282,631	**4,522,187**

Within its reporting segments, the Corporation also evaluates revenue performance by geographic region based on the primary jurisdiction where the Corporation is licensed or approved to offer, or offers through third-party licenses or approvals, its product offerings. The following tables set out the proportion of revenue attributable to each gaming license or approval (as opposed to the jurisdiction where the customer was located) that either generated a minimum of 5% of total consolidated revenue for the three or nine months ended September 30, 2018 or 2017, as applicable, or that the Corporation otherwise deems relevant based on its historical reporting of the same or otherwise. Following the SBG Acquisition, revenue earned in France, which was previously presented separately below, has been included in revenue from "other licensed or approved jurisdictions" as it no longer meets or exceeds the requirements noted above.

In thousands of U.S. Dollars	Three Months Ended September 30, 2018				
	International	United Kingdom	Australia	Intercompany eliminations *	Total
Geographic Area					
Isle of Man	93,523	—	—	(1,000)	92,523
Malta	123,413	—	—	—	123,413
Italy	37,849	487	—	—	38,336
United Kingdom	17,896	166,208	—	—	184,104
Spain	28,952	46	—	—	28,998
Australia	—	86	52,157	—	52,243
Other licensed or approved jurisdictions	50,813	1,553	—	—	52,366
	352,446	**168,380**	**52,157**	**(1,000)**	**571,983**

In thousands of U.S. Dollars	Three Months Ended September 30, 2017				
	International	United Kingdom	Australia	Intercompany eliminations *	Total
Geographic Area					
Isle of Man	89,049	—	—	—	89,049
Malta	111,797	—	—	—	111,797
Italy	33,794	—	—	—	33,794
United Kingdom	18,971	—	—	—	18,971
Spain	22,297	—	—	—	22,297
France	15,838	—	—	—	15,838
Other licensed or approved jurisdictions	37,697	—	—	—	37,697
	329,443	**—**	**—**	**—**	**329,443**

In thousands of U.S. Dollars	Nine Months Ended September 30, 2018				
	International	United Kingdom	Australia	Intercompany eliminations *	Total
Geographic Area					
Isle of Man	290,657	—	—	(1,000)	289,657
Malta	370,366	—	—	—	370,366
Italy	116,608	487	—	—	117,095
United Kingdom	57,468	166,208	—	—	223,676
Spain	91,881	46	—	—	91,927
Australia	—	86	124,559	—	124,645
Other licensed or approved jurisdictions	157,467	1,553	—	—	159,020
	1,084,447	**168,380**	**124,559**	**(1,000)**	**1,376,386**

In thousands of U.S. Dollars	Nine Months Ended September 30, 2017				
	International	United Kingdom	Australia	Intercompany eliminations *	Total
Geographic Area					
Isle of Man	278,537	—	—	—	278,537
Malta	315,235	—	—	—	315,235
Italy	96,356	—	—	—	96,356
United Kingdom	51,703	—	—	—	51,703
Spain	58,781	—	—	—	58,781
France	42,771	—	—	—	42,771
Other licensed or approved jurisdictions	108,682	—	—	—	108,682
	952,065	**—**	**—**	**—**	**952,065**

* The Corporation has excluded from its consolidated results $1.0 million of Isle of Man revenue included in the International segment related to certain non-gaming related transactions with the United Kingdom segment. A corresponding exclusion in the consolidated results is recorded to sales and marketing expense in the United Kingdom segment.

7. EXPENSES CLASSIFIED BY NATURE

In thousands of U.S. Dollars	Three Months Ended September 30, 2018	Three Months Ended September 30, 2017	Nine Months Ended September 30, 2018	Nine Months Ended September 30, 2017
Cost of revenues				
Direct selling costs	32,452	9,486	57,963	26,998
Gaming duty, levies and fees	75,018	35,248	172,501	98,707
Processor and other operating costs	21,756	17,743	62,663	51,900
	129,226	**62,477**	**293,127**	**177,605**
General and administrative				
Salaries and wages	85,825	48,099	194,992	129,695
Legal and professional fees	23,458	10,945	65,290	46,747
Impairment (reversal of impairment) of intangible assets and assets held for sale	3,826	(1,118)	4,901	(8,430)
Loss (gain) on disposal of investments and other assets	616	(8,584)	420	(12,968)
Acquisition-related costs	7,524	—	50,977	—
Foreign exchange (gain) loss	(10,017)	2,608	58,955	2,327
IT and software costs	26,854	5,588	46,661	14,493
Other operational costs	30,439	14,927	66,579	41,514
Depreciation and amortization	98,938	36,631	182,781	108,966
	267,463	**109,096**	**671,556**	**322,344**
Net financing charges				
Interest on long-term debt	66,563	27,328	117,060	83,886
Re-measurement of deferred contingent payment [1]	5,056	—	8,753	—
Re-measurement of Embedded Derivatives [2]	(11,300)	—	(11,300)	—
Ineffectiveness on cash flow hedges	(11,949)	—	(11,949)	—
Accretion expense	8,984	9,903	30,064	28,491
Loss on debt extinguishment	18,521	—	143,497	—
Other interest (income) expense	(1,515)	864	(3,054)	357
Interest on deferred purchase price	—	—	—	6,859
	74,360	**38,095**	**273,071**	**119,593**

[1] See notes 4 and 16 for details regarding the recognition and measurement of the deferred contingent payment.
[2] See notes 11, 12 and 16 for details regarding the recognition and measurement of the Embedded Derivative (as defined below).

8. INCOME TAXES

Income taxes reported differ from the amount computed by applying the statutory rates to earnings before income taxes. The reconciliation of income taxes at the Corporation’s statutory rate to income taxes recorded is as follows.

	Three Months Ended September 30, 2018 $000’s	Three Months Ended September 30, 2017 $000’s	Nine Months Ended September 30, 2018 $000’s	Nine Months Ended September 30, 2017 $000’s
Net (loss) earnings before income taxes	(3,460)	78,060	(86,172)	212,966
Canadian statutory tax rate	26.5%	26.9%	26.5%	26.9%
Statutory income taxes	(917)	20,998	(22,836)	57,288
Non-taxable income	39	(39)	(132)	(106)
Non-deductible expenses	4,153	978	8,725	2,669
Differences in effective income tax rates in foreign jurisdictions	(49,012)	(37,303)	(101,127)	(106,881)
Deferred tax assets not recognized	31,760	11,726	102,042	31,990
Other	788	5,826	(2,110)	15,896
Income tax (recovery) expense	**(13,189)**	**2,186**	**(15,438)**	**856**

The income tax recovery for the three and nine months ended September 30, 2018 were $13.2 million and $15.4 million, respectively (three and nine months ended September 30, 2017, income tax expense of $2.2 million and $0.9 million, respectively). This resulted in effective tax rates for the three and nine months ended September 30, 2018 of 381.2% and 17.9%, respectively (three and nine months

ended September 30, 2017, 2.8% and 0.4%, respectively). The income tax recovery for the three months and nine months ended September 30, 2018 includes $11.8 million and $14.4 million, respectively (three and nine months ended September 30, 2017, $nil) in relation to the deferred tax recovery on the amortization expense of acquired intangible assets from the Australian Acquisitions and the SBG Acquisition.

The Corporation's income taxes for the current period are impacted by the tax recovery on amortization and the mix of geographic diversity of its taxable earnings. The Corporation expects that this will continue in future periods following the Australian Acquisitions and the SBG Acquisition, which have operations primarily in Australia and the United Kingdom, respectively, where statutory corporate income tax rates are higher than the corporate income tax rates in the Isle of Man and Malta, where the Corporation primarily operated from prior to these acquisitions.

Significant components of the Corporation's deferred income tax balance at September 30, 2018 and December 31, 2017 were as follows:

	Property & Equipment $000's	Intangibles $000's	Tax Losses $000's	Other $000's	Total $000's
At January 1, 2017	**25**	**(17,300)**	**139**	**976**	**(16,160)**
Credited to net earnings	131	426	170	3,379	4,106
Credited to other comprehensive income	—	14	—	146	160
Charged directly to equity - share-based payment transactions	—	—	—	359	359
Acquisition of subsidiary	—	(72)	—	—	(72)
Foreign exchange on translation	—	253	(1)	(14)	238
At December 31, 2017	**156**	**(16,679)**	**308**	**4,846**	**(11,369)**
At January 1, 2018					
Credited / (charged) to net earnings	79	15,227	4,322	(230)	19,398
Credited to other comprehensive income	—	—	—	474	474
Acquisition of subsidiary	—	(621,014)	—	14,057	(606,957)
Foreign exchange on translation	—	9,299	—	1,455	10,754
At September 30, 2018	**235**	**(613,167)**	**4,630**	**20,602**	**(587,700)**

9. EARNINGS PER SHARE

The following table sets forth the computation of basic and diluted earnings per Common Share for the following periods:

	Three Months Ended September 30,		Nine Months Ended September 30,	
	2018	2017	2018	2017
Numerator				
Numerator for basic and diluted earnings per Common Share - net earnings (loss) attributable to shareholders of The Stars Group Inc.	$15,127,000	$76,082,000	$(63,067,000)	$211,987,000
Denominator				
Denominator for basic earnings per Common Share – weighted average number of Common Shares	257,322,252	147,350,920	186,517,259	146,537,015
Effect of dilutive securities				
Stock options	1,560,125	633,675	1,817,597	551,799
Performance share units	372,680	51,709	271,438	—
Deferred share units	17,928	29,664	73,129	—
Restricted share units	79,809	30,017	86,860	—
Warrants	—	598,121	780,879	503,937
Convertible Preferred Shares	10,173,839	56,105,903	43,093,132	55,204,201
Effect of dilutive securities	**12,204,381**	**57,449,089**	**46,123,035**	**56,259,937**
Dilutive potential for diluted earnings per Common Share *	**269,526,633**	**204,800,009**	**186,517,259**	**202,796,952**
Basic earnings (loss) per Common Share	$0.06	$0.52	$(0.34)	$1.45
Diluted earnings (loss) per Common Share	$0.06	$0.37	$(0.34)	$1.05

* The Corporation has excluded the impact of dilutive securities for the nine months ended September 30, 2018 due to the net losses in this period.

10. GOODWILL AND INTANGIBLE ASSETS

For the year ended December 31, 2017 and nine months ended September 30, 2018:

	Software Technology Acquired through Business Combinations $000's	Other Software Technology $000's	Customer Relationships $000's	Brands $000's	Deferred Development Costs $000's	Goodwill $000's	Total $000's
Cost							
Balance – January 1, 2018	117,492	18,712	1,423,719	485,253	71,819	2,810,681	4,927,676
Additions	—	16,268	—	—	32,686	—	48,954
Additions through business combination	278,376	33,351	2,550,364	532,337	36,104	2,567,075	5,997,607
Disposals	(165)	—	—	—	—	—	(165)
Translation	(6,596)	(790)	(60,426)	(12,613)	(856)	(60,825)	(142,106)
Balance – September 30, 2018	**389,107**	**67,541**	**3,913,657**	**1,004,977**	**139,753**	**5,316,931**	**10,831,966**
Accumulated amortization and impairments							
Balance – January 1, 2018	91,072	9,384	324,292	—	20,107	5,471	450,326
Amortization	32,339	10,308	110,927	5,568	14,868	—	174,010
Disposals	(50)	—	—	—	—	—	(50)
Impairment	—	—	—	—	4,041	—	4,041
Translation	(338)	(362)	(1,166)	(111)	(270)	—	(2,247)
Balance – September 30, 2018	**123,023**	**19,330**	**434,053**	**5,457**	**38,746**	**5,471**	**626,080**
Net carrying amount							
Balance – January 1, 2018	26,420	9,328	1,099,427	485,253	51,712	2,805,210	4,477,350
At September 30, 2018	**266,084**	**48,211**	**3,479,604**	**999,520**	**101,007**	**5,311,460**	**10,205,886**

	Software Technology Acquired through Business Combinations $000's	Other Software Technology $000's	Customer Relationships $000's	Brands $000's	Deferred Development Costs $000's	Goodwill $000's	Total $000's
Cost							
Balance – January 1, 2017	116,079	15,673	1,423,719	485,253	48,808	2,810,681	4,900,213
Additions	—	1,893	—	—	23,212	—	25,105
Additions through business combination	1,413	—	—	—	—	—	1,413
Reclassification	—	—	—	—	(201)	—	(201)
Translation	—	1,146	—	—	—	—	1,146
Balance – December 31, 2017	**117,492**	**18,712**	**1,423,719**	**485,253**	**71,819**	**2,810,681**	**4,927,676**
Accumulated amortization and impairments							
Balance – January 1, 2017	61,163	5,798	229,377	—	9,832	5,471	311,641
Amortization	29,909	3,162	94,915	—	10,275	—	138,261
Translation	—	424	—	—	—	—	424
Balance – December 31, 2017	**91,072**	**9,384**	**324,292**	**—**	**20,107**	**5,471**	**450,326**
Net carrying amount							
Balance – January 1, 2017	54,916	9,875	1,194,342	485,253	38,976	2,805,210	4,588,572
At December 31, 2017	**26,420**	**9,328**	**1,099,427**	**485,253**	**51,712**	**2,805,210**	**4,477,350**

11. LONG-TERM DEBT

The following is a summary of long-term debt outstanding at September 30, 2018 and December 31, 2017 (all capitalized terms used in the table below relating to such long-term debt are defined below in this note):

In thousands of U.S. Dollars	Interest rate	September 30, 2018, Principal outstanding balance in local denominated currency	September 30, 2018 Carrying amount	December 31, 2017, Principal outstanding balance in local denominated currency	December 31, 2017 Carrying amount
Revolving Facility	5.47%	100,000	92,840	—	—
USD First Lien Term Loan	5.83%	3,566,063	3,483,117	—	—
EUR First Lien Term Loan	3.75%	850,000	963,910	—	—
Senior Notes	7.00%	1,000,000	979,783	—	—
Previous USD First Lien Term Loan	5.32%	—	—	1,895,654	1,848,397
Previous EUR First Lien Term Loan	3.25%	—	—	382,222	453,540
USD Second Lien Term Loan	8.69%	—	—	95,000	56,632
Total long-term debt			**5,519,650**		**2,358,569**
Current portion			35,750		4,990
Non-current portion			5,483,900		2,353,579

During the three months ended September 30, 2018, the Corporation incurred the following interest on its then-outstanding long-term debt:

In thousands of U.S Dollars	Effective interest rate *	Interest	Interest Accretion	Total Interest
Revolving Facility	5.67%	1,925	322	2,247
USD First Lien Term Loan	6.50%	35,449	2,155	37,604
EUR First Lien Term Loan	4.25%	8,533	622	9,155
Senior Notes	7.46%	15,185	775	15,960
Previous USD First Lien Term Loan **	5.51%	4,883	17,478	22,361
Previous EUR First Lien Term Loan **	3.34%	581	4,711	5,292
Total		**66,556**	**26,063**	**92,619**

During the three months ended September 30, 2017, the Corporation incurred the following interest on its then-outstanding long-term debt:

In thousands of U.S. Dollars	Effective interest rate	Interest	Interest Accretion	Total Interest
Previous USD First Lien Term Loan	5.57%	18,737	2,975	21,712
Previous EUR First Lien Term Loan	4.09%	4,396	335	4,731
USD Second Lien Term Loan	15.19%	3,791	1,373	5,164
Total		**26,924**	**4,683**	**31,607**

During the nine months ended September 30, 2018, the Corporation incurred the following interest on its then-outstanding long-term debt:

In thousands of U.S. Dollars	Effective interest rate *	Interest	Interest Accretion	Total Interest
Revolving Facility	5.67%	1,925	322	2,247
USD First Lien Term Loan	6.50%	35,449	2,155	37,604
EUR First Lien Term Loan	4.25%	8,533	622	9,155
Senior Notes	7.46%	15,185	775	15,960
Previous USD First Lien Term Loan **	6.07%	42,885	112,135	155,020
Previous EUR First Lien Term Loan **	3.87%	9,693	41,502	51,195
USD Second Lien Term Loan **	13.78%	2,216	4,643	6,859
Total		**115,886**	**162,154**	**278,040**

During the nine months ended September 30, 2017, the Corporation incurred the following interest on its then-outstanding long-term debt:

In thousands of U.S. Dollars	Effective interest rate	Interest $000's	Interest Accretion $000's	Total Interest $000's
Previous USD First Lien Term Loan	5.52%	57,862	8,812	66,674
Previous EUR First Lien Term Loan	4.46%	12,506	927	13,433
USD Second Lien Term Loan	13.90%	12,315	4,015	16,330
Total		**82,683**	**13,754**	**96,437**

* The effective interest rate calculation excludes the impact of the debt extinguishments in respect of the April 2018 Amend and Extend and the repayment of the Previous First Lien Term Loans as well as the impact of the Swap Agreements.

** Interest accretion for the three months ended September 30, 2018 includes a loss on debt extinguishment of $22.0 million included within net financing charges in respect of the repayment of the Previous First Lien Term Loans. For the nine months ended September 30, 2018, interest accretion includes a loss on debt extinguishment of $147.0 million included within net financing charges in respect of the April 2018 Amend and Extend and the repayment of the Previous First Lien Term Loans.

The Corporation's change in debt balance from January 1, 2018 to September 30, 2018 was as follows:

In thousands of U.S. Dollars	Opening Balance	Adjustment on adoption of IFRS 9	Net Principal Movements	Adjustments to amortized cost *	Interest Accretion	Translation	Closing
Revolving Facility	—	—	100,000	(7,482)	322	—	92,840
USD First Lien Term Loan	—	—	3,566,063	(85,101)	2,155	—	3,483,117
EUR First Lien Term Loan	—	—	999,535	(23,823)	622	(12,424)	963,910
Senior Notes	—	—	1,000,000	(20,992)	775	—	979,783
Previous USD First Lien Term Loan	1,848,397	(46,894)	(1,895,654)	(17,984)	112,135	—	—
Previous EUR First Lien Term Loan	453,540	(30,725)	(440,823)	(5,077)	41,502	(18,417)	—
USD Second Lien Term Loan	56,632	33,725	(95,000)	—	4,643	—	—
Total	**2,358,569**	**(43,894)**	**3,234,121**	**(160,459)**	**162,154**	**(30,841)**	**5,519,650**

The Corporation's change in debt balance from January 1, 2017 to December 31, 2017 was as follows:

In thousands of U.S. Dollars	Opening Balance	Net Principal Movements	Adjustments to amortized cost *	Interest Accretion	Translation	Closing
Previous USD First Lien Term Loan	1,965,928	(125,442)	(3,906)	11,817	—	1,848,397
Previous EUR First Lien Term Loan	296,198	100,529	(829)	1,271	56,371	453,540
USD Second Lien Term Loan	166,453	(115,000)	—	5,179	—	56,632
Total	**2,428,579**	**(139,913)**	**(4,735)**	**18,267**	**56,371**	**2,358,569**

* Adjustments to amortized cost includes transaction costs incurred on the issuance or incurrence of each of the financial instruments and, with respect to the Senior Notes (as defined below), the bifurcation of embedded features in 2018 as described below.

As at September 30, 2018, the contractual principal repayments of the Corporation's outstanding long-term debt over the next five years amount to the following:

In thousands of U.S. Dollars	<1 Year	1-2 Years	2-3 Years	3-4 Years	4-5 Years	>5 Years
Revolving Facility	—	—	—	—	100,000	—
USD First Lien Term Loan	35,750	35,750	35,750	35,750	35,750	3,387,358
EUR First Lien Term Loan	—	—	—	—	—	986,781
Senior Notes	—	—	—	—	—	1,000,000
Total	**35,750**	**35,750**	**35,750**	**35,750**	**135,750**	**5,374,139**

(a) Revolving Facility, First Lien Term Loans and Senior Notes

As previously disclosed, on July 10, 2018, the Corporation completed the SBG Acquisition. To finance the cash portion of the purchase price, repay the Previous First Lien Term Loans and repay SBG's existing long-term debt, which was assumed by the Corporation as part of the acquisition, the Corporation used existing cash resources and raised $4.567 billion in First Lien Term Loans, $1.00 billion in Senior Notes (each as defined below) and $621.8 million of net proceeds (before expenses), excluding the overallotment, from the issuance of additional Common Shares as a result of the Equity Offering (as defined below). The Corporation also obtained a new Revolving Facility (as defined below) of $700.0 million, of which it had drawn $100.0 million as of completion of the acquisition (collectively with the foregoing, the "SBG Financing"). The debt portion of the SBG Financing is described below. For further details on the Equity Offering portion of the SBG Financing, see note 14.

Revolving Facility

On July 10, 2018, as part of the SBG Financing, the Corporation replaced the Previous Revolving Facility (as defined below) with a new first lien revolving facility of $700 million (the "Revolving Facility") with currency borrowing options in USD, EUR and AUD. Maturing on July 10, 2023, the Revolving Facility has an interest rate of LIBOR plus 3.25% for borrowings in USD (and EURIBOR or BBR plus 3.25% for borrowings in EUR and AUD, respectively). The margin for the Revolving Facility is subject to leverage-based step-downs. The commitment fee on the Revolving Facility varies from 0.250% to 0.375% based on first lien leverage. Borrowings under the Revolving Facility are subject to the satisfaction of customary conditions, including the absence of a default and compliance with certain representations and warranties. The Revolving Facility requires, subject to a testing threshold, that the Corporation comply on a quarterly basis with a maximum net first lien senior secured leverage ratio of 6.75 to 1.00.

The Revolving Facility can be used for working capital needs and for general corporate purposes. As of September 30, 2018, the Corporation had drawn $100.0 million under the Revolving Facility and had $74.2 million of letters of credit issued but undrawn thereunder. Availability under the Revolving Facility as of September 30, 2018, was $525.8 million. See note 19.

First Lien Term Loans

On July 10, 2018, as part of the SBG Financing, the Corporation repaid the Previous First Lien Term Loans and issued new First Lien Term Loans of $3.575 billion priced at LIBOR plus 3.50% (the "USD First Lien Term Loan") and new EUR first lien term loans of €850 million priced at EURIBOR plus 3.75% (the "EUR First Lien Term Loan" and, together with the USD First Lien Term Loan, the "First Lien Term Loans"), each with a maturity date of July 10, 2025 and a LIBOR and EURIBOR floor, as applicable, of 0%. Starting on the last day of the first fiscal quarter ending after July 10, 2018, the USD First Lien Term Loan requires scheduled quarterly principal payments in amounts equal to 0.25% of the aggregate principal amount of the USD First Lien Term Loan, with the balance due at maturity. There is no amortization on the EUR First Lien Term Loan.

The Corporation, its lenders, Deutsche Bank AG New York Branch, as administrative agent, and certain other parties also entered into a new credit agreement (the "Credit Agreement") for the First Lien Term Loans and the Revolving Facility to, among other things, reflect the foregoing transactions and add certain operational and financial flexibility, particularly as it relates to the Corporation on a combined basis following the SBG Acquisition.

The Credit Agreement limits Stars Group Holdings B.V. and its subsidiaries' ability to, among other things, (i) incur additional debt, (ii) grant additional liens on their assets and equity, (iii) distribute equity interests and/or distribute any assets to third parties, (iv) make certain loans or investments (including acquisitions), (v) consolidate, merge, sell or otherwise dispose of all or substantially all assets, (vi) pay dividends on or make distributions in respect of capital stock or make restricted payments, (vii) enter into certain transactions with affiliates, (viii) change lines of business, and (ix) modify the terms of certain debt or organizational documents, in each case subject to certain exceptions. The Credit Agreement also provides for customary mandatory prepayments, including a customary excess cash flow sweep.

Senior Notes

Also in connection with the SBG Financing, two of the Corporation's subsidiaries, Stars Group Holdings B.V. and Stars Group (US) Co-Borrower, LLC (the "Issuers"), issued 7.00% Senior Notes due 2026 (the "Senior Notes") on July 10, 2018 at par in an aggregate principal amount of $1.00 billion. The Senior Notes mature on July 15, 2026. Interest on the Senior Notes is payable semi-annually on January 15 and July 15 of each year, commencing on January 15, 2019. The Senior Notes are guaranteed by each of the Issuers' restricted subsidiaries that guarantees the Revolving Facility. The Senior Notes are the Issuers' senior unsecured obligations and rank equally in right of payment with all of the Issuers' existing and future senior unsecured indebtedness.

Upon certain events constituting a change of control under the indenture governing the Senior Notes (the "Indenture"), the holders of the Senior Notes have the right to require Stars Group Holdings B.V. to offer to repurchase the Senior Notes at a purchase price equal

to 101% of their principal amount, plus accrued and unpaid interest, to (but not including) the date of purchase (the "Change of Control Put").

Prior to July 15, 2021, the Issuers may redeem some or all of the Senior Notes at a redemption price equal to 100% of the principal amount of the Senior Notes, plus accrued and unpaid interest, if any, to (but not including) the applicable redemption date, plus an applicable ''make-whole'' premium. Also, prior to July 15, 2021, the Issuers may redeem up to 40% of the original aggregate principal of the Senior Notes with proceeds from an equity offering at a redemption price of 107%, plus accrued and unpaid interest, if any, to (but not including) the applicable redemption date. On or after July 15, 2021, the Issuers may redeem some or all of the Senior Notes at the redemption prices set forth in the Indenture (collectively the "Redemption Option" and together with the Change of Control Put, the "Embedded Derivative").

These features represent embedded derivatives and have been bifurcated from the carrying value of the Senior Notes. The fair value of the Embedded Derivative at issuance of the Senior Notes and at September 30, 2018 was $17.7 million and $29.0 million, respectively. See notes 12 and 16.

The Senior Notes include, among other terms and conditions, limitations on the Issuers' ability to create, incur or allow certain liens; create, assume, incur or guarantee additional indebtedness of certain of the Issuers' subsidiaries; and consolidate or merge with, or convey, transfer or lease all or substantially all of the Issuers' and their subsidiaries' assets, to another person.

(b) Previous First Lien Term Loans, USD Second Lien Term Loan and Previous Revolving Facility

On August 1, 2014, the Corporation completed the acquisition of Stars Interactive Group (the "Stars Interactive Group Acquisition"), which was partly financed through the issuance of long-term debt, allocated into first and second lien term loans. On April 6, 2018, the Corporation successfully increased, repriced and extended its Previous First Lien Term Loans and Previous Revolving Facility and amended and restated the applicable credit agreement (collectively, the "April 2018 Amend and Extend") and repaid its USD Second Lien Term Loan (as defined below) in connection with the same. The transaction was recorded as an extinguishment for accounting purposes. No termination costs were incurred. In connection with the SBG Acquisition and SBG Financing, on July 10, 2018, the Corporation repaid the Previous First Lien Term Loans, repaid the existing long-term indebtedness of SBG, entered into the new Credit Agreement with respect to First Lien Term Loans and Revolving Facility, and issued the Senior Notes. The transaction was recorded as an extinguishment for accounting purposes. No termination costs were incurred upon repayment.

Immediately prior to the SBG Financing, the Corporation's first lien term loans consisted of a $2.17 billion first lien term loan priced at LIBOR plus 3.00% (the "Previous USD First Lien Term Loan") and a €500 million first lien term loan priced at EURIBOR plus 3.25% (the "Previous EUR First Lien Term Loan" and, together with the Previous USD First Lien Term Loan, the "Previous First Lien Term Loans"), each repayable on April 6, 2025, and a $225 million first lien revolving facility priced at LIBOR plus 2.75% with a maturity date of April 6, 2023 (the "Previous Revolving Facility"). The margin for the Previous Revolving Facility was subject to leverage-based step-downs. Starting on the last day of the first fiscal quarter ending after April 6, 2018, the Previous USD First Lien Term Loan required scheduled quarterly payments in amounts equal to 0.25% of the aggregate principal amount of the Previous USD First Lien Term Loan, with the balance due at maturity. There was no amortization on the Previous EUR First Lien Term Loan. The Corporation used $95 million of the Previous First Lien Term Loans from the April 2018 Amend and Extend to fully repay the second lien term loan (the "USD Second Lien Term Loan"), and used $250 million on April 24, 2018 to complete the previously announced acquisition of an additional 18% equity interest in BetEasy and BetEasy's acquisition of TSGA. In connection with the April 2018 Amend and Extend, The Stars Group and the lenders also amended the credit agreement for the Previous First Lien Term Loans to, among other things, reflect the foregoing transactions and add certain operational and financial flexibility.

12. DERIVATIVES

The Corporation is exposed to interest rate and currency risk. The Corporation uses derivative financial instruments for risk management purposes and anticipates that such instruments will mitigate interest rate and currency risk, as applicable. As such, any change in cash flows associated with derivative instruments is expected to be offset by changes in cash flows related to the hedged position.

As part of the SBG Acquisition, the Corporation acquired certain cross-currency swap and interest rate swap instruments with a fair value of $(3.8) million. Subsequently during the quarter, the Corporation unwound cross-currency and interest rate swaps and settled them for a cash payment of $1.0 million. Hedge accounting was not applied for these instruments.

Subsequent to the SBG Financing, the Corporation entered into the Swap Agreements (as defined below) to manage the foreign exchange risk and interest rate exposure under the Credit Agreement. At the time of entering into the Swap Agreements, the Corporation unwound and settled the Previous Swap Agreements (as defined below) for a cash payment of $61.1 million.

Swap Agreements

During the three months ended September 30, 2018 and following the SBG Financing, a subsidiary of the Corporation entered into USD-EUR cross-currency interest rate swap agreements with a notional amount of €1.99 billion ($2.33 billion) (the "EUR Cross-Currency Interest Rate Swaps"), EUR-GBP cross-currency interest rate swap agreements with a notional amount of £1 billion (€1.12

billion) (the “GBP Cross-Currency Interest Rate Swaps” and together with the EUR Cross-Currency Interest Rate Swaps the “Cross-Currency Interest Rate Swaps”) each set to mature in July 2023. The EUR Cross-Currency Interest Rate Swaps fix the USD to EUR exchange rate at 1.167 and fix the Euro interest payments at an average rate of 3.6%. The GBP Cross-Currency Interest Rate Swaps fix the EUR to GBP exchange rate at 0.889 and fix the GBP interest payments at an average rate of 5.4%. The Cross-Currency Interest Rate Swaps have a profile that amortizes in line with the USD First Lien Term Loans. The Corporation also entered into an amortizing interest rate swap agreement with a notional amount of $700 million (the “Interest Rate Swap” and together with the Cross-Currency Interest Rate Swaps, the “Swap Agreements”). The Interest Rate Swap, which is set to mature in June 2023, fixes the USD 3 month LIBOR to a fixed interest rate of 2.82%.

Previous Swap Agreements

On March 2, 2015, a subsidiary of the Corporation entered into cross-currency interest rate swap agreements with a notional amount of $1.74 billion (the “March 2015 Swap Agreements”). The March 2015 Swap Agreements, which were set to mature in August 2019 (but were settled early as described above), fixed the USD to EUR exchange rate at 1.110 and fixed the Euro interest payments at an average rate of 4.6%. In connection with an August 2015 refinancing of the Corporation’s then-outstanding debt, a subsidiary of the Corporation entered into two additional cross-currency interest rate swap agreements to hedge the interest rate and foreign exchange, effective August 12, 2015, for a notional amount of $325 million (the “August 2015 Swap Agreements” and together with the March 2015 Swap Agreements, the “Previous Swap Agreements”). The August 2015 Swap Agreements, which were set to mature in August 2019 (but were settled early as described above), fixed the USD to EUR exchange rate at 1.094 and fixed the Euro interest payments at an average rate of 4.7%.

During the three months ended March 31, 2017, the Corporation unwound and settled a notional principal amount of $616.5 million of the Previous Swap Agreements for cash proceeds of $13.9 million. As described above, during the three months ended September 30, 2018, the Corporation unwound and settled the remaining USD notional principal of $1.39 billion related to the Previous Swap Agreements for a cash payment of $61.1 million.

Cash flow hedge accounting

Upon entering into the EUR Cross-Currency Interest Rate Swaps and the Interest Rate Swap, the instruments were designated in cash flow hedge relationships to hedge the interest rate and, in the case of the EUR Cross-Currency Interest Rate Swaps, the foreign exchange of the USD First Lien Term Loan bearing a minimum floating interest rate of 3.5% (USD three-month LIBOR plus a 3.5% margin, with a LIBOR floor of 0%).

As previously disclosed, a portion of the Previous Swap Agreements were initially designated in cash flow hedge relationships to hedge the interest rate and foreign exchange of the Previous USD First Lien Term Loan bearing a minimum floating interest rate of 4.5% (USD three-month LIBOR plus a 3.5% margin, with a LIBOR floor of 1.0%). As part of the repricing and retranching of the Previous First Lien Term Loans on March 3, 2017, the Corporation reduced the applicable interest rate margin on the Previous First Lien Term Loans by 50 basis points to LIBOR plus a 3.5% margin with a LIBOR floor of 1%. As a result, the Corporation de-designated and re-designated the applicable hedging instruments in new hedge accounting relationships.

During the three and nine months ended September 30, 2018 an amount of $5.0 million and $15.3 million respectively, was recognized within interest accretion expense, included within net financing charges, (September 30, 2017 - $5.1 million and $12.4 million, respectively) relating to the amortization of the other comprehensive income balance brought forward from previous hedge accounting relationships, including in relation to the unwinding and settlement of the Previous Swap Agreements.

During the three and nine months ended September 30, 2018, there was ineffectiveness with respect to the Corporation’s cash flow hedging relationships of $11.9 million and $11.6 million, respectively, (for each of the three and nine months ended September 30, 2017 - $nil) recognized within interest expense, included within net financing charges.

During the three and nine months ended September 30, 2018, $10.5 million and $26.0 million, respectively, (three and nine months ended September 30, 2017 - $4.6 million and $12.1 million, respectively) was reclassified from “Reserves” to the unaudited interim condensed consolidated statement of earnings within interest expense, included within net financing charges.

The fair value of the Swap Agreements in cash flow hedging relationships as at September 30, 2018 was a derivative liability of $17.2 million (December 31, 2017 – $nil). The fair value of the Previous Swap Agreements in hedging relationships as at September 30, 2018 was $nil (December 31, 2017 – derivative liability of $111.8 million).

Net investment hedge accounting

Upon completion of the SBG Financing, the Corporation designated a portion of the carrying amount of the USD First Lien Term Loan and the carrying amount of the Senior Notes as a foreign exchange hedge of its net investment in its USD foreign operations. During a portion of the nine months ended September 30, 2018 and during a portion of the year ended December 31, 2017, the Corporation designated a portion of the carrying amount of the Previous USD First Lien Term Loan, the carrying amount of the USD Second Lien Term Loan and its then-outstanding deferred contingent payment (i.e., the deferred purchase price for the Stars Interactive Group Acquisition) as a foreign exchange hedge of its net investment in its USD foreign operations. Accordingly, the portion of the translation impact arising from the translation of the USD-denominated liabilities that was determined to be an effective hedge during the period

was recognized in the unaudited interim condensed consolidated statements of comprehensive income (loss), counterbalancing a portion of the translation impact arising from translation of the Corporation's net investment in its USD foreign operations.

Upon entering into the GBP Cross-Currency Interest Rate Swaps, the Corporation designated these instruments as a foreign exchange hedge of its net investment in its GBP foreign operations. Accordingly, the portion of the translation impact arising from the translation of the GBP-denominated liabilities that was determined to be an effective hedge during the period was recognized in the unaudited interim condensed consolidated statements of comprehensive income (loss), offsetting a portion of the translation impact arising from translation of the Corporation's net investment in its GBP foreign operations.

During the three and nine months ended September 30, 2018, there was no ineffectiveness with respect to these net investment hedges.

For the three and nine months ended September 30, 2018, the Corporation recorded an unrealized exchange loss on translation of $0.6 million and an unrealized exchange gain on translation of $25.3 million, respectively (for the three and nine months ended September 30, 2017 – $nil for both periods), in the "Cumulative translation adjustment" in reserves related to these hedging relationships.

As a result of the EUR Cross-Currency Interest Rate Swaps and the Previous Swap Agreements, the Corporation had cash inflows of $10.5 million during the quarter recorded through net financing charges in the Q3 2018 Financial Statements. As a result of the GBP Cross-Currency Interest Rate Swaps, the Corporation had cash outflows of $4.9 million during the quarter recorded through Other comprehensive loss.

Deal contingent derivative

See note 16 for details on the Corporation's deal contingent derivatives.

Put and call options

Put and call options related to the acquisition of a 62% equity interest in BetEasy

The Corporation entered into a put option related to the 62% equity interest in BetEasy to provide an option to divest its equity interest in BetEasy in the event that BetEasy's acquisition of TSGA did not materialize. The Corporation determined that the put option was a derivative asset and classified and measured it at fair value through profit or loss. The put option derivative asset was recorded as at March 31, 2018 at its fair value of $0.6 million. The fair value of the put option was determined using the Black-Scholes valuation model based on the following assumptions, adjusted for the estimated probability of BetEasy completing the acquisition of TSGA: expected volatility of 19.7%; expected life of one year; risk-free interest rate of 1.87%. The put option was categorized as a Level 3 within the fair value hierarchy. The Corporation did not account for the put option as a qualifying hedge. The Corporation derecognized the put option when it expired on April 24, 2018, upon its acquisition of an additional 18% equity interest in BetEasy and BetEasy's acquisition of TSGA.

Put and call options on 20% non-controlling interest in BetEasy

Also on April 24, 2018, in connection with the Corporation's acquisition of the additional 18% interest in BetEasy, the Corporation entered into a non-controlling interest put-call option in relation to the 20% interest in BetEasy held by its minority interest shareholders, with an exercise price based on certain future operating performance conditions of the acquired business. This was determined to be a non-controlling interest put-call option with a variable settlement amount that can be settled in either cash or shares or a combination of both, and because the put-call option does not clearly grant the Corporation with present access to returns associated with the remaining 20% ownership interest, the Corporation recognized this put-call option as a net liability derivative. As at each of the acquisition date and September 30, 2018, the Corporation determined that the fair value of this non-controlling interest derivative was $nil.

Embedded Derivative

See note 11 for a discussion of the features embedded in the Senior Notes that the Corporation bifurcated as it determined that the features were derivatives to be classified and recorded at fair value through profit or loss.

The fair value of the Embedded Derivative at issuance of the Senior Notes and at September 30, 2018 was $17.7 million and $29.0 million, respectively. The fair value of the Embedded Derivative was determined using an interest rate option pricing valuation model. The key assumptions include the implied credit spread of 3.8% at issuance and 2.9% at September 30, 2018. The Embedded Derivative is categorized as a Level 3 within the fair value hierarchy. The Corporation did not account for the Embedded Derivative as a qualifying hedge.

Unsettled bets

Unsettled bets are a liability arising from an open betting position at each period end date. The Corporation determined that these open positions represent a derivative liability classified and measured at FVTPL. The liability for unsettled bets at September 30, 2018 was $14.0 million. The fair value of the unsettled bet liability was determined using methods and inputs that are not based upon observable market data and all fair value movements on the balance are recognized in revenue. The liability is categorized as a Level 3 within the fair value hierarchy.

The following table summarizes the fair value of derivatives as at September 30, 2018 and December 31, 2017 and the change in fair value for the nine months ended September 30, 2018 and the year ended December 31, 2017:

Derivative Assets In thousands of U.S. Dollars	**Forward Contracts**	**Cross-currency and/or interest rate swaps**	**Currency options**	**Put Option**	**Embedded Derivative**	**Total**
Opening balance, as at January 1, 2017	**—**	**52,038**	**—**	**—**	**—**	**52,038**
Issuance	—	—	906	—	**—**	**906**
Realized loss	—	—	(375)	—	**—**	**(375)**
Settlement	—	(13,904)	726	—	**—**	**(13,178)**
Unrealized gain (loss) in fair value	2,037	(38,134)	(1,257)	—	**—**	**(37,354)**
Total derivative asset as at December 31, 2017	**2,037**	**—**	**—**	**—**	**—**	**2,037**
Issuance	**—**	**—**	**—**	**—**	17,700	**17,700**
Put option arising on acquisition	—	—	—	604	**—**	**604**
Put option expiration	—	—	—	(604)	**—**	**(604)**
Unrealized (loss) gain in fair value	(2,037)	3,904	—	—	11,300	**13,167**
Total derivative asset as at September 30, 2018	**—**	**3,904**	**—**	**—**	**29,000**	**32,904**
Current portion	—	—	—	—	**—**	**—**
Non-current portion	—	3,904	—	—	**29,000**	**32,904**

Derivative Liabilities In thousands of U.S. Dollars	**Forward contracts**	**Cross-currency and/or interest rate swaps**	**Deal contingent forward ***	**Put liability**	**Unsettled bets ****	**Total**
Opening balance, as at January 1, 2017	**4,922**	**—**	**—**	**5,594**	**519**	**11,035**
Unrealized (gain) loss in fair value	(1,826)	110,855	—	—	38	**109,067**
Realized gain on settlement	(2,829)	—	—	—	—	**(2,829)**
Net new bets	—	—	—	—	179	**179**
Settlement	(177)	—	—	(5,594)	—	**(5,771)**
Translation	(90)	907	—	—	43	**860**
Total derivative liability as at December 31, 2017	**—**	**111,762**	**—**	**—**	**779**	**112,541**
Acquired on business combination	**—**	5,025	**—**	**—**	**19,226**	**24,251**
Realized loss (gain)	5,690	(53,876)	61,508	—	—	**13,322**
Unrealized (gain) loss in fair value	(5,517)	21,380	—	—	(6,193)	**9,670**
Net new bets	—	—	—	—	125	**125**
Settlement	—	(62,910)	(61,508)	—	—	**(124,418)**
Translation	—	(288)	—	—	26	**(262)**
Total derivative liability as at September 30, 2018	**173**	**21,093**	**—**	**—**	**13,963**	**35,229**
Current portion	173	—	—	—	13,963	**14,136**
Non-current portion	—	21,093	—	—	—	**21,093**

* The realized loss on the deal contingent forward contracts consists of $54.1 million relating to the SBG Acquisition and $7.4 million relating to the TSGA acquisition by BetEasy.
** The unsettled bets liability is recorded in accounts payable and other liabilities on the statement of financial position as at December 31, 2017 and is recorded in derivatives on the statement of financial position as at September 30, 2018.

13. PROVISIONS

The provisions in the unaudited interim condensed consolidated statements of financial position include, among other items, the provision for jackpots, the provision for deferred contingent payment (primarily relating to the deferred payment for the Stars Interactive Group Acquisition) and the minimum revenue guarantees or EBITDA support agreement, as applicable, in connection with the sale of WagerLogic Malta Holdings Ltd., the sale of Amaya (Alberta) Inc. (formerly Chartwell Technology Inc.) and CryptoLogic Ltd., to NYX Gaming Group Limited ("NYX Gaming Group") and NYX Digital Gaming (Canada) ULC, a subsidiary of NYX Gaming Group ("NYX Sub" and such sale, the "Chartwell/Cryptologic Sale"), and the initial public offering (the "Innova Offering") of Innova Gaming Group Inc. ("Innova").

The carrying amounts and the movements in the provisions during the periods ended September 30, 2018 and December 31, 2017 are as follows:

In thousands of U.S. Dollars	Player bonuses and jackpots	Deferred contingent payment *	Minimum revenue guarantee	Other	Total
Balance at December 31, 2017	**4,265**	**6,300**	**10,118**	**—**	**20,683**
Provisions acquired in business combinations	8,192		—	6,761	14,953
Adjustment to provision recognized	36,631	—	(147)	5,290	41,774
Payments	(33,449)	—	(7,006)	(365)	(40,820)
Accretion of discount	—	—	322	(78)	244
Foreign exchange translation losses	(369)	—	(344)	—	(713)
Balance at September 30, 2018	**15,270**	**6,300**	**2,943**	**11,608**	**36,121**
Current portion at December 31, 2017	4,265	6,300	7,025	—	17,590
Non-current portion at December 31, 2017	—	—	3,093	—	3,093
Current portion at September 30, 2018	15,270	6,300	1,407	8,876	31,853
Non-current portion at September 30, 2018	—	—	1,536	2,732	4,268

* The provision of $6.3 million as at September 30, 2018 is contingent on future events.

14. SHARE CAPITAL

The authorized share capital of the Corporation consists of an unlimited number of Common Shares, with no par value, and an unlimited number of convertible preferred shares ("Preferred Shares"), with no par value, issuable in series. As at September 30, 2018, 272,071,536 Common Shares were issued, outstanding and fully paid (December 31, 2017 - 147,947,874).

Equity Offering

On June 26, 2018, the Corporation closed an underwritten public offering of Common Shares (the "Equity Offering") at a price of $38.00 per Common Share. The Corporation sold a total of 17,000,000 Common Shares and certain selling shareholders of the Corporation sold 8,000,000 Common Shares. The net proceeds to the Corporation (excluding the over-allotment proceeds), after underwriting discounts and commissions, but before expenses of the Equity Offering payable by the Corporation, were $621.8 million. The Equity Offering also included an over-allotment option granted to the underwriters to purchase an additional 1,875,000 Common Shares from the Corporation and 1,875,000 Common Shares from the selling shareholders at a price of $38.00 per Common Share. The underwriters exercised this over-allotment option in full on July 20, 2018, which closed on July 24, 2018 and resulted in additional net proceeds to the Corporation after underwriting discounts and commissions, but before expenses of the over-allotment option payable by the Corporation, of $68.6 million.

Preferred Share Conversion

On June 5, 2018, the Corporation announced that it elected to effect the conversion of all Preferred Shares pursuant to their terms (the "Preferred Share Conversion") as a result of meeting the applicable price and liquidity conditions with respect to the same. As a result, on July 18, 2018, all of the Corporation's outstanding Preferred Shares were converted into Common Shares at a rate of 52.7085 Common Shares per Preferred Share, resulting in the cancellation of all of the Preferred Shares and the issuance of 51,999,623 million Common Shares to the holders thereof. All the Preferred Shares were cancelled and all rights associated therewith were terminated.

Prior to completion of the Preferred Share Conversion, Polar Multi-Strategy Master Fund (and certain affiliated funds) and Verition Canada Master Fund Ltd. applied to the Ontario Superior Court of Justice for a declaration that the mandatory conversion would contravene the Corporation's articles of continuance. On July 17, 2018 the Superior Court ruled in favor of the Corporation and dismissed the application. As a result, the Corporation proceeded with the conversion as indicated above. The applicants subsequently

appealed the Superior Court decision and in the appeal are seeking, among other things, rescission of the conversion or potential damages.

In addition to the Common Shares issued in connection with the Equity Offering and Preferred Share Conversion as described above, during the nine months ended September 30, 2018:

- The Corporation issued 1,702,711 Common Shares for cash consideration of $30.6 million as a result of the exercise of stock options. The exercised stock options were initially valued at $5.6 million. Upon exercise, the values originally allocated to the stock options in reserves were reallocated to the Common Shares so issued.
- The Corporation issued 60,099 Common Shares in connection with the settlement of other equity-based awards, initially valued at $1.2 million. Upon settlement of such equity-based awards, the value originally allocated to the equity-based awards in reserves was reallocated to the Common Shares issued.
- The Corporation issued 2,422,944 Common Shares as a result of the exercise of 4,000,000 warrants. There are no further outstanding warrants as at September 30, 2018. The exercised warrants were initially valued at $14.7 million using the Black-Scholes valuation model. Upon the exercise of such warrants, the value originally allocated to reserves was reallocated to the Common Shares so issued.
- The Corporation issued 8,013,887 Common Shares as a result of the voluntary conversion of 152,698 Preferred Shares prior to the Preferred Share Conversion. The converted Preferred Shares were initially valued at $114.9 million. Upon the conversion of the Preferred Shares, the value originally allocated to the Preferred Shares was reallocated to the Common Shares so issued. 8,000,000 of the Common Shares issued as a result of such voluntary conversion were then sold by the holders thereof in the Equity Offering.
- The Corporation issued 3,115,344 Common Shares, valued at $96.4 million, to the sellers of BetEasy as partial consideration for the acquisition of an additional 18% of the equity interests in BetEasy.
- The Corporation issued 37,934,054 Common Shares, valued at $1.38 billion, to the sellers of SBG as partial consideration for the SBG Acquisition.

15. RESERVES

The following table highlights the classes of reserves included in the Corporation’s equity:

For the nine months ended September 30, 2018 and 2017:

In thousands of U.S. Dollars	Acquisition reserve	Warrants	Equity	Treasury	Cumulative translation	Available for sale investments	Financial assets at FVOCI	Cash flow hedging	Other	Total
Balance – January 1, 2017	—	**14,638**	**31,142**	**(30,035)**	**77,171**	**(9,983)**	—	**(48,335)**	**1,249**	**35,847**
Cumulative translation adjustments	—	—	—	—	(189,012)	—	—	—	—	(189,012)
Stock-based compensation	—	—	10,622	—	—	—	—	—	—	10,622
Exercise of equity awards	—	—	(5,258)	—	—	—	—	—	—	(5,258)
Realized (losses) gains	—	—	—	—	—	(37,090)	—	160,069	—	122,979
Unrealized gains (losses)	—	—	—	—	—	32,474	—	(151,311)	—	(118,837)
Reclassification	—	50	—	—	(8,868)	9,197	—	—	(379)	—
Deferred tax on stock-based compensation	—	—	359	—	—	—	—	—	—	359
Other	—	—	—	493	—	—	—	5,594	(5,127)	960
Balance – December 31, 2017	—	**14,688**	**36,865**	**(29,542)**	**(120,709)**	**(5,402)**	—	**(33,983)**	**(4,257)**	**(142,340)**
Impact of adoption of IFRS 9	—	—	—	—	—	45	168	—	—	213
Reclassification	—	—	—	—	15	5,357	—	—	(5,372)	—
Balance - January 1, 2018 (restated) (note 16)	—	**14,688**	**36,865**	**(29,542)**	**(120,694)**	—	**168**	**(33,983)**	**(9,629)**	**(142,127)**
Cumulative translation adjustments	—	—	—	—	(60,823)	—	—	—	—	(60,823)
Stock-based compensation	—	—	8,802	—	—	—	—	—	—	8,802
Exercise of stock options and release of equity awards	—	—	(6,889)	—	—	—	—	—	—	(6,889)
Re-allocation from warrants reserve to share capital for exercised warrants	—	(14,688)	—	—	—	—	—	—	—	(14,688)
Realized gains (losses)	—	—	—	—	—	—	344	(20,444)	—	(20,100)
Unrealized (losses) gains	—	—	—	—	—	—	(1,021)	14,565	—	13,544
Deferred Tax on Re-measurements	—	—	—	—	—	—	475	—	—	475
Reversal of deferred tax on stock-based compensation	—	—	(359)	—	—	—	—	—	—	(359)
Impairment of debt instruments at FVOCI	—	—	—	—	—	—	(29)	—	—	(29)
Further acquisition of subsidiary	(220,023)	—	—	—	—	—	—	—	(17)	(220,040)
Balance – September 30, 2018	**(220,023)**	—	**38,419**	**(29,542)**	**(181,517)**	—	**(63)**	**(39,862)**	**(9,646)**	**(442,234)**

During the year ended December 31, 2017, the principal reclassification made by the Corporation was $9.2 million from the Cumulative translation adjustments reserve to the “Available-for-sale investments” reserve to correct an error in the recording of the change in valuation of the Available-for-sale investments as at December 31, 2015.

Acquisition reserve

On February 27, 2018, a subsidiary of the Corporation completed its acquisition of a 62% interest in BetEasy. On April 24, 2018, a subsidiary of the Corporation acquired an additional 18% interest in BetEasy and on the same date, BetEasy completed its acquisition of 100% of TSGA. The carrying amounts of the controlling and non-controlling interest were adjusted to reflect the changes in the Corporation’s equity interest in BetEasy. The change in carrying amounts were recognized directly in equity in acquisition reserve and any difference between the amount by which the non-controlling interest was adjusted and the fair value of the consideration paid was attributed to the Corporation.

16. FAIR VALUE

The Corporation determined that the carrying values of its short-term financial assets and liabilities approximate their fair value because of the relatively short periods to maturity of these instruments and their low credit risk.

Certain of the Corporation's financial assets and liabilities are measured at fair value at the end of each reporting period. The following table provides information about how the fair values of these financial assets and liabilities were determined as at each of September 30, 2018 and December 31, 2017:

	As at September 30, 2018			
In thousands of U.S. Dollars	Fair value & carrying value	Level 1	Level 2	Level 3
Bonds - FVOCI	104,125	104,125	—	—
Equity in unquoted companies - FVTPL	8,075	—	—	8,075
Derivatives	32,904	—	3,904	29,000
Total financial assets	**145,104**	**104,125**	3,904	**37,075**
Derivatives	35,229	—	21,266	13,963
Other long-term liabilities (Deferred contingent payment)	88,854	—	—	88,854
Total financial liabilities	**124,083**	—	**21,266**	**102,817**

	As at December 31, 2017			
In thousands of U.S. Dollars	Fair value & carrying value	Level 1	Level 2	Level 3
Bonds - Available-for-sale	115,343	115,343	—	—
Funds - Available-for-sale	7,045	7,045	—	—
Equity in unquoted companies - Available-for-sale	6,981	—	—	6,981
Equity in quoted companies - Available-for-sale	281	281	—	—
Total available-for-sale	**129,650**	**122,669**	—	**6,981**
Derivatives	2,037	—	2,037	—
Total financial assets	**131,687**	**122,669**	**2,037**	**6,981**
Derivatives	112,541	—	111,762	779
Total financial liabilities	**112,541**	—	**111,762**	—

The fair values of other financial assets and liabilities measured at amortized cost, other than those for which the Corporation has determined that their carrying values approximate their fair values on the unaudited interim condensed consolidated statements of financial position as at each of September 30, 2018, and December 31, 2017 are as follows:

	As at September 30, 2018			
In thousands of U.S. Dollars	Fair value	Level 1	Level 2	Level 3
First Lien Term Loans	4,609,142	—	4,609,142	—
Senior Notes	1,032,450	—	1,032,450	—
Total financial liabilities	**5,641,592**	—	**5,641,592**	—

	As at December 31, 2017 *			
In thousands of U.S. Dollars	Fair value	Level 1	Level 2	Level 3
Previous First Lien Term Loans	2,370,335	—	2,370,335	—
USD Second Lien Term Loan	95,713	—	95,713	—
Total financial liabilities	**2,466,048**	—	**2,466,048**	—

* The Corporation reassessed the fair value hierarchy of its long-term debt and reclassified it from Level 1 to Level 2 fair value hierarchy.

Valuation of Level 2 financial instruments

Long-Term Debt

The Corporation estimates the fair value of its long-term debt by using a composite price derived from observable market data for a basket of similar instruments.

Derivative Financial Instruments

Currently, the Corporation uses the Swap Agreements to manage its interest rate and foreign currency risk (previously the Corporation used the Previous Swap Agreements) and foreign currency forward contracts to manage foreign currency risk. The valuation of these instruments is determined using widely accepted valuation techniques including discounted cash flow analysis on the expected cash flows of each derivative. This analysis reflects the contractual terms of the derivatives, including the period to maturity, and uses observable market-based inputs, including interest rate curves, spot and forward rates.

To comply with the provisions of *IFRS 13, Fair value measurement*, the Corporation incorporates credit valuation adjustments to appropriately reflect both its own non-performance risk and the respective counterparty's non-performance risk in the fair value measurements. In adjusting the fair value of its derivative contracts for the effect of non-performance risk, the Corporation has considered the impact of netting and any applicable credit enhancements, such as collateral postings, thresholds, mutual puts and guarantees.

Although the Corporation has determined that the majority of the inputs used to value its derivatives fall within Level 2 of the fair value hierarchy, the credit valuation adjustments associated with its derivatives utilize Level 3 inputs, such as estimates of current credit spreads to evaluate the likelihood of default by itself and its counterparties. However, as of September 30, 2018 and December 31, 2017, the Corporation assessed the significance of the impact of the credit valuation adjustments on the overall valuation of its derivative positions, with the exception of the Embedded Derivative which is classified as Level 3, and determined that the credit valuation adjustments are not significant to the overall valuation of its derivatives. As a result, the Corporation determined that its valuations of the Swap Agreements and Previous Swap Agreements in their entirety are classified in Level 2 of the fair value hierarchy.

Derivative Financial Instruments – deal contingent derivative

Australian Acquisitions

As previously announced, on April 24, 2018, a subsidiary of the Corporation increased its equity interest in BetEasy from 62% to 80% and BetEasy acquired TSGA. The estimated aggregate purchase price for both of these transactions was $315 million, a combination of cash and newly issued Common Shares. In connection with these transactions, to economically hedge its risk of AUD appreciation relative to USD, on March 14, 2018, the Corporation entered into a deal contingent forward contract to purchase AUD and sell USD at a contracted strike price. The Corporation settled the deal contingent forward on April 6, 2018, and recognized a realized loss of $7.4 million included in foreign exchange within the general and administrative category in note 7 in the unaudited condensed consolidated statement of earnings for the nine months ended September 30, 2018. The deal contingent derivative was categorized as Level 3 within the fair value hierarchy. The Corporation did not account for the deal contingent derivative as a qualifying hedge under IFRS 9.

SBG Acquisition

As previously announced, a subsidiary of the Corporation entered into an agreement to acquire SBG, which was subsequently completed on July 10, 2018. The aggregate purchase price under the transaction agreements of $4.7 billion was paid in a combination of cash and newly issued Common Shares. In connection with the transaction, to hedge the risk of GBP appreciation relative to USD, on April 26, 2018, the Corporation entered into two deal contingent forward contracts (for GBP notional amount of £350 million each) to purchase GBP and sell USD at a contracted strike price. The Corporation settled the deal contingent forward on July 10, 2018, and recognized a realized loss of $54.1 million included in foreign exchange loss (gain) within the general and administrative category in note 7 in the unaudited condensed consolidated statement of earnings for the nine months ended September 30, 2018. The deal contingent derivative was categorized as Level 3 within the fair value hierarchy. The Corporation did not account for the deal contingent derivative as a qualifying hedge under IFRS 9.

Reconciliation of Level 3 fair values

Some of the Corporation's financial assets and liabilities are classified as Level 3 of the fair value hierarchy because the respective fair value determinations use inputs that are not based on observable market data. As at September 30, 2018 and December 31, 2017, the valuation techniques and key inputs used by the Corporation for each Level 3 asset or liability were as follows:

- Equity in private companies (Level 3 Assets): The Corporation values its equity investment in private companies with reference to earnings measures from similar businesses in the same or similar industry and adjusts for any significant changes in the earnings multiple and the valuation.
- Promissory note (Level 3 Asset): The Corporation recognized a promissory note in connection with the sale of a former subsidiary. The Corporation received the full balance of the promissory note during the year ended December 31, 2017.
- Put option (Level 3 Asset): The Corporation has measured the value of the put option granted in connection with the Corporation's acquisition of a 62% equity interest in BetEasy, see note 4, using the Black-Scholes valuation model. See note 12. The put option expired on April 24, 2018.
- Innova EBITDA support agreement (Level 3 Liability): As previously disclosed, in connection with the Innova Offering, the Corporation entered into an EBITDA support agreement with Innova. The Corporation uses a net present value approach for the Innova EBITDA support agreement using a 5.7% discount rate (2017 – 5.7% discount rate). A reasonable change in the discount rate would not have a material impact on fair value.
- Licensing Agreement (Level 3 Liability): As previously disclosed, in connection with the Chartwell/Cryptologic Sale, a subsidiary of the Corporation entered into a supplier licensing agreement with NYX Gaming Group (the "Licensing Agreement"). The Corporation uses a net present value approach for the Licensing Agreement using a 5.7% discount rate, 9% revenue share percentage and long-term revenue forecast (2017 – 5.7% and 9%, respectively). A reasonable change in the discount rate would not have a material impact on fair value. The fair value of the licensing agreement as at September 30, 2018 was $2.3 million and is included in accounts payable and other liabilities.
- Deferred contingent payment (Level 3 Liability) in connection with the acquisition of the additional 18% equity interest in BetEasy (see note 4): The Corporation used a risk-neutral derivative-based simulation of the underlying EBITDA forecast to determine the fair value of the deferred contingent payment, used a discount rate of 8% and an EBITDA forecast with an estimated volatility between 25% and 30% of the historic EBITDA of comparable companies. A five percentage point increase or decrease in the estimated volatility would have a $5.5 million or $4.1 million impact on fair value, respectively.
- Embedded Derivative (Level 3 Asset) in connection with the Senior Notes issuance: The Corporation used an interest rate option pricing valuation model to determine the fair value of the Redemption option using an implied credit spread of 3.8% at issuance and 2.9% at September 30, 2018. A 10 basis point increase or decrease in the implied credit spread would have a $2.0 million impact on fair value.
- Unsettled bets (Level 3 Liability): The principal assumptions used in the valuation of unsettled bets is the anticipated outcomes for the events related to the unsettled bets (gross win margin). A reasonable change in the gross win margin would not have a material impact on fair value.

The following tables show a reconciliation from opening balances to the closing balances for Level 3 fair values:

In thousands of U.S Dollars	Level 3 Equity	Level 3 Promissory note	Level 3 Embedded Derivative
Balance – January 1, 2017	**15,249**	**4,827**	**—**
Gain included in income from investments	(398)	—	—
Interest accretion included in financial expenses	—	256	—
Gain on settlement	—	3,001	—
Settlement of promissory note	—	(8,084)	—
NYX Sub Preferred Shares transfer out of Level 3	(8,526)	—	—
Unrealized gain included in other comprehensive income	656	—	—
Balance – December 31, 2017	**6,981**	—	—
Adjustment on adoption of IFRS 9	1,787	—	—
Balance – January 1, 2018 (restated)	**8,768**	—	—
Fair value movement on FVTPL investments	(600)	—	—
Return of investment	(77)	—	—
Translation	(16)	—	—
Embedded Derivative recognized	—	—	17,700
Re-measurement of fair value	—	—	11,300
Balance – September 30, 2018	**8,075**	—	**29,000**

In thousands of U.S Dollars	Level 3 Put liability	Level 3 Deferred contingent payment	Level 3 Unsettled Bets *
Balance – January 1, 2017	**5,594**	**195,506**	**519**
Accretion	—	2,048	—
Repayment of deferred consideration	—	(197,510)	—
Gain on settlement of deferred consideration	—	(44)	—
Settlement of put liability	(5,594)	—	—
Net new bets	—	—	179
Re-measurement of fair value	—	—	38
Revaluation	—	—	43
Balance – December 31, 2017	—	—	**779**
Deferred contingent payment	—	84,662	—
Acquired on business combination	—	—	19,226
Net new bets	—	—	126
Re-measurement of fair value	—	8,753	(6,193)
Revaluation	—	(4,561)	26
Balance – September 30, 2018	—	**88,854**	**13,963**

* The unsettled bets liability is recorded in accounts payable and other liabilities on the statement of financial position as at December 31, 2017 and is recorded in derivatives on the statement of financial position as at September 30, 2018.

The put-call option on the 20% non-controlling interest in BetEasy and the Change of Control Put (see notes 11 and 12) are measured as Level 3 financial instruments. As at September 30, 2018, and since inception, each have a $nil balance. Therefore, these instruments have not been included in the tables above.

17. ADOPTION OF NEW ACCOUNTING STANDARDS

IFRS 9, Financial Instruments

As referenced in note 2 above, the Corporation adopted *IFRS 9, Financial Instruments* on January 1, 2018. The impact of the Corporation's transition to IFRS 9 is summarized below. During the three months ended June 30, 2018, the Corporation made a non-material adjustment, totaling $12.9 million, to the amounts recognized in retained earnings in respect of the adoption of IFRS 9.

Classification of financial assets

As of January 1, 2018, management assessed which business models apply to the financial assets held by the Corporation and classified those financial assets into the appropriate IFRS 9 categories as follows:

Financial assets - January 1, 2018 In thousands of U.S. Dollars	FVTPL	Available-for-sale	FVOCI	Total financial assets
Opening balance - IAS 39	—	129,650	—	129,650
Reclassification of bonds from Available-for-sale to FVOCI	—	(115,343)	115,343	—
Reclassification of funds from Available-for-sale to FVTPL	7,045	(7,045)	—	—
Reclassification of equity in unquoted companies from Available-for-sale to FVTPL	6,981	(6,981)	—	—
Reclassification of equity in quoted companies from Available-for-sale to FVTPL	281	(281)	—	—
Opening balance - IFRS 9	**14,307**	**—**	**115,343**	**129,650**

Impairment of financial assets

The Corporation holds three types of financial assets subject to the new expected credit losses model applicable under IFRS 9 as follows: (i) Trade receivables carried at amortized cost; (ii) Debt instruments carried at FVOCI; and (iii) Other financial assets carried at amortized cost.

The Corporation was required to revise its impairment methodology upon adoption of IFRS 9 for each of these classes of financial assets.

The nature of the Corporation's business does not generate significant receivables and its investments are considered low risk as it pursues an investment strategy that only permits highly liquid investments with reputable financial institutions.

The impact of the change in impairment methodology on the opening carrying amounts of these financial assets and the opening balance of retained earnings is disclosed in the measurement of financial instruments table below.

Financial liabilities – debt modification

The Corporation was required to adjust the carrying amount of its existing long-term debt in respect of historic debt modifications upon adoption of IFRS 9. The adjustment required in respect of each of the historic debt modifications was calculated as the difference between the present value of the original contractual cash flows and the modified cash flows discounted at the original effective interest rate. This differs from the treatment under IAS 39, which required an adjustment to the prevailing effective interest rate on the loan rather than an adjustment to the carrying amount.

The impact of the change in treatment of historic debt modifications on the carrying amount of long-term debt and the opening balance of retained earnings is disclosed in the measurement of financial instruments table below.

Derivatives and hedging

As permitted by IFRS 9, the Corporation elected to continue to apply the hedge accounting requirements of IAS 39 to all its hedge accounting relationships, resulting in no impact upon adoption.

Measurement of financial instruments

The table below illustrates the result of adoption of IFRS 9 as of January 1, 2018, and the measurement impact on the respective categories of financial instruments:

	Measurement Category		Carrying amount		
In thousands of U.S. Dollars	**Original (IAS 39)**	**New (IFRS 9)**	**Original (IAS 39)**	**New (IFRS 9)**	**Adjustment to opening retained earnings**
Bonds	Available-for-sale	FVOCI	115,343	115,343	213
Funds	Available-for-sale	FVTPL	7,045	7,045	—
Equity in unquoted companies	Available-for-sale	FVTPL	6,981	8,767	(1,786)
Equity in quoted companies	Available-for-sale	FVTPL	281	281	—
Trade receivables	Loans and receivables	Amortized cost	112,227	111,435	792
Cash and restricted cash	Loans and receivables	Amortized cost	564,018	563,037	981
Long-term debt	Amortized cost	Amortized cost	(2,358,569)	(2,314,675)	(43,894)
			(1,552,674)	**(1,508,767)**	**(43,694)**

The Corporation has not designated any financial assets that meet the criteria for classification at amortized cost or FVOCI as FVTPL on initial recognition.

IFRS 15, Revenue from contracts with customers

As referenced in note 2 above, the Corporation adopted *IFRS 15, Revenue from contracts with customers* on January 1, 2018.

The adoption of IFRS 15 did not have a material impact on the timing and amount of revenue recognized by the Corporation.

The Corporation has amended the presentation and disclosure of total revenue as a result of the requirement under IFRS 15 to present revenue from contracts with customers separately from other sources of revenue. See note 5. Notwithstanding the presentation and disclosure requirement of IFRS 15 for total revenue, the Corporation continues to present segment revenues, including by major line of operation (i.e. Poker, Gaming, Betting and Other) and geographical region, which are presented and disclosed as they were prior to the Corporation's adoption of IFRS 15. See note 6.

18. RELATED PARTY TRANSACTIONS

Minority shareholder loan

In connection with the acquisition of a 62% equity interest in BetEasy, the Corporation acquired financial liabilities of $59.2 million, which included a loan of $15.5 million (AUD$19.7 million) from the minority shareholders of BetEasy. During the nine months ended September 30, 2018 a subsidiary of the Corporation repaid $6.2 million (AUD$8.2 million) of such loan and entered into an agreement with such minority shareholders to forgive and discharge $8.6 million (AUD$11.5 million) of the outstanding loan balance.

As previously reported on March 6, 2018, a subsidiary of the Corporation entered into agreement with the holders of the non-controlling interest in BetEasy to increase its equity interest from 62% to 80% and for BetEasy to acquire TSGA. According to the agreement, the non-controlling interest of BetEasy made a loan of $35.1 million (AUD$47.4 million) and equity contribution of $12.1 million (AUD$15.8 million). During the nine months ended September 30, 2018, the non-controlling interest provided an additional shareholder loan of $1.8 million (AUD$2.5 million). As at September 30, 2018, the outstanding loan balance was $36.3 million (AUD$49.9 million). The loan is non-interest bearing and repayable on the earlier of: 9 years and 364 days from the date of advance and the date of the 20% put-call option completion.

Retirement benefit plan

A subsidiary of the Corporation participates in a defined contribution retirement benefit plan for all qualifying employees within that subsidiary. The assets of the plan are held separately from those of the Corporation in funds under the control of trustees and are not included in the consolidated statement of financial position. In the event employees leave the plan prior to vesting fully, the contributions payable by the subsidiary are reduced by the amount of forfeited contributions.

19. SUBSEQUENT EVENTS

On October 24, 2018, the Corporation fully repaid the outstanding $100.0 million, including accrued and unpaid interest, that it had drawn under its Revolving Facility in connection with the SBG Acquisition using cash on its balance sheet.

THE STARS
GROUP

Exhibit 99.3

MANAGEMENT'S DISCUSSION AND ANALYSIS

FOR THE THREE AND NINE MONTHS ENDED
SEPTEMBER 30, 2018

November 7, 2018

TABLE OF CONTENTS

Management's Discussion and Analysis	1
Caution Regarding Forward-Looking Statements	3
Limitations of Key Metrics, Other Data and Non-IFRS Measures	5
Overview and Outlook	7
Key Metrics and Non-IFRS Measures	11
Consolidated Results of Operations and Cash Flows	15
Segment Results of Operations	21
Liquidity and Capital Resources	32
Reconciliations	38
Summary of Quarterly Results	42
Summary of Significant Accounting Policies	43
Recent Accounting Pronouncements	44
Off Balance Sheet Arrangements	47
Outstanding Share Data	47
Legal Proceedings and Regulatory Actions	48
Disclosure Controls and Procedures and Internal Control over Financial Reporting	49
Risk Factors and Uncertainties	51
Further Information	52

MANAGEMENT'S DISCUSSION AND ANALYSIS

This Management's Discussion and Analysis (this "MD&A") provides a review of the results of operations, financial condition and cash flows for The Stars Group Inc. on a consolidated basis, for the three and nine months ended September 30, 2018. References to "The Stars Group" or the "Corporation" in this MD&A refer to The Stars Group Inc. and its subsidiaries or any one or more of them, unless the context requires otherwise. This document should be read in conjunction with the information contained in the Corporation's unaudited interim condensed consolidated financial statements and related notes for the three and nine months ended September 30, 2018 (the "Q3 2018 Financial Statements"), the Corporation's audited consolidated financial statements and related notes for the year ended December 31, 2017 (the "2017 Annual Financial Statements") and Management's Discussion and Analysis thereon (the "2017 Annual MD&A"), and the Corporation's annual information form for the year ended December 31, 2017 (the "2017 Annual Information Form" and together with the 2017 Annual Financial Statements and 2017 Annual MD&A, the "2017 Annual Reports"). These documents and additional information regarding the business of the Corporation are available on the System for Electronic Document Analysis and Retrieval ("SEDAR") at www.sedar.com, the Electronic Data Gathering, Analysis, and Retrieval system ("EDGAR") at www.sec.gov, and the Corporation's website at www.starsgroup.com.

For reporting purposes, the Corporation prepared the Q3 2018 Financial Statements in U.S. dollars and, unless otherwise indicated, in conformity with International Accounting Standard 34—Interim Financial Reporting of International Financial Reporting Standards ("IFRS") as issued by the International Accounting Standards Board ("IASB"). The financial information contained in this MD&A was derived from the Q3 2018 Financial Statements. Unless otherwise indicated, all dollar ("$") and "USD" amounts and references in this MD&A are in and to U.S. dollars, references to "EUR" or "€" are to European Euros, references to "GBP" or "£" are to British pound sterling, references to "CDN" or "CDN $" are to Canadian dollars and references to "AUD" or "AUD $" are to Australian dollars. Unless otherwise indicated, all references to a specific "note" refer to the notes to the Q3 2018 Financial Statements.

As previously disclosed, commencing with the Corporation's unaudited interim condensed consolidated financial statements and related notes for the three and six months ended June 30, 2018, the Corporation revised the composition of its reporting segments and the manner in which it reports its operating results. The Corporation believes that this presentation better reflects its current and expected management and operational structure. Following the SBG Acquisition (as defined below) and beginning with the Q3 2018 Financial Statements and this MD&A, the Corporation added an additional reporting segment and currently has three reporting segments, International, United Kingdom and Australia, each with certain major lines of operations, and a corporate cost center, all as further described below.

The International segment currently includes the business operations of Stars Interactive Group (as defined below) and consists of The Stars Group's existing business prior to the SBG Acquisition and the Australian Acquisitions (as defined below); the United Kingdom segment currently includes the business operations of Sky Betting & Gaming (as defined below); and the Australia segment currently includes the business operations of BetEasy (as defined below). Prior quarterly and annual segmental results and information presented in this MD&A have been recast to be presented in a manner consistent with the changed reporting segments. See "Segment Results of Operations" below and note 6 of the Q3 2018 Financial Statements for additional information on the Corporation's reporting segments.

As at September 30, 2018, the Corporation had up to four major lines of operations within its reporting segments, as applicable: real-money online poker ("Poker"), real-money online betting ("Betting"), real-money online casino gaming and, where applicable, bingo (collectively, "Gaming"), and other gaming-related revenues, including, without limitation, revenues from social and play-money gaming, live poker events, branded poker rooms, Oddschecker and other nominal sources of revenue (collectively, "Other"). As it relates to these lines of operation, online revenues include revenues generated through the Corporation's online, mobile and desktop client platforms, as applicable.

This MD&A references non-IFRS financial measures, including those under the headings "Limitations of Key Metrics, Other Data and Non-IFRS Measures", "Key Metrics and Non-IFRS Measures", "Consolidated Results of Operations and Cash Flows", "Segment Results of Operations", and "Reconciliations" below. The Corporation believes these non-IFRS financial measures will provide investors with useful supplemental information about the financial performance of its business, enable comparison of financial results between periods where certain items may vary independent of business performance, and allow for greater transparency with respect to key metrics used by management in operating its business and making decisions. Although management believes these financial measures

are important in evaluating the Corporation, they are not intended to be considered in isolation or as a substitute for, or superior to, financial information prepared and presented in accordance with IFRS. They are not recognized measures under IFRS and do not have standardized meanings prescribed by IFRS. These measures may be different from non-IFRS financial measures used by other companies and may not be comparable to similar meanings prescribed by other companies, limiting its usefulness for comparison purposes. Moreover, presentation of certain of these measures is provided for period-over-period comparison purposes, and investors should be cautioned that the effect of the adjustments thereto provided herein have an actual effect on the Corporation's operating results.

For purposes of this MD&A, the term "gaming license" refers collectively to all the different licenses, consents, permits, authorizations, and other regulatory approvals that are necessary to be obtained in order for the recipient to lawfully conduct (or be associated with) gaming in a particular jurisdiction, and unless the context requires otherwise or otherwise defined (particularly as it relates to the Gaming segment as used in this MD&A and the Q3 2018 Financial Statements, which currently only includes real-money online casino and, where applicable, bingo revenues), all references in this MD&A to "gaming" include all online gaming (e.g., poker, casino and bingo) and betting.

Unless otherwise stated, in preparing this MD&A the Corporation has considered information available to it up to November 7, 2018, the date the Corporation's board of directors (the "Board") approved this MD&A and the Q3 2018 Financial Statements.

CAUTION REGARDING FORWARD-LOOKING STATEMENTS

This MD&A, the Q3 2018 Financial Statements, the 2017 Annual Reports and the Corporation's prospectus supplement dated June 21, 2018 to the short form base shelf prospectus dated January 16, 2018 (the "2018 Prospectus Supplement"), contain certain information that may constitute forward-looking information and statements (collectively, "forward-looking statements") within the meaning of the Private Securities Litigation Reform Act of 1995 and applicable securities laws, including financial and operational expectations and projections. These statements, other than statements of historical fact, are based on management's current expectations and are subject to a number of risks, uncertainties, and assumptions, including market and economic conditions, business prospects or opportunities, future plans and strategies, projections, technological developments, anticipated events and trends and regulatory changes that affect the Corporation, its subsidiaries and their respective customers and industries. Although the Corporation and management believe the expectations reflected in such forward-looking statements are reasonable and are based on reasonable assumptions and estimates as of the date hereof, there can be no assurance that these assumptions or estimates are accurate or that any of these expectations will prove accurate. Forward-looking statements are inherently subject to significant business, regulatory, economic and competitive risks, uncertainties and contingencies that could cause actual events to differ materially from those expressed or implied in such statements. Forward-looking statements are often, but not always, identified by the use of words such as "seek", "anticipate", "plan", "continue", "estimate", "expect", "may", "will", "project", "predict", "potential", "targeting", "intend", "could", "might", "would", "should", "believe", "objective", "ongoing", "imply" or the negative of these words or other variations or synonyms of these words or comparable terminology and similar expressions. For example, see "Overview and Outlook", "Key Metrics and Non-IFRS Measures", "Liquidity and Capital Resources" and "Recent Accounting Pronouncements".

Specific factors and assumptions include, without limitation, the following factors, which are discussed in greater detail in the "Risk Factors and Uncertainties" section of the 2017 Annual Information Form and in the "Risk Factors" section of the 2018 Prospectus Supplement: the heavily regulated industry in which the Corporation carries on its business; risks associated with interactive entertainment and online and mobile gaming generally; current and future laws or regulations and new interpretations of existing laws or regulations, or potential prohibitions, with respect to interactive entertainment or online gaming or activities related to or necessary for the operation and offering of online gaming; potential changes to the gaming regulatory framework; legal and regulatory requirements; ability to obtain, maintain and comply with all applicable and required licenses, permits and certifications to offer, operate, and market its product offerings, including difficulties or delays in the same; significant barriers to entry; competition and the competitive environment within addressable markets and industries; impact of inability to complete future or announced acquisitions or to integrate businesses successfully, including, without limitation, SBG (as defined below) and BetEasy; the Corporation's substantial indebtedness requires that it use a significant portion of its cash flow to make debt service payments; the Corporation's secured credit facilities contain covenants and other restrictions that may limit the Corporation's flexibility in operating its business; risks associated with advancements in technology, including artificial intelligence; ability to develop and enhance existing product offerings and new commercially viable product offerings; ability to mitigate foreign exchange and currency risks; ability to mitigate tax risks and adverse tax consequences, including, without limitation, changes in tax laws or administrative policies relating to tax and the imposition of new or additional taxes, such as value-added ("VAT") and point of consumption taxes, and gaming duties; the Corporation's exposure to greater than anticipated tax liability; risks of foreign operations generally; protection of proprietary technology and intellectual property rights; ability to recruit and retain management and other qualified personnel, including key technical, sales and marketing personnel; defects in product offerings; losses due to fraudulent activities; management of growth; contract awards; potential financial opportunities in addressable markets and with respect to individual contracts; ability of technology infrastructure to meet applicable demand and reliance on online and mobile telecommunications operators; systems, networks, telecommunications or service disruptions or failures or cyber-attacks and failure to protect customer data, including personal and financial information; regulations and laws that may be adopted with respect to the Internet and electronic commerce or that may otherwise impact the Corporation in the jurisdictions where it is currently doing business or intends to do business, particularly those related to online gaming or that could impact the ability to provide online product offerings, including, without limitation, as it relates to payment processing; ability to obtain additional financing or to complete any refinancing on reasonable terms or at all; customer and operator preferences and changes in the economy; dependency on customers' acceptance of its product offerings; consolidation within the gaming industry; litigation costs and outcomes; expansion within existing and into new markets; relationships with vendors and distributors; natural events; contractual relationships of SBG or the Corporation with Sky plc and/or its subsidiaries; counterparty risks; failure of systems and controls of the Corporation to restrict access to its products; reliance on scheduling and live broadcasting of major sporting events; macroeconomic conditions and trends in the gaming and betting industry; bookmaking risks; an ability to realize projected financial increases attributable to acquisitions and the Corporation's

business strategies; and an ability to realize all or any of the Corporation's estimated synergies and cost savings in connection with acquisitions, including, without limitation, the SBG Acquisition and Australian Acquisitions. These factors are not intended to represent a complete list of the factors that could affect the Corporation; however, these factors, as well as those risk factors presented under the heading "Risk Factors and Uncertainties" in the 2017 Annual Information Form, under the heading "Risk Factors" in the 2018 Prospectus Supplement, elsewhere in this MD&A and the 2017 Annual Reports and in other filings that The Stars Group has made and may make in the future with applicable securities authorities, should be considered carefully.

The foregoing list of important factors and assumptions may not contain all the material factors and assumptions that are important to shareholders and investors. Shareholders and investors should not place undue reliance on forward-looking statements as the plans, assumptions, intentions or expectations upon which they are based might not occur. The forward-looking statements contained in this MD&A are expressly qualified by this cautionary statement. Unless otherwise indicated by the Corporation, forward-looking statements in this MD&A describe the Corporation's expectations as of November 7, 2018, and, accordingly, are subject to change after such date. The Corporation does not undertake to update or revise any forward-looking statements to reflect events and circumstances after the date hereof or to reflect the occurrence of unanticipated events, except in accordance with applicable securities laws.

LIMITATIONS OF KEY METRICS, OTHER DATA AND NON-IFRS MEASURES

Key Metrics and Other Data

The numbers for the Corporation's key metrics, which include quarterly real-money active uniques ("QAUs"), quarterly net yield ("QNY"), net deposits ("Net Deposits"), Betting stakes ("Stakes") and Betting net win margin percentage ("Betting Net Win Margin"), as well as certain other metrics, are calculated using internal company data based on the activity of customer accounts. While these numbers are based on what the Corporation believes to be reasonable judgments and estimates of its customer base for the applicable period of measurement, there are certain challenges and limitations in measuring the usage of its product offerings across its customer base. Such challenges and limitations may also affect the Corporation's understanding of certain details of its business. In addition, the Corporation's key metrics and related estimates, including the definitions and calculations of the same, may differ among reporting segments, from estimates published by third parties or from similarly-titled metrics of its competitors due to differences in operations, product offerings, methodology and access to information. Moreover, the numerator of QNY is a non-IFRS measure. For important information on the Corporation's non-IFRS measures, see the information presented under the heading "Management's Discussion and Analysis" above and "Key Metrics and Non-IFRS Measures" below. The Corporation continually seeks to improve its estimates of its active customer base and the level of customer activity, and such estimates may change due to improvements or changes in the Corporation's methodology.

For example, the methodologies used to measure the Corporation's customer metrics are based on significant internal judgments and estimates, and may be susceptible to algorithm, calculation or other technical errors, including, without limitation, how certain metrics may be defined (and the assumptions and considerations made and included in, or excluded from, such definitions) and how certain data may be, among other things, integrated, analyzed and reported after the Corporation completes an acquisition or strategic transaction. Moreover, the Corporation's business intelligence tools may fail on a particular data backup or upload, which could lead to certain customer activity not being properly recorded or accurately included in the calculation of a particular key metric. In addition, as it relates to certain of the Corporation's product offerings, customers are required to provide certain information when registering and establishing real-money accounts, which could lead to the creation of multiple accounts for the same customer (in nearly all instances such account creation would violate the Corporation's applicable terms and conditions of use) and customers could take advantage of certain customer acquisition incentives to register and interact with the Corporation's product offerings, but not actually deposit or transfer funds into their real-money accounts with the Corporation. Furthermore, customers may have more than one account across the Corporation's brands that currently do not have common or shared account structure, which, if not properly recognized and accounted for, could lead to such customers being counted more than once. Although the Corporation typically addresses and corrects any such failures, duplications and inaccuracies relatively quickly, its metrics are still susceptible to the same and its estimations of such metrics may be lower or higher than the actual numbers.

The Corporation regularly reviews its processes for calculating and defining these metrics, and from time to time it may discover inaccuracies in its metrics or make adjustments to improve their accuracy that may result in the recalculation or replacement of historical metrics or introduction of new metrics. These changes may also include adjustments to underlying data, such as changes to historical revenue amounts as a result of certain accounting reallocations made in later periods and adjustments to definitions in an effort to provide what management believes may be the most helpful and relevant data. These changes may arise from time to time as a result of, among other things, the Corporation implementing new technology, software or accounting methods, engaging third-party advisors or consultants, or acquiring or integrating new assets, businesses or business units. The Corporation also continuously seeks to improve its ability to identify irregularities and inaccuracies (and suspend any customer accounts that violate its terms and conditions of use and limit or eliminate promotional incentives that are susceptible to abuse), and its key metrics or estimates of key metrics may change due to improvements or changes in its methodology. Additionally, all the Corporation's metrics are subject to software bugs, inconsistencies in the Corporation's systems and human error. Notwithstanding, the Corporation believes that any such irregularities, inaccuracies or adjustments are immaterial unless otherwise stated.

If the public or investors do not perceive the Corporation's customer metrics to accurately represent its customer base or level of customer activity, or if it discovers material inaccuracies in its customer metrics, the Corporation may be subject to certain liability and its reputation may be harmed, which could negatively affect its business, results of operations and financial condition.

Non-IFRS Measures

To supplement its Q3 2018 Financial Statements presented in accordance with IFRS, the Corporation considers certain financial measures that are not prepared in accordance with IFRS, including Adjusted EBITDA, Adjusted EBITDA Margin, Adjusted Net Earnings, Adjusted Diluted Net Earnings per Share, Free Cash Flow (each as defined below), and the numerator of QNY. However, these measures should not be considered in isolation from, or as a substitute for, financial information prepared in accordance with IFRS. There are a number of limitations related to the use of such non-IFRS measures as opposed to their nearest IFRS equivalent. Some of these limitations are:

- these non-IFRS financial measures exclude or are otherwise adjusted for the applicable items listed in the reconciliation tables under "Reconciliations" below and as set forth in the definitions of such measures; and

- the income or expenses, where applicable, that the Corporation excludes in its calculation of these non-IFRS financial measures may differ from the income or expenses, if any, that its peer companies may exclude from similarly-titled non-IFRS measures when they report their results of operations. In addition, although certain excluded income or expenses may have been incurred in the past or may be expected to recur in the future, management believes it is appropriate to exclude such income or expenses at this time as it does not consider them as on-going core operating income or expenses as it relates specifically to the Corporation as compared to its peer companies. For example, the Corporation currently excludes certain lobbying and legal expenses in jurisdictions where it is actively seeking licensure or similar approval, not for such expenses in jurisdictions where it (or any of its subsidiaries) currently operates, has customers, or holds a license or similar approval. Management believes that the Corporation's incremental cost of these lobbying and legal expenses in such jurisdictions is generally higher than its peers given liabilities and related issues primarily stemming from periods prior to the Stars Interactive Group Acquisition (as defined below) or from matters not directly involving the Corporation or its current business. In addition, certain integration costs in relation to the SBG Acquisition and the Australian Acquisitions are or will be excluded as being more similar to acquisition-related costs rather than on-going core operating expenses. Over time, as management continues assessing its operations and calculating applicable non-IFRS measures, it currently believes that, subject to, among other things, unanticipated events or impacts of anticipated events, it should have fewer adjustments or the amounts of such adjustments should decrease over time with the exception of acquisition-related costs, which may be incurred from time to time based on the Corporation's strategic initiatives.

See also the information presented under the heading "Management's Discussion and Analysis" above and "Key Metrics and Non-IFRS Measures" below.

OVERVIEW AND OUTLOOK

Business Overview and Background

The Stars Group is a global leader in the online and mobile gaming and interactive entertainment industries, entertaining millions of customers across its online real- and play-money poker, gaming and betting product offerings. The Stars Group offers these products directly or indirectly under several ultimately owned or licensed gaming and related consumer businesses and brands, including, among others, *PokerStars*, *PokerStars Casino*, *BetStars*, *Full Tilt*, *BetEasy*, *Sky Bet*, *Sky Vegas*, *Sky Casino*, *Sky Bingo, Sky Poker, and Oddschecker,* as well as live poker tour and events brands, including the *PokerStars Players No Limit Hold'em Championship*, *European Poker Tour*, *PokerStars Caribbean Adventure*, *Latin American Poker Tour*, *Asia Pacific Poker Tour*, *PokerStars Festival* and *PokerStars MEGASTACK*.

The Stars Group's primary business and main source of revenue is its online gaming businesses. These currently consist of the operations of Stars Interactive Holdings (IOM) Limited and its subsidiaries and affiliates (collectively, "Stars Interactive Group"), which it acquired in August 2014 (the ''Stars Interactive Group Acquisition''), the operations of Cyan Blue Topco Limited and its subsidiaries and affiliates (collectively, "Sky Betting & Gaming" or "SBG"), which it acquired in July 2018 (the "SBG Acquisition"), and TSG Australia Pty Ltd (formerly CrownBet Holdings Pty Limited) and its subsidiaries and affiliates, including TSGA Holdco Pty Limited (formerly William Hill Australia Holdings Pty Ltd) and its subsidiaries and affiliates ("TSGA" and where the context requires, collectively, "BetEasy"), which it acquired an 80% equity interest in between February 2018 and April 2018 (BetEasy acquired TSGA in April 2018) (collectively, the "Australian Acquisitions"). The Stars Interactive Group is based in the Isle of Man and operates globally; SBG is based in and primarily operates in the United Kingdom, the largest regulated online gaming market in the world; and BetEasy is based in and primarily operates in Australia, the second largest regulated online gaming market in the world.

The Stars Group focuses on the creation of long-term shareholder value by building upon its existing strengths and expanding and strengthening its portfolio of product offerings. The Stars Group places great emphasis on its customers, and its vision is to become the world's favorite iGaming destination. It believes that creating a fun, safe and positive experience, providing high-quality and entertaining products, and delivering leading content and user experiences are important drivers to deliver this strategic vision. To achieve this vision, management continuously pursues certain ongoing principal strategic initiatives, including: (i) strengthening, expanding and diversifying its product offerings; (ii) expanding its geographic reach and promoting regulation of online gaming; (iii) continuing to elevate and improve the customer experience; and (iv) pursuing operational efficiencies.

Management believes that the SBG Acquisition and Australian Acquisitions are key components that will help The Stars Group deliver on these principal strategic initiatives. These acquisitions have helped to create a diversified group with leading positions across all key product verticals and in attractive markets. For example, these acquisitions provide The Stars Group with greater revenue diversification, with 73% of revenues being derived from regulated or locally taxed markets during the third quarter of 2018. The acquisitions also provide The Stars Group with additional exposure to online sports betting, the world's largest and fastest growing online gaming segment. The Stars Group believes that these acquisitions will also allow it to significantly enhance its product technology as well as its customers' online betting and gaming experience with the introduction of high-quality mobile-led product offerings to its ecosystem such as *Sky Bet* and *BetEasy*, and *Sky Vegas* and *Sky Casino*, respectively. The Stars Group believes it now has numerous competitive strengths, including, among others: (i) being one of the world's largest online gaming companies in high-growth markets with structural tailwinds supporting future growth; (ii) having a geographically diverse presence, including leading positions in the world's largest regulated markets; (iii) having defensible competitive advantages that support ongoing market share gains, including owning or licensing iconic and well-invested global brands reaching millions of customers, maintaining a leading technology platform that supports innovation, scalability and resilience, significant network effects in poker and free to play games, and a loyal and active customer base comprised primarily of an attractive demographic; (iv) having a platform that will support expansion into new markets, with the ability to potentially replicate large elements of the business, generating scalability and potentially high returns; and (v) generating strong Free Cash Flow due to top-line momentum, strong Adjusted EBITDA Margins and low capital expenditure requirements. In addition to these structural strengths, The Stars Group believes it has a proven management team with significant online gaming expertise and experience.

The Stars Group is the global leader in the online poker market, and currently estimates that *PokerStars* holds a significant majority of the market share of real-money poker player liquidity, or the volume of real-money online poker players, in regions where it offers real-money online poker and is among the leaders in play-money online poker

player liquidity. The Stars Group has leading online casino offerings, including *PokerStars Casino*, which is one of the most popular online casinos in the world by its player base, *Sky Casino*, which offers a premium casino experience, and *Sky Vegas*, which primarily focuses on providing an entertaining environment for recreational players. The Stars Group also has emerging and leading sportsbooks, including *BetStars*, which is currently primarily focused on regulated jurisdictions within the European Union and United States online markets, *Sky Bet*, which is currently primarily focused on the regulated United Kingdom online betting market, and *BetEasy*, which currently operates primarily in the regulated Australian online betting market.

In addition to pursuing growth opportunities in poker in existing and new markets, including through the innovation of new product features and enhancements, geographic expansion, improvements to the poker ecosystem (as discussed below), and increased marketing campaigns, The Stars Group believes there are potentially significant opportunities for further growth and diversification of revenues in the Gaming and Betting lines of operation. The Stars Group believes that such potential opportunities include both direct customer acquisition, leveraging its brand awareness, and cross-selling its new products to its existing customer base. The Stars Group continues to improve its online gaming and betting product offerings, expanding the range of its gaming content and broadening the range of its geographic markets. The Stars Group also continues to invest in product enhancements, improving the user experience of its websites, desktop and mobile applications. These improvements are accompanied by external marketing campaigns to both drive direct customer acquisition and improve cross-selling to existing customers, as well as expand the geographic reach of its product offerings.

The Corporation currently has plans for product enhancements, such as enhancing its web casino and mobile applications and adding to its portfolio of unique and custom promotion tools. These promotional tools should enable improved promotions and loyalty, with ongoing investment in its *Stars Rewards* cross-vertical loyalty program and its VIP treatment program and the overall customer experience.

In addition to online gaming and betting, The Stars Group currently intends to expand upon and explore other growth opportunities, including expanding upon its current social gaming offerings and pursuing other interactive entertainment opportunities.

The Stars Group believes it has a premier, scalable platform that allows it to diversify its product offerings both geographically and across major lines of operation and as such, continuously works to enhance this proprietary platform. The Corporation has invested significantly in its technology infrastructure since inception to provide a positive, best-in-class experience for its customers, not only from a gameplay perspective, but most importantly, with respect to security and integrity across its product offerings. The Stars Group dedicates nearly all of its research and development investments to its online gaming business, which seeks to provide broad market applications for products and services derived from its technology base, and expects to continue investing significantly in research and development in an effort to constantly improve customer experience and engagement. To support its strong reputation for security and integrity, The Stars Group employs what it believes to be industry-leading practices and systems with respect to various aspects of its technology infrastructure, including, but not limited to, information and payment security, game integrity, customer fund protection, marketing and promotion, customer support, responsible gaming, loyalty programs, and rebates and rewards (i.e., incentives).

The Stars Group also monitors and assesses its product offerings, including through advanced business intelligence analytics regarding customer engagement and behavior, to continuously improve the experience for all of its customers and to ensure a safe, competitive and enjoyable environment. This includes implementing policies and controls over the use of abusive technological tools and software, assessing pricing and incentives, and introducing improvements to product ecosystems. In particular, The Stars Group has implemented, and continues to implement, policies and controls to significantly reduce or eliminate the use of certain sophisticated technology that may provide an artificial competitive advantage for certain poker customers over others. It has also made, and may continue to make, changes to its pricing and incentives to ensure that they align with the Corporation's objectives to reward customers for loyalty and behavior that is positive to the overall customer experience and the particular product's ecosystem. For example, since the beginning of 2016, The Stars Group has improved its poker ecosystem to benefit and attract high-value, net-depositing customers (primarily recreational players) and reduce incentives for high-volume, net-withdrawing customers, and adjust the pricing on poker games and tournaments (also known as rake and tournament fees) on certain offerings (which resulted in an effective increase in pricing). The Corporation launched the *Stars Rewards* program in July 2017, which is an integrated cross vertical loyalty program focused on improving customer engagement, retention and the player experience.

The Stars Group anticipates that these and future planned improvements, despite an expected overall decrease in volume of gameplay and total deposit balances held by high-volume, net-withdrawing players, will create a more attractive environment and experience for recreational players, allowing them to play longer on its platforms and engage in its various product offerings. The Stars Group believes these initiatives have led and may continue to lead to an increase in Net Deposits and/or QNY.

The Stars Group, through certain of its subsidiaries, is licensed or approved to offer, including under third-party gaming licenses, its product offerings in various jurisdictions throughout the world, including in Europe, both within and outside of the European Union, which is currently its primary market, Australia, North America and elsewhere. The Stars Group is one of the world's most licensed online gaming operators with its subsidiaries collectively holding licenses or approvals in 19 jurisdictions throughout the world, including in Europe, Australia and the Americas. The Stars Group anticipates a combined evolution of regulation of online gaming, including online poker, casino and/or betting, including with respect to shared liquidity, globally. The Stars Group supports the regulation of online gaming, including licensing and taxation regimes and pooled poker liquidity, which it believes will promote sustainable online gaming markets that are beneficial for consumers, governments and the citizens of the regulating jurisdiction, operators and the gaming industry as a whole. The Stars Group expects to continue to invest substantial resources into these efforts, particularly in markets that management believes may in the future have the greatest impact on its business. The Stars Group strives to work with applicable governmental authorities to develop regulations that it expects would protect consumers, encourage responsible gaming, ensure efficient taxation and promote regulated gameplay. The Stars Group also strives to be among the first licensed operators to, either directly or through third parties, obtain gaming licenses and/or approvals, participate in shared liquidity pools and provide online gaming to customers in newly-regulated jurisdictions, in each case to the extent it would be in furtherance of The Stars Group's business goals and strategy and in compliance with its policies and procedures. See also "Regulatory Environment" in each of the 2017 Annual Information Form and the 2018 Prospectus Supplement.

The online gaming industry is heavily regulated and failure by The Stars Group to obtain or maintain applicable licensure or approvals, participate in shared liquidity pools or otherwise comply with applicable requirements, restrictions and prohibitions, could, among other things, be disruptive to its business and adversely affect its operations. The Stars Group may also be unable to capitalize on the expansion of online gaming or other trends and changes in the online gaming industry, in part due to laws and regulations governing this industry. For example, new gaming or gaming-related laws or regulations, changes in existing gaming or gaming-related laws or regulations, new interpretations of such laws or regulations or changes in the manner in which such laws and regulations are enforced, may materially hinder or prevent The Stars Group from continuing to operate in those jurisdictions where it currently conducts business or where its customers are located, which would harm its operating results and financial condition. For additional risks and uncertainties related to regulation, see "Risk Factors and Uncertainties—Risks Related to Regulation" in the 2017 Annual Information Form and under the heading "Risk Factors" in the 2018 Prospectus Supplement.

For additional information about The Stars Group, see the disclosure and discussion elsewhere in this MD&A, the 2017 Annual Reports and the 2018 Prospectus Supplement. For additional risks and uncertainties relating to, among other things, The Stars Group, its business, its customers, its regulatory and tax environment and the industries and geographies in which it operates or where its customers are located, see "Risk Factors and Uncertainties" below and in the 2017 Annual Information Form and "Risk Factors" in the 2018 Prospectus Supplement as well as the risks and uncertainties contained elsewhere herein, the 2017 Annual Reports and in other filings that The Stars Group has made and may make in the future with applicable securities authorities.

Recent Corporate and Other Developments

Below is a general summary of certain recent corporate and other developments from the third quarter of 2018 through the date hereof. For additional corporate and other developments and highlights, see the 2017 Annual Reports, the 2018 Prospectus Supplement and "Further Information" below.

Equity Offering

As previously disclosed, on June 26, 2018, the Corporation closed an underwritten public offering of common shares of the Corporation ("Common Shares") at a price of $38.00 per Common Share (the "Equity Offering"). The Corporation sold a total of 17,000,000 Common Shares and certain selling shareholders of the Corporation sold another 8,000,000 Common Shares. The net proceeds to the Corporation, after underwriting discounts and commissions, but before expenses of the Equity Offering payable by the Corporation, were $621.8 million. The Equity

Offering also included an over-allotment option granted to the underwriters to purchase an additional 1,875,000 Common Shares from the Corporation and 1,875,000 Common Shares from the selling shareholders at a price of $38.00 per Common Share. The underwriters exercised this over-allotment option in full on July 20, 2018, which closed on July 24, 2018 and resulted in additional net proceeds to the Corporation after underwriting discounts and commissions, but before expenses of the over-allotment option payable by the Corporation, of $68.6 million.

Acquisition of SBG and Appointment of Senior Management

As previously disclosed, on July 10, 2018, the Corporation completed the SBG Acquisition. The aggregate purchase price under the transaction agreements was $4.7 billion, of which $3.6 billion was paid in cash and the remainder was paid through the issuance of 37.9 million newly issued Common Shares. To finance the cash portion of the purchase price, repay the Previous First Lien Term Loans (as defined below) and repay SBG's existing long-term debt, the Corporation used cash on its balance sheet and raised $4.567 billion in First Lien Term Loans (as defined below), $1.00 billion in Senior Notes (as defined below) and $621.8 million of net proceeds (before expenses), excluding the overallotment, from the issuance of additional Common Shares as a result of the Equity Offering. The Corporation also obtained a new Revolving Facility (as defined below) of $700.0 million of which it had drawn $100.0 million as of completion of the acquisition (collectively with the foregoing, the "SBG Financing"). See "Overview and Outlook—Recent Corporate and Other Developments—Equity Offering", Liquidity and Capital Resources—Long-Term Debt" and note 11 in the Q3 2018 Financial Statements for additional information.

On October 11, 2018, the UK Competition and Markets Authority cleared the SBG Acquisition following its Phase 1 review under the Enterprise Act 2002, which permitted the Corporation to begin executing on its integration plans.

On that same day, the Corporation announced the appointment of Richard Flint as Executive Chairman of SBG, having previously served as the Chief Executive Officer of SBG, Ian Proctor as Chief Executive Officer of SBG, having previously served as Chief Financial Officer of SBG, and Conor Grant as Chief Operating Officer of SBG, having previously served as Director of SBG's gaming brands, *Sky Vegas*, *Sky Casino*, *Sky Bingo*, and *Sky Poker*. Messrs. Flint and Proctor will report to the Corporation's Chief Executive Officer, Rafi Ashkenazi, and Mr. Grant will report to Mr. Proctor.

Mandatory Conversion of Preferred Shares

On July 18, 2018, the Corporation completed the previously announced mandatory conversion of all of its issued and outstanding convertible preferred shares ("Preferred Shares") as of such date and issued 51,999,623 Common Shares to the holders thereof. All Preferred Shares were cancelled and all rights associated therewith were terminated.

Prior to completion of the conversion, Polar Multi-Strategy Master Fund (and certain affiliated funds) and Verition Canada Master Fund Ltd. applied to the Ontario Superior Court of Justice for a declaration that the mandatory conversion would contravene The Stars Group's articles of continuance. On July 17, 2018, the Superior Court ruled in favor of the Corporation and dismissed the application. As a result, the Corporation proceeded with the conversion as indicated above. The applicants subsequently appealed the Superior Court decision and in the appeal are seeking, among certain declarations, rescission of the conversion or potential damages and costs.

U.S. Sports Betting

On August 2, 2018, The Stars Group and Resorts Casino Hotel announced the extension of their existing partnership in the New Jersey regulated online gaming market to include online and mobile sports wagering through the Corporation's *BetStars* brand alongside the already existing online poker and casino offering available through PokerStarsNJ. On August 10, 2018, The Stars Group and Mount Airy Casino Resort announced a partnership to enter Pennsylvania's online sports wagering and gaming market where The Stars Group will offer to customers in Pennsylvania its online poker, casino (including slots and tables) and sports wagering products.

On September 13, 2018, The Stars Group announced the launch of its BetStars online sports betting brand in New Jersey through its partnership with Resorts Casino Hotel.

BetEasy

In August 2018, The Stars Group rebranded the businesses it had acquired in the Australian Acquisitions as one combined brand, *BetEasy*. During that same month, The Stars Group also substantially completed the migration of customers and platforms and integration of TSGA into BetEasy.

Repayment of Revolving Facility

On October 24, 2018, the Corporation fully repaid the outstanding $100.0 million, including accrued and unpaid interest, that it had drawn under its Revolving Facility in connection with the SBG Acquisition using cash on its balance sheet. For additional information, see “Liquidity and Capital Resources” below.

KEY METRICS AND NON-IFRS MEASURES

The Corporation reviews a number of metrics and measures, including those set forth below, to evaluate its business, measure performance, identify trends, formulate business plans and make strategic decisions. Although management may have provided other metrics and measures in the past, it continues to review and assess the importance, completeness and accuracy of such metrics and measures as it relates to its evaluation of the Corporation’s business, performance and trends affecting the same. This includes, without limitation, customer engagement, gameplay, depositing activity and various other customer trends, particularly following the introduction of certain previously announced improvements in the poker ecosystem to benefit and attract recreational customers and reduce incentives for high-volume, net-withdrawing customers, the introduction of certain customer acquisition initiatives, and the Corporation’s expansion in real-money online casino and sportsbook, including through acquisitions and strategic transactions, particularly the SBG Acquisition and the Australian Acquisitions. As such, management may determine that particular metrics or measures that may have been presented in the past may no longer be helpful or relevant to understanding the Corporation’s current and future business, performance or trends affecting the same, in particular as the Corporation expands its presence in existing or new jurisdictions, integrates previously acquired businesses such as SBG and BetEasy, and continues to grow its Gaming and Betting lines of operations. As a result, such historic metrics or measures may be removed, replaced, redefined or clarified, or new or alternative metrics or measures may be introduced. For each applicable period, management intends to provide such metrics and measures that it believes may be the most helpful and relevant to obtain a complete and accurate understanding of the Corporation’s business and performance, including on a consolidated and segmental basis and normalized measures of the same, and trends affecting the foregoing, in each case taking into account, among other things, the development of its product offerings, loyalty programs, customer acquisition efforts, expansion in new markets and verticals, and acquisitions and strategic transactions, if any.

In addition, the Corporation uses certain non-IFRS financial measures in evaluating its operating results and for financial and operational decision-making purposes. The Corporation believes that such measures help identify underlying trends in its business that could otherwise be masked by the effect of the expenses that it excludes in such measures or, in the case of Free Cash Flow, by cash that is not available for financial or operational use. The Corporation also believes that such measures provide useful information about its operating results, enhance the overall understanding of its past performance and future prospects and allow for greater transparency with respect to metrics and measures used by management in its financial and operational decision-making.

For additional information on how the Corporation calculates its key metrics and non-IFRS measures and factors that can affect such metrics and measures, see below and “Limitations of Key Metrics, Other Data and Non-IFRS Measures” above.

With respect to the International reporting segment, the Corporation provides applicable key metric trend information for each of the eight most recently completed quarterly periods, except for Stakes and Betting Net Win Margin, which are provided for the three and nine months ended September 30, 2018 and the comparative periods in 2017. With respect to the United Kingdom and Australia reporting segments, the Corporation currently provides applicable key metric information for the three and nine months ended September 30, 2018, in each case for the period following the respective acquisition, unless otherwise noted.

Non-IFRS measures for each segment (and on a consolidated basis), where applicable, are presented for the three and nine months ended September 30, 2018 and the comparative periods in 2017. Consolidated key metrics are not provided because management analyzes these key metrics primarily on a segment-by-segment basis due to differences in the nature of the applicable segment’s market, customer base and product offerings and because the Corporation is

in the process of the integration and migration of customers and platforms with respect to the Australian Acquisitions (which management believes is substantially complete as of the date hereof), the integration of Sky Betting & Gaming, and the implementation of its new operating and reporting segments, and once complete, the Corporation may revise or remove currently presented key metrics or report certain additional or other key metrics in the future. Notwithstanding and unless the context otherwise requires, the Corporation believes that readers should consider the applicable key metrics together for each segment (but not on a consolidated basis) as customer growth and monetization trends reflected in such metrics are key factors that affect the Corporation's revenues for the applicable segment.

For other important information on the Corporation's key metrics and non-IFRS measures and limitations related to the use of such metrics and measures, see the information presented under the heading "Management's Discussion and Analysis" and "Limitations of Key Metrics, Other Data and Non-IFRS Measures" above.

Key Metrics

Quarterly Real-Money Active Uniques (QAUs)

The Corporation defines QAUs for the International and Australia reporting segments as active unique customers (online, mobile and desktop client) who (i) made a deposit or transferred funds into their real-money account with the Corporation at any time, and (ii) generated real-money online rake or placed a real-money online bet or wager on during the applicable quarterly period. The Corporation defines "active unique customer" as a customer who played or used one of its real-money offerings at least once during the period, and excludes duplicate counting, even if that customer is active across multiple lines of operation (Poker, Gaming and/or Betting, as applicable) within the applicable reporting segment. The definition of QAUs excludes customer activity from certain low-stakes, non-raked real-money poker games, but includes real-money activity by customers using funds (cash and cash equivalents) deposited by the Corporation into such customers' previously funded accounts as promotions to increase their lifetime value.

The Corporation currently defines QAUs for the United Kingdom reporting segment (which currently includes the SBG business operations only) as active unique customers (online and mobile) who have settled a Stake or made a wager on any betting or gaming product within the relevant period. The Corporation defines unique for the United Kingdom reporting segment as a customer who played at least once on one of its real-money offerings during the period, and excludes duplicate counting, even if that customer is active across more than one line of operation. For the purpose of the three months ended September 30, 2018, QAUs for the United Kingdom reporting segment also include the applicable pre-acquisition period.

QAUs are a measure of the player liquidity on the Corporation's real-money poker product offerings and level of usage on all its real-money product offerings, collectively. Trends in QAUs affect revenue and financial results by influencing the volume of activity, the Corporation's product offerings, and its expenses and capital expenditures. QAUs are disclosed for each reporting segment on a combined basis for the Corporation's relevant brands within that segment. See "Segment Results of Operations" below.

Quarterly Net Yield (QNY)

The Corporation defines QNY as combined revenue for its lines of operation (i.e., Poker, Gaming and/or Betting, as applicable), excluding Other revenues, as reported during the applicable quarterly period (or as adjusted to the extent any accounting reallocations are made in later periods) divided by the total QAUs during the same period. The United Kingdom reporting segment's definition of QNY includes revenue noted in the definition above for the full financial quarter, including the pre-acquisition period. QNY is a non-IFRS measure. For important information on the Corporation's non-IFRS measures, see the information presented under the heading "Management's Discussion and Analysis" and "Limitations of Key Metrics, Other Data and Non-IFRS Measures" above.

Trends in QNY are a measure of growth as the Corporation continues to expand its applicable core real-money online product offerings. In addition, the trends in the Corporation's ability to generate revenue on a per customer basis across its real-money online product offerings are reflected in QNY and are key factors that affect the Corporation's revenue. QNY is disclosed for each reporting segment on a combined basis for the Corporation's relevant brands within that segment. See "Segment Results of Operations" below. The Corporation also provides QNY on a constant currency basis but only for the International reporting segment in this MD&A as there are no reported comparative periods under IFRS with which to compare foreign currency exchange rates for the United Kingdom and Australia

reporting segments given the applicable acquisition dates. For additional information on the Corporation's constant currency revenues, see "Consolidated Results of Operations and Cash Flows—Foreign Exchange Impact on Revenue" and "Segment Results of Operations—International—Foreign Exchange Impact on Revenue".

Net Deposits

The Corporation defines Net Deposits as the aggregate of gross deposits or transfer of funds made by customers into their real-money online accounts less withdrawals or transfer of funds by such customers from such accounts, in each case during the applicable quarterly period. Gross deposits exclude (i) any deposits, transfers or other payments made by such customers into the Corporation's play-money and social gaming offerings, and (ii) any real-money funds (cash and cash equivalents) deposited by the Corporation into such customers' previously funded accounts as promotions to increase their lifetime value.

Net Deposits are closely correlated to the International segment's reported revenue, as some or all of such deposits eventually become revenue if and when the deposits are used for applicable rake, or tournament fees. Trends in Net Deposits are used by management to gauge expected revenue performance across the International segment's applicable lines of operations and are considered by management when making decisions with respect to applicable product offering changes, including but not limited to, the recent and continuing changes to the Corporation's online poker ecosystem to benefit and attract high-value, net-depositing customers (primarily recreational players). Net Deposits are not, and should not be considered, representative of revenue bookings or deferred revenues. Net Deposits are disclosed for the International segment on a combined basis for the Corporation's relevant brands within that segment. See "Segment Results of Operations" below.

Stakes and Betting Net Win Margin

The Corporation defines Stakes as betting amounts wagered on the Corporation's applicable online betting product offerings, and is also an industry term that represents the aggregate amount of funds wagered by customers within the Betting line of operation for the period specified. Betting Net Win Margin is calculated as Betting revenue as a proportion of Stakes. The Corporation uses Stakes and Betting Net Win Margin as measures of the scale of its operations, the engagement of its customers and performance of its operations across its product offerings and geographic regions. Trends in Stakes are a measure of growth in the Corporation's Betting line of operations as the Corporation continues to expand its applicable core real-money online betting offerings. Trends in Betting Net Win Margin are a measure of the favorability of the outcomes of sporting and other events and the impact of promotional offerings related to the Corporation's betting offerings. Stakes and Betting Net Win Margin are disclosed for each segment on a combined basis for the Corporation's relevant betting brands within that segment. See "Segment Results of Operations" below.

Non-IFRS Measures

The Corporation currently considers the following additional non-IFRS measures, reconciliations of which to their nearest IFRS measures are provided, as applicable, under "Reconciliations" below:

Adjusted EBITDA

The Corporation defines Adjusted EBITDA as net earnings before financial expenses, income taxes expense (recovery), depreciation and amortization, stock-based compensation, restructuring, net earnings (loss) on associate and certain other items as set out in the reconciliation tables under "Reconciliations" below.

Adjusted EBITDA Margin

The Corporation defines Adjusted EBITDA Margin as Adjusted EBITDA as a proportion of total revenue.

Adjusted Net Earnings

The Corporation defines Adjusted Net Earnings as net earnings before interest accretion, amortization of intangible assets resulting from purchase price allocations following acquisitions, stock-based compensation, restructuring, net earnings (loss) on associate, and certain other items. In addition, beginning with this MD&A, adjustments are made for (i) the re-measurement of contingent consideration, which was previously included in, and adjusted for through, interest accretion, but starting with the Q3 2018 Financial Statements it is now a separate line item, (ii) the re-

measurement of embedded derivatives and ineffectiveness on cash flow hedges, each of which are new line items in the Q3 2018 Financial Statements, and (iii) certain non-recurring tax adjustments and settlements. Each adjustment to net earnings is then adjusted for the tax impact, where applicable, in the respective jurisdiction to which the adjustment relates, as set out in the reconciliation tables under “Reconciliations” below. The Corporation believes that the above-mentioned adjustments will provide investors with useful supplemental information about the financial performance of its business, enable comparison of financial results between periods where certain items may vary independent of business performance, and allow for greater transparency with respect to key metrics and measures used by management in operating its business and making decisions. Adjusted Net Earnings and any other non-IFRS measures used by the Corporation that relies on or otherwise incorporates Adjusted Net Earnings that was reported for previous periods have not been restated under the updated definition on the basis that the Corporation believes that the impact of the change to those periods would not be material.

Adjusted Diluted Net Earnings per Share

The Corporation defines Adjusted Diluted Net Earnings per Share as Adjusted Net Earnings attributable to the Shareholders of The Stars Group Inc. divided by Diluted Shares. Diluted Shares means the weighted average number of Common Shares on a fully diluted basis, including options, other equity-based awards, warrants and the Preferred Shares. The effects of anti-dilutive potential Common Shares are ignored in calculating Diluted Shares. Diluted Shares used in the calculation of diluted earnings per share may differ from diluted shares used in the calculation of Adjusted Diluted Net Earnings per Share where the dilutive effects of the potential Common Shares differ. See note 9 in the Q3 2018 Financial Statements. For the three and nine months ended September 30, 2018, Diluted Shares used for the calculation of Adjusted Diluted Net Earnings per Share equalled 269,526,633 and 232,640,294, respectively, compared with 204,800,009 and 202,796,952 for the same periods in 2017, respectively.

Free Cash Flow

The Corporation defines Free Cash Flow as net cash flows from operating activities after adding back customer deposit liability movements, and after capital expenditures and debt servicing cash flows (excluding voluntary prepayments), as set out in the reconciliation tables under “Reconciliations” below. The Corporation believes that removing movements in customer deposit liabilities provides a more meaningful understanding of its free cash flows as customer deposits are not available funds for the Corporation to use for financial or operational purposes.

CONSOLIDATED RESULTS OF OPERATIONS AND CASH FLOWS

Summary consolidated results of operations, cash flows and certain other items of the Corporation for the three and nine months ended September 30, 2018 and 2017 are set forth below:

	Three Months Ended September 30,			Nine Months Ended September 30,		
In thousands of U.S. Dollars (except otherwise noted)	2018	2017	% Change	2018	2017	% Change
Revenue						
Poker	215,716	221,393	(2.6%)	678,572	642,946	5.5%
Gaming	180,920	83,474	116.7%	389,571	243,959	59.7%
Betting	158,376	11,688	1,255.0%	267,099	27,541	869.8%
Other	16,971	12,888	31.7%	41,144	37,619	9.4%
Total Revenue	**571,983**	**329,443**	**73.6%**	**1,376,386**	**952,065**	**44.6%**
Gross Profit	442,757	266,966	65.8%	1,083,259	774,460	39.9%
Gross Profit Margin (%)	77.4%	81.0%	(4.5%)	78.7%	81.3%	(3.2%)
Operating Expenses						
General and administrative	267,463	109,096	145.2%	671,556	322,344	108.3%
Sales and marketing	92,531	33,116	179.4%	196,848	98,475	99.9%
Research and development	11,862	6,030	96.7%	29,023	18,513	56.8%
Operating Income	**70,901**	**118,724**	**(40.3%)**	**185,832**	**335,128**	**(44.5%)**
Net (Earnings) Loss from Associates	—	2,569	(100.0%)	(1,068)	2,569	(141.6%)
Net Financing Charges	74,360	38,095	95.2%	273,071	119,593	128.3%
Income Tax (Recovery) Expense	(13,189)	2,186	703.4%	(15,438)	856	1,903.4%
Net Earnings (Loss)	**9,730**	**75,874**	**(87.2%)**	**(70,733)**	**212,110**	**(133.3%)**
Adjusted Net Earnings [1]	**119,500**	**119,595**	**(0.1%)**	**389,285**	**346,990**	**12.2%**
Adjusted EBITDA [1]	**198,252**	**155,767**	**27.3%**	**541,545**	**453,305**	**19.5%**
Adjusted EBITDA Margin [1]	**34.7%**	**47.3%**	**(26.7%)**	**39.3%**	**47.6%**	**(17.4%)**
Earnings (Loss) Per Share						
Basic ($/Share)	0.06	0.52	(88.6%)	(0.34)	1.45	(123.4%)
Diluted ($/Share)	0.06	0.37	(84.9%)	(0.34)	1.05	(132.3%)
Adjusted Diluted Net Earnings per Share ($/Share) [1]	**0.45**	**0.58**	**(23.8%)**	**1.67**	**1.71**	**(2.2%)**
Net cash inflows from operating activities	73,227	144,870	(49.5%)	369,307	370,843	(0.4%)
Net cash outflows from investing activities	(1,544,876)	(1,178)	131,044.0%	(1,879,470)	(10,108)	18,493.9%
Net cash inflows (outflows) from financing activities	897,504	(148,888)	702.8%	1,758,793	(415,527)	523.3%
Free Cash Flow [1]	**(26,723)**	**95,306**	**(128.0%)**	**140,392**	**255,028**	**(45.0%)**

As at	September 30, 2018	December 31, 2017	% Change
Total Assets	11,480,606	5,415,126	112.0%
Total Non-Current Liabilities	6,242,171	2,509,221	148.8%

[1] Non-IFRS measure. For reconciliations of non-IFRS measures to their nearest IFRS measures, see “Reconciliations” below. For other important information on the Corporation’s non-IFRS measures and limitations related to the use of such non-IFRS measures, see the information presented under the heading “Management’s Discussion and Analysis”, “Limitations of Key Metrics, Other Data and Non-IFRS Measures” and “Key Metrics and Non-IFRS Measures” above.

Revenue

a) Poker

Poker revenue for the quarter ended September 30, 2018 was $215.7 million, a decrease of 2.6% compared to $221.4 million for the same period in 2017. The decrease for the quarter was primarily the result of (i) the negative impact of foreign exchange fluctuations, (ii) the cessation of real-money online poker operations in certain markets, notably Australia in September 2017, and (iii) cross-selling to other lines of operations. This was partially offset by (i) a one-time recognition of previously unrecognized VAT in Switzerland against Poker revenue recorded in the three months ended September 30, 2017, (ii) the continued positive impact of the *Stars Rewards* loyalty program and continued focus on high-value, net-depositing customers (primarily recreational players), (iii) the impact of shared poker liquidity in France, Spain and Portugal, and (iv) the SBG Acquisition. Poker revenue for the nine months ended September 30, 2018 was $678.6 million, an increase of 5.5% compared to $642.9 million for the same period in 2017. The increase for the nine-month period was primarily the result of (i) the *Stars Rewards* loyalty program and continued focus on high-value, net-depositing customers (primarily recreational players), (ii) the positive impact of foreign exchange fluctuations and (iii) the impact of shared poker liquidity in France and Spain in the first quarter and the addition of Portugal in the second quarter. This was partially offset by the cessation of operations in certain markets as noted above.

With respect to Canada, the jurisdiction where its registered office is located, and based solely on calculations derived from internal records, the Corporation estimates that revenue derived from customers in Canada, which currently relates only to peer-to-peer Poker, represented less than 5% of its total consolidated revenue for the three and nine months ended September 30, 2018 and 2017. These estimations are neither itemized nor otherwise separated from the revenues the Corporation reports under IFRS or otherwise, and as such, they cannot be reconciled to a reported IFRS measure.

b) Gaming

Gaming revenue for the quarter ended September 30, 2018 was $180.9 million, an increase of 116.7% compared to $83.5 million for the same period in 2017. Gaming revenue for the nine months ended September 30, 2018 was $389.6 million, an increase of 59.7% compared to $244.0 million for the same period in 2017. The increases in both periods were primarily the result of (i) the SBG Acquisition, (ii) product and content improvements to *PokerStars Casino*, including the introduction of over 250 new casino games during the nine months ended September 30, 2018, and (iii) the launch of *PokerStars Casino* in certain new markets within the current year. The quarter ended September 30, 2018 was negatively impacted by foreign exchange fluctuations while the nine months ended September 30, 2018 was positively impacted by foreign exchange fluctuations.

c) Betting

Betting revenue for the quarter ended September 30, 2018 was $158.4 million, an increase of 1,255.0% compared to $11.7 million for the same period in 2017. Betting revenue for the nine months ended September 30, 2018 was $267.1 million, an increase of 869.8% compared to $27.5 million for the same period in 2017. The increases in both periods were primarily due to (i) the SBG Acquisition and the Australian Acquisitions, (ii) strong growth in wagering activity at *BetStars* driven by a significant increase in QAUs driven by the 2018 FIFA World Cup (the “World Cup”), product and content improvements and the launch of *BetStars* in certain new markets within the current year, and (iii) an increase in Betting Net Win Margin at *BetStars*. The quarter ended September 30, 2018 was negatively impacted by foreign exchange fluctuations while the nine months ended September 30, 2018 was positively impacted by foreign exchange fluctuations.

Foreign Exchange Impact on Revenue

The Corporation believes providing revenues on a constant currency basis is a useful metric that facilitates comparison to its historical performance, mainly because the U.S. dollar is the primary currency of gameplay on the International segment’s product offerings and the majority of the segment’s customers are from European Union jurisdictions. To show the foreign exchange impact due to translation and purchasing power the Corporation calculates revenue on a constant currency basis, by translating the International segment’s revenue for the current period using the prior year’s

monthly average exchange rates for its local currencies other than the U.S. dollar. Revenue for the United Kingdom and Australian segments has not been translated based on prior year's monthly average exchange rates.

The U.S. dollar was stronger against certain foreign currencies, particularly the Euro, which is the primary depositing currency of the International segment's customers, during the quarter ended September 30, 2018 compared to the same period in the prior year. This had a negative impact on revenue across all lines of operations. If the Corporation had translated its total consolidated IFRS revenue for the three months ended September 30, 2018 using the constant currency exchange rates for its source currencies other than the U.S. dollar, such revenues would have been $585.3 million, which is $13.3 million higher than actual IFRS revenues. As a result, excluding the impact of year-over-year changes in foreign exchange rates, such revenues for the three months ended September 30, 2018 would have increased by 77.7%, as opposed to 73.6% over the same period in 2017.

For the nine months ended September 30, 2018, the U.S. dollar was weaker against certain foreign currencies, particularly the Euro, which is the primary depositing currency of the International segment's customers, compared to the same period in the prior year. This had a positive impact on revenue across all lines of operations. If the Corporation had translated its total consolidated IFRS revenue for the nine months ended September 30, 2018 using the constant currency exchange rates for its source currencies other than the U.S. dollar, such revenues would have been $1,341.9 million, which is $34.5 million lower than actual IFRS revenues. As a result, excluding the impact of year-over-year changes in foreign exchange rates, such revenues for the nine months ended September 30, 2018 would have increased by 40.9%, as opposed to 44.6%, over the same period in 2017.

Gross Profit and Gross Profit Margin

Gross profit for the quarter ended September 30, 2018 was $442.8 million, an increase of 65.8% compared to $267.0 million for the same period in 2017. Gross profit for the nine months ended September 30, 2018 was $1,083.3 million, an increase of 39.9% compared to $774.5 million for the same period in 2017. The increases in both periods were primarily the result of increases in revenue from the SBG Acquisition and the Australian Acquisitions and as noted above.

Gross profit margin for the quarter ended September 30, 2018 was 77.4%, a decrease of 4.5% compared to 81.0% for the same period in 2017. Gross profit margin for the nine months ended September 30, 2018 was 78.7%, a decrease of 3.2% compared to 81.3% for the same period in 2017. The decrease in both periods was primarily the result of (i) the increased proportion of Betting revenue primarily resulting from the SBG Acquisition and Australian Acquisitions, which generally has lower gross profit margins than Poker and Gaming, (ii) increased gaming duties, levies and fees incurred due to expanded operations in existing markets, including as a result of shared liquidity, (iii) an increase in the proportion of Gaming and Betting revenue within the International segment, and (iv) the impact of lower than historical average Betting Net Win Margins in the United Kingdom and Australia segments.

Operating Expenses

General and Administrative

General and administrative expenses for the quarter ended September 30, 2018 were $267.5 million, an increase of 145.2% compared to $109.1 million for the same period in 2017. The increase for the quarter was primarily the result of (i) additional general and administrative expenses resulting from the SBG Acquisition and Australian Acquisitions, (ii) increased salary and wages as the result of investment in additional headcount, (iii) integration costs in relation to the SBG Acquisition and the Australian Acquisitions, and (iv) increased information technology and software costs driven by increased cloud storage space and additional leased data center spaces. General and administrative expenses for the nine months ended September 30, 2018 were $671.6 million, an increase of 108.3% compared to $322.3 million for the same period in 2017. The increase for the nine-month period was primarily the result of (i) additional general and administrative expenses resulting from the SBG Acquisition and Australian Acquisitions including integration costs, (ii) up-front acquisition-related costs, including realized costs relating to deal-contingent forward contracts in relation to the SBG Acquisition and Australian Acquisitions of $112.5 million, (iii) increased salary and wages as the result of investment in additional headcount, and (iv) increased information technology and software costs driven by increased cloud storage space and additional leased data center spaces. In addition, in 2017, certain reversals of previous impairments of intangible assets and an unrealized gain recorded in respect of an equity investment reduced general and administrative expenses for the nine months ended September 30, 2017.

Sales and Marketing

Sales and marketing expenses for the quarter ended September 30, 2018 were $92.5 million, an increase of 179.4%, compared to $33.1 million for the same period in 2017. Sales and marketing expenses for the nine months ended September 30, 2018 were $196.9 million, an increase of 99.9% compared to $98.5 million for the same period in 2017. The increases for both periods were primarily the result of additional sales and marketing expenses resulting from the SBG Acquisition and Australian Acquisitions. The nine-month period was also impacted by increased advertising costs related to the World Cup.

Research and Development

Research and development expenses for the quarter ended September 30, 2018 were $11.9 million, an increase of 96.7% compared to $6.0 million for the same period in 2017. Research and development expenses for the nine months ended September 30, 2018 were $29.0 million, an increase of 56.8% compared to $18.5 million for the same period in 2017. The increases for both periods were primarily the result of (i) additional research and development expenses resulting from the SBG Acquisition and Australian Acquisitions, and (ii) additional investment in product offerings and content improvements, primarily in *PokerStars* and *PokerStars Casino*, including the introduction of over 250 new casino games during the nine months ended September 30, 2018.

Foreign Exchange Impact on Operating Expenses

The Corporation's expenses are impacted by currency fluctuations. Almost all of its expenses are incurred in either the Euro, British Pound Sterling, U.S. dollar, Canadian dollar or Australian dollar. There are some natural hedges as a result of customer deposits made in such currencies; however, the Corporation also enters into certain economic hedges to mitigate the impact of foreign currency fluctuations as it deems necessary. Further information on foreign currency risk can be found below in "Liquidity and Capital Resources—Market Risk—Foreign Currency Exchange Risk".

Net Financing Charges

Net financing charges for the quarter ended September 30, 2018 were $74.4 million, an increase of 95.2% compared to $38.1 million for the same period in 2017. The increase in the quarter was primarily the result of (i) increased interest expense primarily related to the First Lien Term Loans, (ii) losses incurred on the re-measurement of contingent consideration and embedded derivatives, and (iii) the loss on extinguishment of $18.5 million recorded in respect of both the early repayment of the Previous First Lien Term Loans and the repayment of SBG's existing long-term debt. This was partially offset by ineffectiveness recorded in respect of the Corporation's cash flow hedges.

Net financing charges for the nine months ended September 30, 2018 were $273.1 million, an increase of 128.3% compared to $119.6 million for the same period in 2017. The increase for the nine-month period was primarily the result of (i) increased interest expense primarily related to the First Lien Term Loans and the 2018 Amend and Extend (as defined below), (ii) losses incurred on the re-measurement of contingent consideration and embedded derivatives, and (iii) the losses on extinguishment of $143.5 million recorded in respect of the April 2018 Amend and Extend, the early repayment of the Previous First Lien Term Loans and the repayment of SBG's existing long-term debt. This was partially offset by ineffectiveness recorded in respect of the Corporation's cash flow hedges.

Income Taxes

The income tax recovery for the three and nine months ended September 30, 2018 was $13.2 million and $15.4 million, respectively (three and nine months ended September 30, 2017, income tax expense of $2.2 million and $0.9 million, respectively). This resulted in effective tax rates for the three and nine months ended September 30, 2018 of 381.2% and 17.9%, respectively (three and nine months ended September 30, 2017, 2.8% and 0.4%, respectively).

The income tax recovery for the three months and nine months ended September 30, 2018 includes $11.8 million and $14.4 million, respectively (three and nine months ended September 30, 2017, $nil) in relation to the deferred tax recovery on the amortization expense of acquired intangible assets from the Australian Acquisitions and the SBG Acquisition.

The Corporation's income taxes for the current period are impacted by the tax recovery on amortization and the mix of geographic diversity of its taxable earnings. The Corporation expects that this will continue in future periods

following the Australian Acquisitions and the SBG Acquisition, which have operations primarily in Australia and the United Kingdom, respectively, where statutory corporate income tax rates are higher than the corporate income tax rates in the Isle of Man and Malta, where the Corporation primarily operated from prior to these acquisitions.

Net Earnings (Loss)

Net earnings for the quarter ended September 30, 2018 was $9.7 million, a decrease of 87.2%, compared to net earnings of $75.9 million for the same period in 2017. Net loss for the nine months ended September 30, 2018 was $70.7 million, a decrease of 133.3% compared to net earnings of $212.1 million for the same period in 2017. These losses were primarily the result of losses incurred with respect to the operations of SBG and BetEasy, the above noted losses on extinguishment and acquisition-related costs incurred in connection with the SBG Acquisition and the Australian Acquisitions during the period and recorded through general and administrative expenses.

Adjusted Net Earnings

On an adjusted basis, Adjusted Net Earnings for the quarter ended September 30, 2018 was $119.5 million, a decrease of 0.1%, compared to $119.6 million for the same period in 2017. Adjusted Net Earnings for the nine months ended September 30, 2018 was $389.3 million, an increase of 12.2% compared $347.0 million for the same period in 2017. The changes in both periods were primarily the result of increases to revenue and gross profit as described above. Adjusted Net Earnings was negatively impacted in both periods by (i) additional operating expenses resulting from the SBG Acquisition and Australian Acquisitions, and (ii) increases to interest expense following the completion of the debt portion of the SBG Financing on July 10, 2018.

Basic and Diluted Net Earnings (Loss) per Share

Basic net earnings per share for the quarter ended September 30, 2018 was $0.06, a decrease of 88.6% compared to basic net earnings per share of $0.52 for the same period in 2017, based on weighted average Common Shares outstanding of 257,322,252 and 147,350,920, respectively. Basic net loss per share for the nine months ended September 30, 2018 was $(0.34), a decrease of 123.4% compared to basic net earnings per share of $1.45 for the same period in 2017, based on weighted average Common Shares outstanding of 186,517,259 and 146,537,015, respectively. The decreases in both periods were due to the net losses incurred as noted above. The decrease for the nine-month period was partially offset by the increase in weighted average Common Shares outstanding, which was primarily the result of the issuance of Common Shares in connection with the Equity Offering, the Corporation's mandatory conversion of its Preferred Shares, the SBG Acquisition, the Australian Acquisitions and in relation to the exercise of stock options and settlement of certain other equity-based awards.

Diluted net earnings per share for the quarter ended September 30, 2018 was $0.06, a decrease of 84.9% compared to diluted net earnings per share of $0.37 for the same period in 2017, based on weighted average diluted Common Shares outstanding of 269,526,633 and 204,800,009, respectively. Diluted net loss per share for the nine months ended September 30, 2018 was $(0.34), a decrease of 132.3%, compared to diluted net earnings per share of $1.05 for the same period in 2017, based on weighted average diluted Common Shares outstanding of 186,517,259 and 202,796,952, respectively. The decreases in both periods were due to the net losses incurred as noted above. In respect of the nine-month period, the decrease was further negatively impacted as all potentially dilutive securities of the Corporation (i.e., securities exercisable or convertible into Common Shares or equity-based awards that can be settled into Common Shares), were not included in the weighted average diluted Common Share amount above used to calculate diluted loss per share because the exercise, conversion or settlement of such securities would be anti-dilutive. This compares to the same period in 2017 where dilutive securities were primarily impacted by the Preferred Shares.

Adjusted Diluted Net Earnings per Share

Adjusted Diluted Net Earnings per Share for the quarter ended September 30, 2018 was $0.45, a decrease of 23.8%, compared to $0.58 for the same period in 2017, based on weighted average diluted Common Shares outstanding of 269,526,633 and 204,800,009, respectively. Adjusted Diluted Net Earnings per Share for the nine months ended September 30, 2018 was $1.67, a decrease of 2.2% compared to $1.71 for the same period in 2017, based on weighted average Common Shares outstanding of 232,640,294 and 202,796,952, respectively. The decreases in both periods were primarily the result of increases in the weighted average diluted Common Shares outstanding, which was primarily the result of the issuance of Common Shares in connection with the Equity Offering, the Corporation's mandatory conversion of its Preferred Shares, the SBG Acquisition, the Australian Acquisitions and in relation to the

exercise of stock options and settlement of certain other equity-based awards. This was partially offset for the nine months ended September 30, 2018 by increases to Adjusted Net Earnings as discussed above.

Adjusted EBITDA and Adjusted EBITDA Margin

Adjusted EBITDA for the quarter ended September 30, 2018 was $198.3 million, an increase of 27.3% compared to $155.8 million for the same period in 2017. Adjusted EBITDA for the nine months ended September 30, 2018 was $541.5 million, an increase of 19.5% compared to $453.3 million for the same period in 2017. The increases in Adjusted EBITDA in both periods were primarily due to increased revenue and gross profit as noted above.

Adjusted EBITDA Margin for the quarter ended September 30, 2018 was 34.7%, a decrease of 26.7% compared to 47.3% for the same period in 2017. Adjusted EBITDA Margin for the nine months ended September 30, 2018 was 39.3%, a decrease of 17.4% compared to 47.6% for the same period in 2017. The decreases in Adjusted EBITDA Margin in both periods were primarily due to the decrease in gross profit margins as noted above, which were primarily impacted by the SBG Acquisition and the Australia Acquisitions, as the United Kingdom and Australia segments generally have lower gross profit margins than the International segment. In addition, the nine-month period was impacted by increased advertising costs related to the World Cup and other marketing initiatives primarily focused towards *BetStars* and *PokerStars*.

Cash Flows by Activity

Cash from Operating Activities

The Corporation generated cash inflows from operating activities for the quarter and nine months ended September 30, 2018 and 2017. The Corporation's cash inflows from operating activities decreased for each of the respective periods in 2018 as compared to same periods in 2017 primarily as a result of (i) increased general and administrative expenses as described above and in particular resulting from acquisition-related costs and integration costs incurred in respect of the SBG Acquisition and the Australian Acquisitions, and (ii) increased sales and marketing costs as described above. This was partially offset by (i) the above noted increase in revenue and gross profit generated from the underlying operations of the Corporation, including the impacts of the SBG Acquisition and the Australian Acquisitions, and (ii) a net inflow in relation to customer deposits relative to the prior year periods being net outflows.

Cash from (used in) Financing Activities

During the quarter ended September 30, 2018, cash flows from financing activities were primarily impacted by cash inflows of (i) $5.67 billion related to the debt portion of the SBG Financing and (ii) $66.1 million related to the issuance of Common Shares primarily in connection with the exercise of the Equity Offering over-allotment option in full (net of transaction costs) and the exercise of employee stock options. These inflows were partially offset by (i) outflows related to interest and principal repayments on the First Lien Term Loans and Revolving Facility, and (ii) $3.83 billion related to the repayment in full of the principal and accrued interest of the Previous First Lien Term Loans and the repayment of long-term debt of SBG assumed in connection with the SBG Acquisition. During the quarter ended September 30, 2017, cash flows from financing activities were primarily impacted by cash outflows related to interest and principal repayments on the Previous First Lien Term Loans and the USD Second Lien Term Loan (as defined below), and in particular the voluntary prepayment of $115 million on the USD Second Lien Term Loan.

During the nine months ended September 30, 2018, cash flows from financing activities were primarily impacted by cash inflows of (i) $5.67 billion in connection with the debt portion of the SBG Financing, (ii) $425.0 million of Previous First Lien Term Loans incurred in connection with the April 2018 Amend and Extend, prior to the SBG Financing, and (iii) $715.5 million related to the issuance of Common Shares primarily in connection with the Equity Offering (including the proceeds from the exercise of the over-allotment option in full and net of transaction costs) and the exercise of employee stock options. These inflows were partially offset by outflows related to (i) interest and principal repayments on the First Lien Term Loans, Revolving Facility and Previous First Lien Term Loans, (ii) $3.93 billion related to the repayment in full of each of the Previous First Lien Term Loans and the USD Second Lien Term Loan, and the repayment of long-term debt of SBG assumed in connection with the SBG Acquisition, and (iii) $48.2 million in cash consideration (net of cash acquired) paid for the acquisition of an incremental 18% interest in BetEasy. During the nine months ended September 30, 2017, cash flows from financing activities were primarily impacted by cash outflows related to (i) the payment of $197.5 million on the deferred purchase price during the period, (ii) interest and principal repayments on the Previous First Lien Term Loans and the USD Second Lien Term Loan, and in

particular the voluntary prepayment of $115 million on the USD Second Lien Term Loan, and (iii) the settlement of an investment margin account previously utilized to acquire strategic investments in 2014. These expenditures were partially offset by a gain on settlement of certain derivatives.

Cash used in Investing Activities

The Corporation's cash outflows from investing activities during the quarter ended September 30, 2018 were primarily impacted by (i) $1.55 billion in cash consideration (net of cash acquired) paid in connection with SBG Acquisition, and (ii) capital expenditures, primarily consisting of investments in online gaming development, in each case partially offset by the inflow of cash from the sale of certain investments made with customer deposits. The Corporation's cash outflows from investing activities during the quarter ended September 30, 2017 were primarily impacted by capital expenditures, primarily consisting of investments in online poker, casino and sportsbook development, as partially offset by the inflow of cash from the sale of all the common shares of Innova Gaming Group Inc. ("Innova") then-held by the Corporation.

The Corporation's cash outflows from investing activities during the nine months ended September 30, 2018 were primarily the result of (i) $1.87 billion in aggregate cash consideration (net of cash acquired) paid in connection with the SBG Acquisition and the Australian Acquisitions, and (ii) capital expenditures, primarily consisting of investments in online gaming development, in each case partially offset by the inflow of cash from the from the sale of certain investments made with customer deposits. During the nine months ended September 30, 2017, the Corporation's cash outflows from investing activities were primarily impacted by (i) the previously disclosed acquisition of the remaining interests in Stars Fantasy, and (ii) capital expenditures, primarily consisting of investments in online poker, casino and sportsbook development, in each case partially offset by the inflow of cash from the settlement of the note received in connection with the sale of a former subsidiary, Cadillac Jack Inc., in 2015 and the sale of all the common shares of Innova then-held by the Corporation.

Free Cash Flow

Free Cash Flow for the quarter ended September 30, 2018 was $(26.7) million, a decrease of 128.0% compared to $95.3 million for the same period in 2017. Free Cash Flow for the nine months ended September 30, 2018 was $140.4 million, a decrease of 45.0% compared to $255.0 million for the same period in 2017. The decrease in both periods was primarily the result of (i) decreased cash inflows from operating activities as noted above, (ii) increased customer deposit liabilities, (iii) increased cash interest and principal payments and (iv) increased capital expenditures as the Corporation continued to invest in future product improvements and market expansion.

Total Assets

Total assets as at September 30, 2018 were $11.48 billion, an increase of 112.0% compared to $5.4 billion as of December 31, 2017. The increase was primarily the result of increases in (i) operational cash and customer deposits and (ii) goodwill and intangible assets each relating primarily to the SBG Acquisition and the Australian Acquisitions.

Total Non-Current Liabilities

Total non-current liabilities as at September 30, 2018 were $6.24 billion, an increase of 148.8% compared to $2.51 billion for the year ended December 31, 2017. The increase was primarily the results of increases in (i) long-term debt resulting from the SBG Financing, (ii) contingent consideration relating to the Corporation's acquisition of an incremental 18% interest in BetEasy and (iii) deferred tax liabilities as a result of deferred taxes recorded on the intangibles acquired through the SBG Acquisition and the Australian Acquisitions. This was partially offset by a decrease in the liability for derivative instruments resulting from changes in fair value and settlements during the nine months ended September 30, 2018.

SEGMENT RESULTS OF OPERATIONS

Following the SBG Acquisition and beginning with the Q3 2018 Financial Statements and this MD&A, the Corporation added an additional reporting segment and currently has three reporting segments, International, United Kingdom and Australia, each with certain major lines of operations, including Poker, Gaming, Betting and Other, as applicable, and a Corporate cost center. See above under "Managements Discussion and Analysis" and note 6 of the Q3 2018 Financial Statements.

Prior quarterly and annual segmental results and information presented in this MD&A have been recast to be presented in a manner consistent with the changed reporting segments.

International

As at September 30, 2018, the International reporting segment included the Stars Interactive Group business, which represents the Corporation's existing business prior to the SBG Acquisition and the Australian Acquisitions, and operates across all lines of operations and in various jurisdictions around the world, including in the United Kingdom, under the brands identified above under "Overview and Outlook".

	Three Months Ended September 30,			Nine Months Ended September 30,		
In thousands of U.S. Dollars (except otherwise noted)	2018	2017	% Change	2018	2017	% Change
Stakes	*233,694*	*163,844*	*42.6%*	*705,251*	*451,699*	*56.1%*
Betting Net Win Margin (%)	*9.0%*	*7.1%*	*26.1%*	*8.1%*	*6.1%*	*33.4%*
Revenue						
Poker	212,832	221,393	(3.9%)	675,688	642,946	5.1%
Gaming	107,602	83,474	28.9%	316,253	243,959	29.6%
Betting	21,030	11,688	79.9%	57,351	27,541	108.2%
Other [2]	10,982	12,888	(14.8%)	35,155	37,619	(6.5%)
Total Revenue	**352,446**	**329,443**	**7.0%**	**1,084,447**	**952,065**	**13.9%**
Gross Profit	**287,522**	**266,966**	**7.7%**	**873,444**	**774,460**	**12.8%**
Gross Profit Margin (%)	81.6%	81.0%	0.7%	80.5%	81.3%	(1.0%)
General and administrative	111,295	95,250	16.8%	319,668	276,798	15.5%
Sales and marketing	31,912	32,624	(2.2%)	119,136	97,914	21.7%
Research and development	6,808	6,030	12.9%	22,985	18,513	24.2%
Operating Income	**137,507**	**133,062**	**3.3%**	**411,655**	**381,235**	**8.0%**
Adjusted EBITDA [1]	**182,228**	**162,880**	**11.9%**	**533,025**	**478,264**	**11.4%**
Adjusted EBITDA Margin (%) [1]	**51.7%**	**49.4%**	**4.6%**	**49.2%**	**50.2%**	**(2.2%)**

[1] Non-IFRS measure. For reconciliations of non-IFRS measures to their nearest IFRS measures, see "Reconciliations" below. For other important information on the Corporation's non-IFRS measures and limitations related to the use of such non-IFRS measures, see the information presented under the heading "Management's Discussion and Analysis", "Limitations of Key Metrics, Other Data and Non-IFRS Measures" and "Key Metrics and Non-IFRS Measures" above.
[2] Other revenue includes $1.0 million that the Corporation excluded from its consolidated results as it related to certain non-gaming related transactions with the United Kingdom segment. A corresponding exclusion in the consolidated results is recorded to sales and marketing expense for amounts included in the United Kingdom segment in respect of these transactions.

Revenue

a) Poker

Poker revenue for the quarter ended September 30, 2018 was $212.8 million, a decrease of 3.9% compared to $221.4 million for the same period in 2017. Poker revenue for the nine months ended September 30, 2018 was $675.7 million, an increase of 5.1% compared to $642.9 million for the same period in 2017. The changes in both periods were primarily impacted by the same or substantially similar factors listed above under "Consolidated Results of Operations and Cash Flows—Revenue—Poker" except in respect of the impact of the SBG Acquisition.

b) Gaming

Gaming revenue for the quarter ended September 30, 2018 was $107.6 million, an increase of 28.9% compared to $83.5 million for the same period in 2017. Gaming revenue for the nine months ended September 30, 2018 was $316.3 million, an increase of 29.6% compared to $244.0 million for the same period in 2017. The increases in both periods were primarily impacted by the same or substantially similar factors listed above under “Consolidated Results of Operations and Cash Flows—Revenue—Gaming” except in respect of the impact of the SBG Acquisition.

c) Betting

Betting revenue for the quarter ended September 30, 2018 was $21.0 million, an increase of 79.9% compared to $11.7 million for the same period in 2017. Betting revenue for the nine months ended September 30, 2018 was $57.4 million, an increase of 108.2% compared to $27.5 million for the same period in 2017. The increases in both periods were primarily impacted by the same or substantially similar factors listed above under “Consolidated Results of Operations and Cash Flows—Revenue—Betting” except in respect of the impact of the SBG Acquisition and Australian Acquisitions.

Foreign Exchange Impact on Revenue

The U.S. dollar was stronger against certain foreign currencies, particularly the Euro, which is the primary depositing currency of the International segment’s customers, during the quarter ended September 30, 2018 compared to the same period in the prior year. This had a negative impact on the segment’s revenue across all lines of operations. If the Corporation had translated the International segment’s IFRS revenue for the three months ended September 30, 2018 using the constant currency exchange rates for its source currencies other than the U.S. dollar, such revenues would have been $365.7 million, which is $13.3 million higher than actual IFRS revenues. As a result, excluding the impact of year-over-year changes in foreign exchange rates, such revenues for the three months ended September 30, 2018 would have increased by 11.0%, as opposed to 7.0% over the same period in 2017.

For the nine months ended September 30, 2018, the U.S. dollar was weaker against certain foreign currencies, particularly the Euro, which is the primary depositing currency of the International segment’s customers, compared to the same period in the prior year. This had a positive impact on the segment’s revenue across all lines of operations. If the Corporation had translated the International segment’s IFRS revenue for the nine months ended September 30, 2018 using the constant currency exchange rates for its source currencies other than the U.S. dollar, such revenues would have been $1,049.9 million, which is $34.5 million lower than actual IFRS revenues. As a result, excluding the impact of year-over-year changes in foreign exchange rates, such revenues for the nine months ended September 30, 2018 would have increased by 10.3%, as opposed to 13.9%, over the same period in 2017.

Gross Profit and Gross Profit Margin

Gross profit for the quarter ended September 30, 2018 was $287.5 million, an increase of 7.7% compared to $267.0 million for the same period in 2017. Gross profit for the nine months ended September 30, 2018 was $873.4 million, an increase of 12.8% compared to $774.5 million for the same period in 2017. The increases in both periods were primarily the result of increases in total revenue as noted above.

Gross profit margin for the quarter ended September 30, 2018 was 81.6%, an increase of 0.7% compared to 81.0% for the same period in 2017. The increase for the quarter was primarily the result of the receipt by a subsidiary of the Corporation of an Austrian gaming duty refund. This was partially offset by increased gaming duties, levies and fees incurred due to expanded operations in existing markets, including as a result of shared liquidity, and the increase in proportion of Gaming and Betting revenues within the International segment, which generally have lower gross profit margins. Gross profit margin for the nine months ended September 30, 2018 was 80.5%, a decrease of 1.0% compared to 81.3% for the same period in 2017. The decrease for the nine-month period was primarily the result of increased gaming duties, levies and fees incurred due to expanded operations in existing markets, including as a result of shared liquidity, and expansion into certain new markets. Further, the proportion of Betting revenue in the 2018 periods has increased, which generally has lower gross profit margins than Poker and Gaming.

Operating Expenses

General and Administrative

General and administrative expenses for the quarter ended September 30, 2018 were $111.3 million, an increase of 16.8% compared to $95.3 million for the same period in 2017. General and administrative expenses for the nine months ended September 30, 2018 were $319.7 million, an increase of 15.5% compared to $276.8 million for the same period in 2017. The increases in both periods were primarily impacted by the same or substantially similar factors listed above under "Consolidated Results of Operations and Cash Flows—Operating Expenses—General and Administrative" except in respect of the impact of the SBG Acquisition and Australian Acquisitions.

Sales and Marketing

Sales and marketing expenses for the quarter ended September 30, 2018 were $31.9 million, a decrease of 2.2% compared to $32.6 million for the same period in 2017. The decrease for the quarter was primarily the result of reduced marketing spend following the completion of marketing initiatives related to the World Cup. Sales and marketing expenses for the nine months ended September 30, 2018 were $119.1 million, an increase of 21.7% compared to $97.9 million for the same period in 2017. The increase for the nine-month period was primarily the result of increased advertising costs related to the World Cup and other marketing initiatives primarily focused towards *BetStars* and *PokerStars*.

Research and Development

Research and development expenses for the quarter ended September 30, 2018 were $6.8 million, an increase of 12.9% compared to $6.0 million for the same period in 2017. Research and development expenses for the nine months ended September 30, 2018 were $23.0 million, an increase of 24.2% compared to $18.5 million for the same period in 2017. The increases in both periods were primarily impacted by the same or substantially similar factors listed above under "Consolidated Results of Operations and Cash Flows—Operating Expenses—Research and Development" except in respect of the impact of the SBG Acquisition and Australian Acquisitions.

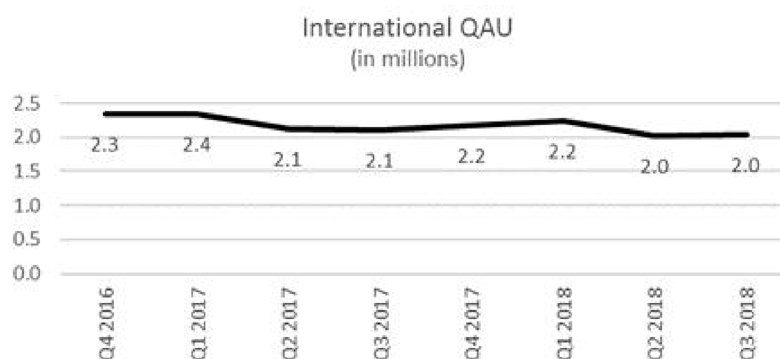
International Segment Adjusted EBITDA and Adjusted EBITDA Margin

The International segment's Adjusted EBITDA for the quarter ended September 30, 2018 was $182.2 million, an increase of 11.9% compared to $162.9 million for the same period in 2017. The International segment's Adjusted EBITDA for the nine months ended September 30, 2018 was $533.0 million, an increase of 11.4% compared to $478.3 million for the same period in 2017. The increases in both periods were primarily due to increased revenue and gross profit across all segments as noted above.

The International segment's Adjusted EBITDA Margin for the quarter ended September 30, 2018 was 51.7%, an increase of 4.6% compared to 49.4% for the same period in 2017. The increase for the period was primarily due to (i) the increase in revenues, and (ii) the decline in sales and marketing expenses, each as noted above. The International segment's Adjusted EBITDA Margin for the nine months ended September 30, 2018 was 49.2%, a decrease of 2.2% compared to 50.2% for the same period in 2017. The decrease for the nine-month period was primarily due to (i) the decrease in gross profit margin as noted above and (ii) increased advertising costs related to the World Cup and other marketing initiatives primarily focused towards *BetStars* and *PokerStars*.

Key Metrics

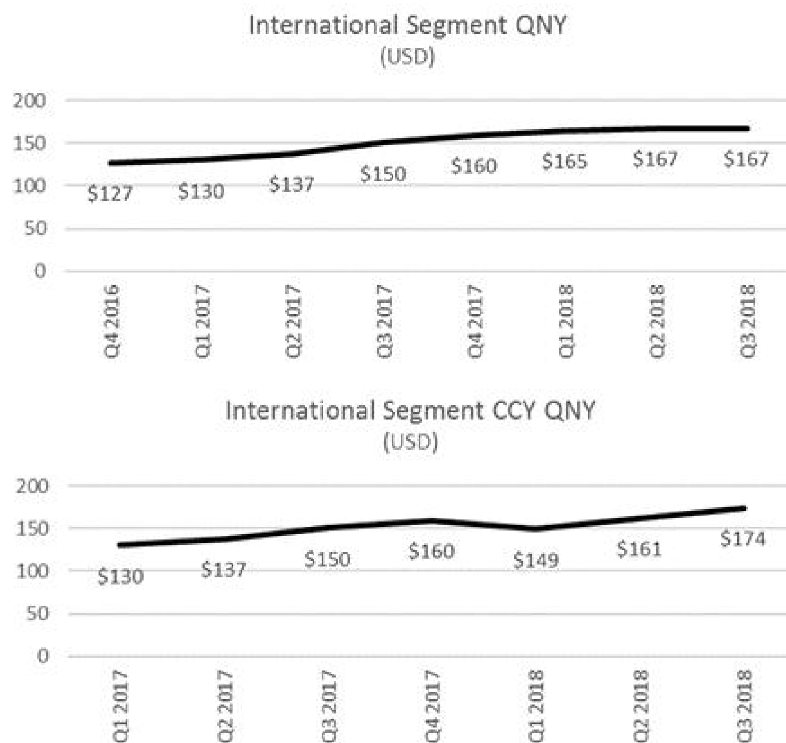
International Segment QAUs



During the quarter ended September 30, 2018, the International segment had 2.0 million combined QAUs, which represents a decrease of 3.1% over the same period in 2017. The Corporation believes that the decrease when compared to the same period in 2017 was primarily the result of (i) the cessation of real-money online poker operations in certain markets, notably Australia in September 2017, and (ii) the Corporation's continued strategy of focusing on positive return customer relationship management ("CRM") initiatives to attract high-value, net-depositing customers (primarily recreational players) which has resulted, and may continue to result, in a decrease in certain lower value customers. Notwithstanding, the Corporation's QAUs were positively impacted by the growth and expansion of the Corporation's real-money online casino and betting product offerings within its International segment. Historically, QAUs have generally been higher in the first and fourth fiscal quarters. For a description of seasonal trends and other factors, see "Summary of Quarterly Results" below.

The Corporation has faced and may continue to face challenges in increasing the size of its active customer base in its International segment due to, among other things, competition from alternative products and services, high-volume, net-withdrawing customers who detract from the overall poker ecosystem and discourage recreational customers, the use of certain sophisticated technology that may provide an artificial competitive advantage for certain customers over others, and past and potential future weakness in global currencies against the U.S. dollar, which decreases the purchasing power of the Corporation's segment customer base as the U.S. dollar is the primary currency of gameplay on the International segment's product offerings. Notwithstanding, within the International segment the Corporation intends to grow its customer base, reactivate dormant users and retain existing customers by, among other things, continuing to introduce improvements in the poker ecosystem to benefit recreational players, expanding the product depth of its casino offering, improving the user interface and user experience of its sportsbook, investing in CRM initiatives, demonstrating the superiority of its product offerings, improving the effectiveness of its marketing and promotional efforts, expanding the availability of its offerings geographically, including through potential acquisitions and strategic transactions, and continuing to introduce new and innovative product offerings, features and enhancements. To the extent the growth of or growth rate in the Corporation's customer base declines or continues to decline, the Corporation's revenue growth will become increasingly dependent on its ability to increase levels of customer monetization.

International Segment QNY



During the quarter ended September 30, 2018, the International segment's QNY was $167, which represents an increase of 11.3% from the same period in 2017 and reflects positive growth across all product offerings within that segment. The growth in QNY was primarily the result of (i) the continued positive impact of the *Stars Rewards* loyalty program and continued focus on high-value, net-depositing customers (primarily recreational players), (ii) continued development of the casino and sportsbook product offerings, including through additional third-party slots under the *PokerStars Casino* brand and improvement of the user experience and user interface under the *BetStars* brand, (iii) increased Betting Net Win Margin with respect to the *BetStars* brand and (iv) previously unrecognized VAT in Switzerland recorded in the three months ended September 30, 2017, as noted above. This was partially offset by the negative impact of foreign exchange fluctuations during the period. During the three months ended September 30, 2018, the Corporation's constant currency International segment QNY was $174, which represents an increase of 16.0% from the prior year period. The growth in constant currency QNY was driven primarily by the same or substantially similar factors mentioned above.

There are many variables that impact the monetization of the Corporation's International segment product offerings through QNY, including the rake and fees charged in real-money online poker, Stakes and Betting Net Win Margin, the amount of time customers play on its product offerings, offsets to gross revenue for loyalty program rebates, rewards, bonuses, and promotions, VAT in certain jurisdictions, and the amount the Corporation spends on advertising and other expenses. The Corporation currently intends to increase International segment QNY in future periods by, among other things, (i) continuing to introduce new and innovative product offerings and other initiatives to enhance and optimize the customer experience and increase customer engagement, including through CRM initiatives to attract and retain high-value customers (primarily recreational players), (ii) capitalizing on its existing online poker platforms and offerings, which provides customers with the highest level of player liquidity globally, (iii) cross-selling its online poker, casino and sportsbook offerings to both existing and new customers, and (iv) continuing to expand and improve its online casino and sportsbook offerings, including through the addition of new product offerings and new geographies, and through acquisitions and strategic transactions.

International Segment Net Deposits

During the quarter ended September 30, 2018, Net Deposits for the Corporation's International segment were $335 million, which represents an increase of 4.1% over the same period in 2017. The increase in Net Deposits was due to growth, in absolute terms, of gross deposits, or transfers of funds made by customers into their real-money online accounts, surpassing growth in withdrawals, or transfers of funds by such customers from such accounts. The Corporation believes that the increase was primarily driven by the implementation of the *Stars Rewards* loyalty program and initiatives to enhance and optimize the customer experience and increase customer engagement, including through CRM initiatives to attract and retain high-value customers (primarily recreational players), the continued development of the casino and sports betting product offerings, including through additional third-party slots under the *PokerStars Casino* brand and improvement of the user experience and user interface under the *BetStars* brand. This was partially offset by loss of deposits from markets where the Corporation ceased its real-money online poker operations as noted above and the negative impacts from foreign exchange fluctuations.

As with QAUs and QNY, there are many variables that impact International segment Net Deposits, most of which are substantially similar to those noted above impacting the monetization of the Corporation's product offerings as evidenced through QNY. In addition, there are certain factors that have impacted, and may in the future impact, Net Deposits that are not indicative of the performance or underlying health of the Corporation's business. For example, as it relates to online poker and following the implementation of certain previously disclosed changes to the poker ecosystem, the movement in customer real-money account balances (i.e., customer deposits on the consolidated statements of financial position) by high-volume, net-withdrawing customers has reduced, and may in the future reduce, Net Deposits as a result of increased withdrawals by such customers, but the Corporation believes that such movements will ultimately create a more attractive environment and experience for recreational players, allowing them to play longer on its platforms and engage in its various product offerings, which in turn may lead to increased Net Deposits. The Corporation believes that the funds in the accounts of the high-volume, net-withdrawing customers are generally not additive to the overall poker ecosystem or to the Corporation's revenues as such customers generally use only a small portion of them to bet or wager. As the Corporation continues to adjust and improve its product offerings, it expects that such customers may continue to withdraw at greater rates and amounts immediately following such adjustments and improvements, which would impact Net Deposits accordingly.

International Segment Stakes and Betting Net Win Margin

Stakes for the quarter ended September 30, 2018 were $233.7 million, an increase of 42.6% compared to $163.8 million for the same period in 2017. Stakes for the nine months ended September 30, 2018 were $705.8 million, an increase of 56.1% compared to $452.1 million for the same period in 2017. The increase in both periods was primarily the result of an increase in the absolute number of QAUs using the *BetStars* platform. This growth was primarily driven by improved cross-sell from poker, driven by the positive impact of the World Cup, improvements to the *BetStars* product offerings, an increased focus on enhancing the customer experience and overall improved customer retention, expansion into new geographic markets for *BetStars*, and increased marketing.

There are many variables that impact Stakes, including QAUs, the seasonality of sporting events throughout the year (such as timing of professional football (or soccer) including English Premier League, tennis, and others) and major tournaments, including, without limitation, the World Cup and UEFA European Championships. For example, the World Cup, which began on June 14, 2018, and other major sporting events provide a unique opportunity to drive

both customer acquisition and engagement. Furthermore, the amount of external marketing and CRM promotions including free bets and offers and the Corporation's pricing strategy can lead to positive or negative "recycling of winnings". Similarly, betting outcomes can also lead to positive or negative "recycling of winnings". Recycling of winnings refers to customer winnings earned from prior bets that are subsequently used to place additional bets. The mix of products and markets is also an important driver of total Stakes.

Betting Net Win Margin for the quarter ended September 30, 2018 was 9.0%, an increase of 1.9 percentage points compared to 7.1% for the same period in 2017, driven by operator-favorable (or customer-unfavorable) sporting results including in the World Cup, Champions League and top tier football leagues in Spain, Italy and France. Betting Net Win Margin for the nine months ended September 30, 2018 was 8.1%, an increase of 2.0 percentage points compared to 6.1% for the same period in 2017. The increase was primarily the result of operator-favorable sporting results in the third quarter of 2018 noted above, along with lower than average Betting Net Win Margins with respect to European football, which represents a significant portion of Stakes, in the first half of 2017.

There are also many variables that impact Betting Net Win Margin, including, without limitation, client management and bet limits, the outcome of sporting results, the mix of Stakes and bet types, and the use of offers, promotions and pricing strategy. For example, the Betting Net Win Margin for the International segment is less exposed to the English Premier League and UK horse racing, and as such, is generally not impacted to the same extent by the operator-unfavorable (or customer-favorable) results seen within the United Kingdom segment as a whole. The Betting Net Win Margin can vary significantly from quarter to quarter depending on the variables noted above; however, over the long term, the Corporation believes these margins tend to become more predictable.

United Kingdom

As at September 30, 2018, the United Kingdom reporting segment consisted of the SBG business, and operates across all lines of operation primarily in the UK, under the brands identified above under "Overview and Outlook". The results of operations of the United Kingdom segment currently include all of SBG's operations, including those outside of the United Kingdom.

	Three Months Ended September 30,			**Nine Months Ended September 30,**		
In thousands of U.S. Dollars (except otherwise noted)	**2018**	**2017**	**% Change**	**2018**	**2017**	**% Change**
Stakes	*1,221,854*	—	—	*1,221,854*	—	—
Betting Net Win Margin (%)	*7.0%*	—	—	*7.0%*	—	—
Revenue						
Poker	2,884	—	—	2,884	—	—
Gaming	73,318	—	—	73,318	—	—
Betting	85,189	—	—	85,189	—	—
Other	6,989	—	—	6,989	—	—
Total Revenue	**168,380**	**—**	—	**168,380**	**—**	—
Gross Profit	**121,226**	**—**	—	**121,226**	**—**	—
Gross Profit Margin (%)	72.0%	—	—	72.0%	—	—
			—			—
General and administrative	104,697	—	—	104,697	—	—
Sales and marketing [2]	40,224	—	—	40,224	—	—
Research and development	4,940	—	—	4,940	—	—
Operating Loss	**(28,635)**	**—**	—	**(28,635)**	**—**	—
Adjusted EBITDA [1]	**27,943**	**—**	—	**27,943**	**—**	—
Adjusted EBITDA Margin (%) [1]	**16.6%**	—	—	**16.6%**	—	—

[1] Non-IFRS measure. For reconciliations of non-IFRS measures to their nearest IFRS measures, see "Reconciliations" below. For other important information on the Corporation's non-IFRS measures and limitations related to the use of such non-IFRS measures, see the information presented under the heading "Management's Discussion and Analysis", "Limitations of Key Metrics, Other Data and Non-IFRS Measures" and "Key Metrics and Non-IFRS Measures" above.

[2] Sales and marketing includes $1.0 million that the Corporation excluded from its consolidated results as it related to certain non-gaming related transactions with the International segment. A corresponding exclusion in the consolidated results is recorded to Other revenue for amounts included in the International segment in respect of these transactions.

As previously disclosed, on July 10, 2018 the Corporation completed the SBG Acquisition. SBG operates mobile-led sportsbook, poker and gaming platforms primarily in the United Kingdom. During each of the three and nine months ended September 30, 2018, revenues were $168.4 million with gross profit of $121.2 million and gross profit margin of 72.0%. Adjusted EBITDA and Adjusted EBITDA Margin for each of those periods were $27.9 million and 16.6%, respectively. Revenue and gross profit in the quarter were impacted by the low Betting Net Win Margin when compared to historical averages driven by particularly operator-unfavorable sports results as discussed below. This was partially offset by strong Stakes in the quarter. Adjusted EBITDA and Adjusted EBITDA Margin were similarly impacted by the low Betting Net Win Margin and were also impacted by marketing investment for the start of the European football season.

The segment's results of operations can fluctuate due to seasonal trends and other factors. With respect to Betting, fluctuations can occur around sports calendars with increased customer activity around notable or popular sporting events, and Betting revenues generally fluctuate in line with Betting Net Win Margin. However, the impact on Betting revenues may be mitigated by the positive or negative impact of Betting Net Win Margins on Stakes, which can fluctuate inversely with such margins. Further, changes to customer incentive offerings impact revenue, which could also cause fluctuations. As such, results for any quarter are not necessarily indicative of the results that may be achieved in another quarter or for the full fiscal year.

Key Metrics

United Kingdom Segment QAUs and QNY

During the quarter ended September 30, 2018, the United Kingdom segment had 2.0 million combined QAUs, which reflects the QAUs for the full financial quarter including the pre-acquisition period prior to the SBG Acquisition. QAUs for the quarter were primarily impacted by a customer-favorable start of the European football season.

During the quarter ended September 30, 2018, the United Kingdom segment's QNY was $96. For a reconciliation of reported revenue for the quarter ended September 30, 2018 to revenue used in the calculation of QNY, which includes the full quarter including the pre-acquisition period prior to the SBG Acquisition, see the reconciliation table under "Reconciliations" below. QNY for the quarter was negatively impacted by lower Betting Net Win Margin

United Kingdom Segment Stakes and Betting Net Win Margin

Stakes and Betting Net Win Margin for each of the quarter and nine-month period ended September 30, 2018 were $1.22 billion and 7.0%, respectively. The Betting Net Win Margin can vary significantly from quarter to quarter; however, over the long term, the Corporation believes these margins tend to become more predictable. The Betting Net Win Margin for the quarter was below long-term averages of 9% primarily as a result of operator-unfavorable results in English Premier League football and horse racing, which collectively represent a significant portion of Stakes.

Australia

As at September 30, 2018, the Australia reporting segment consisted of the BetEasy business, which currently operates within the Betting line of operation and primarily in Australia under the *BetEasy* brand. During the quarter, the Corporation substantially completed its migration of customers and platforms and integration of TSGA into BetEasy.

In thousands of U.S. Dollars (except otherwise noted)	Three Months Ended September 30,			Nine Months Ended September 30,		
	2018	2017	% Change	2018	2017	% Change
Stakes	*825,438*	—	—	*1,693,164*	—	—
Betting Net Win Margin (%)	*6.3%*	—	—	*7.4%*	—	—
Revenue						
Betting	52,157	—	—	124,559	—	—
Total Revenue	**52,157**	**—**	—	**124,559**	**—**	—
Gross Profit	**35,154**	—	—	**89,589**	**—**	—
Gross Profit Margin (%)	67.4%	—	—	71.9%	—	—
General and administrative	39,963	—	—	84,588	—	—
Sales and marketing	21,050	—	—	37,523	—	—
Research and development	114	—	—	1,098	—	—
Operating Loss	**(25,973)**	**—**	—	**(33,620)**	**—**	—
Adjusted EBITDA [1]	**(4,764)**	**—**	—	**7,861**	**—**	—
Adjusted EBITDA Margin (%) [1]	**(9.1%)**	**—**	—	**6.3%**	**—**	—

[1] Non-IFRS measure. For reconciliations of non-IFRS measures to their nearest IFRS measures, see “Reconciliations” below. For other important information on the Corporation’s non-IFRS measures and limitations related to the use of such non-IFRS measures, see the information presented under the heading “Management’s Discussion and Analysis”, “Limitations of Key Metrics, Other Data and Non-IFRS Measures” and “Key Metrics and Non-IFRS Measures” above.

As previously disclosed, in February 2018 the Corporation acquired a majority interest in BetEasy. In April 2018, the Corporation acquired an additional interest in BetEasy and BetEasy acquired TSGA. The Corporation holds an 80% equity interest in BetEasy as at September 30, 2018. BetEasy operates an online sportsbook in Australia.

During the three months ended September 30, 2018, revenues were $52.2 million with gross profit and gross profit margin of $35.2 million and 67.4%, respectively. Adjusted EBITDA and Adjusted EBITDA Margin for that period were $(4.8) million and (9.1)%, respectively. During the nine months ended September 30, 2018, revenues were $124.6 million with gross profit and gross profit margin of $89.6 million and 71.9%, respectively. Adjusted EBITDA and Adjusted EBITDA Margin for that period were $7.9 million and 6.3%, respectively. Revenue and gross margin for both periods were primarily impacted by low Betting Net Win Margin, which was partially offset strong QAUs and Stakes, each as discussed below. Adjusted EBITDA and Adjusted EBITDA margin were impacted by revenue as noted above and high marketing spend through the migration of TSGA onto the BetEasy technology platform and the rebranding of both entities into *BetEasy* as described above.

The business environment for this segment is subject to the seasonal variations dictated by the various sports calendars, and specifically the Australian Football League and the National Rugby League, which will have an effect on its financial performance. Additionally, consistent with the discussion above in the United Kingdom segment, Betting revenues generally fluctuate in line with Betting Win Margin and changes to customer incentive offerings. As such, results for any quarter are not necessarily indicative of the results that may be achieved in another quarter or for the full fiscal year. There can be no assurance that the seasonal trends and other factors that have impacted historical results will repeat in future periods as the Corporation cannot influence or forecast many of these factors.

Key Metrics

During the quarter ended September 30, 2018, the Australia segment had 0.27 million QAUs (three months ended June 30, 2018 – 0.24 million). Trends in QAUs affect revenue and financial results by influencing, among other things, the volume of Betting, the level of Stakes, the segment's product offerings, and its expenses and capital expenditures. During the quarter ended September 30, 2018, the Australia segment's QNY was $193 (three months ended June 30, 2018, $251).

Stakes and Betting Net Win Margin for the three months ended September 30, 2018 were $825.4 million and 6.3%, respectively. Stakes and Betting Win Margin for the nine months ended September 30, 2018 were $1.69 billion and 7.4%, respectively. There are many variables that impact Stakes and Betting Net Win Margin, most of which are substantially similar to those that impact the International and United Kingdom segment's Stakes and Betting Net Win Margin. The Betting Net Win Margin can vary significantly from quarter to quarter; however, over the long term, the Corporation believes these margins tend to become more predictable. The Betting Net Win Margin for the quarter was below long-term averages of 8.5% primarily due to a combination of customer-favorable sporting results as well as increased promotional spend, including special bonuses to help mitigate the potential loss of customers during the migration of TSGA customers onto the BetEasy technology platform and the rebranding of both entities into *BetEasy* as described above.

Corporate Cost Center

The Corporate cost center includes certain general and administrative expenses, including, but not limited to, corporate head office expenses, acquisition-related costs and various corporate governance and regulatory costs. The Corporate cost center also includes the cost to manage the centralized corporate tax and the debt servicing functions. These Corporate cost center expenses are not allocated to the International, United Kingdom or Australia segments as they do not directly relate to the operations of those segments.

	Three Months Ended September 30,			Nine Months Ended September 30,		
In thousands of U.S. Dollars (except otherwise noted)	2018	2017	% Change	2018	2017	% Change
Operating expenses	(11,998)	(14,338)	(16.3%)	(163,568)	(46,107)	254.8%
Operating loss	**(11,998)**	**(14,338)**	**(16.3%)**	**(163,568)**	**(46,107)**	**254.8%**
Net financing charges	(74,360)	(38,095)	95.2%	(273,071)	(119,593)	128.3%
Income tax recovery (expense)	13,189	(2,186)	703.4%	15,438	(856)	1903.5%
Net Loss	**(73,169)**	**(54,619)**	**34.0%**	**(421,201)**	**(166,556)**	**152.9%**
Adjusted EBITDA [1]	**(7,155)**	**(7,113)**	**(0.6%)**	**(27,284)**	**(24,959)**	**(9.3%)**

[1] Non-IFRS measure. For reconciliations of non-IFRS measures to their nearest IFRS measures, see "Reconciliations" below. For other important information on the Corporation's non-IFRS measures and limitations related to the use of such non-IFRS measures, see the information presented under the heading "Management's Discussion and Analysis", "Limitations of Key Metrics, Other Data and Non-IFRS Measures" and "Key Metrics and Non-IFRS Measures" above.

Operating Expenses

Operating expenses for the quarter ended September 30, 2018 were $12.0 million, a decrease of 16.3% compared to $14.3 million for the same period in 2017. The decrease for the quarter was primarily the result of positive fair value adjustments in relation to a deal contingent forward and other hedging contracts that were settled in the quarter contemporaneously with the SBG Acquisition. This was partially offset by acquisition-related costs incurred in connection with the SBG Acquisition. Operating expenses for the nine months ended September 30, 2018 were $163.6 million, an increase of 254.8% compared to $46.1 million for the same period in 2017. The increase for the nine-month period was primarily the result of (i) acquisition-related costs incurred in connection with the SBG Acquisition and the Australian Acquisitions, and (ii) negative fair value adjustments to deal-contingent forward contracts in relation to the SBG Acquisition and Australian Acquisitions.

Net Financing Charges

Net financing charges for the quarter ended September 30, 2018 were $74.4 million, an increase of 95.2% compared to $38.1 million for the same period in 2017. Net financing charges for the nine months ended September 30, 2018 were $273.1 million, an increase of 128.3% compared to $119.6 million for the same period in 2017. The increases in both periods were primarily impacted by the same or substantially similar factors listed above under “Consolidated Results of Operations and Cash Flows—Net Financing Charges”.

Income Taxes

The income tax recovery for the three and nine months ended September 30, 2018 was $13.2 million and $15.4 million, respectively (three and nine months ended September 30, 2017, income tax expense of $2.2 million and $0.9 million, respectively). This resulted in effective tax rates for the three and nine months ended September 30, 2018 of 381.2% and 17.9%, respectively (three and nine months ended September 30, 2017, 2.8% and 0.4%, respectively). The changes in both periods were primarily impacted by the same or substantially similar factors listed above under “Consolidated Results of Operations and Cash Flows—Income Taxes”.

Corporate Cost Center Adjusted EBITDA

The Corporate cost center’s Adjusted EBITDA for the quarter ended September 30, 2018 was $(7.2) million, a decrease of 0.6% compared to $(7.1) million for the same period in 2017. The Corporate cost center’s Adjusted EBITDA for the quarter ended September 30, 2018 was relatively flat compared to the same period in 2017. The Corporate cost center’s Adjusted EBITDA for the nine months ended September 30, 2018 was $(27.3) million, a decrease of 9.3% compared to $(25.0) million for the same period in 2017. The Corporate cost center’s Adjusted EBITDA for both periods September 30, 2018 did not change significantly compared to the same periods in 2017.

LIQUIDITY AND CAPITAL RESOURCES

Sources of Liquidity

The Corporation’s principal sources of liquidity are its cash generated from operations, long-term debt and certain other currently available funds. Currently available funds consist primarily of cash on deposit with banks and investments, which are comprised primarily of certain highly liquid, short-term investments, including money market funds. The Corporation’s working capital needs are generally minimal over the year as its current gaming business requires customers to deposit funds prior to playing or participating in its real-money product offerings. The Corporation believes that such deposits are typically converted to revenue efficiently and on a timely basis such that operating expenditures are sufficiently covered. Management also believes that investing is a key element necessary for the continued growth of the Corporation’s customer base and the future development of new and innovative product offerings. Based on the Corporation’s currently available funds, funds available from the Revolving Facility and its ability to access the debt and equity capital markets, if necessary, management believes that the Corporation will have the cash resources necessary to satisfy current obligations and working capital needs, and fund currently planned development and integration activities and other capital expenditures, as well as currently planned acquisitions, for at least the next 12 months. Notwithstanding, the state of capital markets and the Corporation’s ability to access them on favorable terms, if at all; micro and macro-economic downturns; and fluctuations of the Corporation’s operations, among other things, may influence its ability to secure the capital resources required to satisfy current or future obligations and fund future projects, strategic initiatives and support growth. For a description of the factors and risks that could affect the Corporation’s ability to generate sufficient amounts of cash and access the capital markets in the short- and long-terms in order to maintain the Corporation’s capacity to meet its obligations and expected growth or fund development activities, see “Risk Factors and Uncertainties” below and in the 2017 Annual Information Form and “Risk Factors” in the 2018 Prospectus Supplement.

The Corporation believes that it improved its financial condition during the nine months ended September 30, 2018 up to the SBG Acquisition by, among other things, decreasing its leverage ratios and producing strong net cash inflows from operating activities. Following the SBG Acquisition and SBG Financing, the Corporation intends to improve its financial condition, including by decreasing its leverage ratios, through its strong cash flow generation and liquidity, including as a result of continuing to introduce new and innovative product offerings, gaining market share and pursuing expansion into new jurisdictions. For additional information regarding the Corporation’s repayment of debt, see below under “Long-Term Debt”.

For additional information regarding the Corporation's liquidity and capital resources, see the descriptions of the Corporation's debt as set forth below under "Revolving Facility" and "Long-Term Debt" and the notes to the Q3 2018 Financial Statements, as well as the 2017 Annual Information Form and 2018 Prospectus Supplement. See also "Risk Factors and Uncertainties" below and in the 2017 Annual Information Form, particularly under the heading "Risk Factors and Uncertainties—Risks Related to the Corporation's Substantial Indebtedness" and "Risk Factors" in the 2018 Prospectus Supplement.

Market Risk

The Corporation is exposed to market risks, including changes to foreign currency exchange rates and interest rates.

Foreign Currency Exchange Risk

The Corporation is exposed to foreign currency risk, which includes risks related to its revenue and operating expenses denominated in currencies other than the U.S. dollar. In general, the Corporation is a net receiver of currencies other than the U.S. dollar, primarily the Euro, GBP and AUD, which are the primary depositing currencies of the Corporation's customers. Accordingly, changes in exchange rates, and in particular a strengthening of the U.S. dollar, which is the primary currency of game play on certain of the Corporation's product offerings, have in the past reduced, and may in the future reduce, the purchasing power of the Corporation's customers, thereby potentially negatively affecting the Corporation's revenue and other operating results.

The Corporation has experienced and will continue to experience fluctuations in its net earnings as a result of translation gains or losses related to revaluing certain current asset and current liability balances that are denominated in currencies other than the functional currency of the entities in which they are recorded. The Corporation uses derivative financial instruments for risk management purposes, not for generating trading profits, and anticipates that such instruments will mitigate some of its foreign currency risk. As such, any change in cash flows associated with derivative instruments is expected to be offset by changes in cash flows related to the hedged position. However, it is difficult to predict the effect hedging activities could have on the Corporation's results of operations and there can be no assurance that any foreign currency exchange risks will be so mitigated or that such instruments will not result in a loss. The Corporation recorded foreign currency gains of $10.0 million and foreign currency losses of $2.6 million in the three months ended September 30, 2018 and 2017, respectively, and foreign currency losses of $59.0 million and foreign currency gains of $2.3 million in the nine months ended September 30, 2018 and 2017, respectively. For additional information on derivatives, see also notes 2 and 21 in the 2017 Annual Financial Statements and note 12 in the Q3 2018 Financial Statements. Management monitors movements in foreign exchange rates by frequently reviewing key currency exposures. The Corporation may in the future enter into additional derivatives or other financial instruments in an attempt to hedge its foreign currency exchange risk.

Interest Rate Risk

The Stars Group's exposure to changes in interest rates (particularly fluctuations in LIBOR and EURIBOR) relates primarily to interest paid on The Stars Group's long-term indebtedness, as well as the interest earned on and market value of its cash, money market funds and debt instruments held at fair value through other comprehensive income investments. The Stars Group is also exposed to fair value interest rate risk on its fixed rate Senior Notes and First Term Lien Loans. The Stars Group attempts to mitigate cashflow interest rate risk on the First Lien Term Loans through the Swap Agreements (as defined below) but remains exposed to cash flow interest rate risk on the unhedged elements of the First Lien Term Loans, which bear interest at variable rates.

As of September 30, 2018, the USD First Lien Term Loan has a LIBOR floor of 0% and as such, the interest rate cannot decrease below 3.50%. The EUR First Lien Term Loan (as defined below) has a EURIBOR floor of 0% and as such, the interest rate cannot decrease below 3.75%. Management monitors movements in the interest rates by frequently reviewing the EURIBOR and LIBOR. Including the impact of the Swap Agreements, the effect on earnings before taxes of a 10 basis points strengthening or weakening in the LIBOR rate would have an annualized impact of $0.6 million. EURIBOR is currently negative; however, if it were to turn positive by 10 basis points the annualized impact would be $1.0 million.

The Stars Group's cash consists primarily of cash on deposit with banks and its investments consist primarily of certain highly liquid, short-term instruments, including money market funds. The Stars Group's investment policy and strategy is focused on preservation of capital and supporting its liquidity requirements, not on generating trading profits. Changes in interest rates affect the interest earned on The Stars Group's cash and investments and the market

value of those investments. However, any realized gains or losses resulting from such interest rate changes would occur only if The Stars Group sold the investments prior to maturity.

Liquidity Risk

The Corporation is also exposed to liquidity risk with respect to its contractual obligations and financial liabilities. The Corporation manages liquidity risk by continuously monitoring its forecasted and actual cash flows, and matching maturity profiles of financial assets and liabilities. The Corporation's objective is to maintain a balance between continuity of funding and flexibility through borrowing facilities available through the Corporation's banks and other lenders. The Corporation's policy is to seek to ensure adequate funding is available from operations, established lending facilities and other sources, including the debt and equity capital markets, as required.

Long-Term Debt

The following is a summary of long-term debt outstanding as at September 30, 2018 and December 31, 2017 (all capitalized terms used in the table below relating to such long-term debt are defined below):

In thousands of U.S. Dollars	Interest rate	September 30, 2018, Principal outstanding balance in local denominated currency	September 30, 2018 Carrying amount	December 31, 2017, Principal outstanding balance in local denominated currency	December 31, 2017 Carrying amount
Revolving Facility	5.47%	100,000	92,840	—	—
USD First Lien Term Loan	5.83%	3,566,063	3,483,117	—	—
EUR First Lien Term Loan	3.75%	850,000	963,910	—	—
Senior Notes	7.00%	1,000,000	979,783	—	—
Previous USD First Lien Term Loan	5.32%	—	—	1,895,654	1,848,397
Previous EUR First Lien Term Loan	3.25%	—	—	382,222	453,540
USD Second Lien Term Loan	8.69%	—	—	95,000	56,632
Total long-term debt			**5,519,650**		**2,358,569**
Current portion			35,750		4,990
Non-current portion			5,483,900		2,353,579

The increase in outstanding long-term debt from December 31, 2017 to September 30, 2018 was primarily the result of the proceeds from the issuance of First Lien Term Loans and Senior Notes partially offset by scheduled quarterly debt principal repayments and the repayment of the entire balance of the Previous First Lien Term Loans and the USD Second Lien Term Loan. For additional information regarding the interest on the Corporation's outstanding long-term debt, including the effective interest rates, see the Q3 2018 Financial Statements. To manage its interest rate exposure on certain of its debt, the Corporation entered into the Swap Agreements.

The contractual principal repayments over the next five years of the Corporation's long-term debt outstanding as of September 30, 2018, amount to the following:

In thousands of U.S. Dollars	<1 Year	1-2 Years	2-3 Years	3-4 Years	4-5 Years	>5 Years
Revolving Facility	—	—	—	—	100,000	—
USD First Lien Term Loan	35,750	35,750	35,750	35,750	35,750	3,387,358
EUR First Lien Term Loan	—	—	—	—	—	986,781
Senior Notes	—	—	—	—	—	1,000,000
Total	**35,750**	**35,750**	**35,750**	**35,750**	**135,750**	**5,374,139**

In connection with the SBG Acquisition on July 10, 2018, the Corporation completed the SBG Financing, which included a combination of debt and equity financing. The debt portion of the SBG Financing was comprised of the Revolving Facility, the First Lien Term Loans and the Senior Notes, each of which are described below. The equity portion of the SBG Financing was comprised of the Equity Offering. See "Overview and Outlook—Recent Corporate

and Other Developments—Equity Offering" and note 14 in the Q3 2018 Financial Statements for additional information relating to the Equity Offering.

Revolving Facility

On July 10, 2018, as part of the SBG Financing, the Corporation replaced its first lien revolving credit facility of $225 million with a new first lien revolving facility of $700 million (the "Revolving Facility"). Maturing on July 10, 2023, the Revolving Facility has an interest rate of LIBOR plus 3.25% (and EURIBOR or BBR plus 3.25% for borrowings in Euros and Australian Dollars, respectively). The margin for the Revolving Facility is subject to leverage-based step-downs. The commitment fee on the Revolving Facility varies based on first lien leverage and ranges from 0.250% to 0.375%. Borrowings under the Revolving Facility are subject to the satisfaction of customary conditions, including the absence of a default and compliance with certain representations and warranties. To the extent the Corporation's aggregate drawings on and certain letters of credit against the Revolving Facility exceed 35% of the Revolving Facility, the Corporation must comply on a quarterly basis with a maximum net first lien senior secured leverage ratio of 6.75 to 1.00.

The Revolving Facility can be used for working capital needs and for general corporate purposes. As of September 30, 2018, the Corporation had drawn $100.0 million under the Revolving Facility and had $74.2 million of letters of credit issued but undrawn thereunder. On October 24, 2018, the Corporation fully repaid the outstanding $100.0 million drawn under its Revolving Facility, including accrued and unpaid interest, using cash on its balance sheet. Availability under the Revolving Facility as of the date hereof is $625.8 million. As of September 30, 2018, the Corporation was in compliance with all covenants related to the Revolving Facility.

In connection with the Corporation's previously reported appeal of the December 23, 2015 Commonwealth of Kentucky trial court order for damages against certain of its subsidiaries, the Corporation posted a $100 million supersedeas bond to stay enforcement of the order for damages during the pendency of the appeals process. In connection with the posting of the bond, the Corporation has currently delivered cash collateral in the amount of $5 million and letters of credit in the aggregate amount of $62.5 million. For additional information on the proceedings in Kentucky, see below under "Legal Proceedings and Regulatory Actions" and the 2017 Annual Reports, including under the heading "Legal Proceedings and Regulatory Actions" in each of the 2017 Annual Information Form and the 2018 Prospectus Supplement, and note 30 of the 2017 Annual Financial Statements.

First Lien Term Loans

As noted above, on July 10, 2018, the Corporation completed the SBG Financing, which replaced, among other things, the Previous USD First Lien Term Loans and Previous EUR First Lien Term Loans with new USD first lien term loans of $3.575 billion priced at LIBOR plus 3.50% (the "USD First Lien Term Loan") and new EUR first lien term loans of €850 million priced at EURIBOR plus 3.75% (the "EUR First Lien Term Loan" and, together with the USD First Lien Term Loan, the "First Lien Term Loans"), respectively, each with a maturity date of July 10, 2025 and a floor of 0%. Starting on the last business day of the first fiscal quarter ending after July 10, 2018, the USD First Lien Term Loan requires scheduled quarterly payments in amounts equal to 0.25% of the aggregate principal amount of the USD First Lien Term Loan, with the balance due at maturity. There is no amortization on the EUR First Lien Term Loan.

On July 10, 2018, in connection with the SBG Financing, the Corporation, lenders and Deutsche Bank AG New York Brank, as agent, and certain other parties entered into a new credit agreement (the "Credit Agreement") for the First Lien Term Loans and the Revolving Facility to, among other things, reflect the foregoing transactions and continue to add certain operational and financial flexibility, particularly as it relates to the Corporation on a combined basis following the SBG Acquisition.

Consistent with the credit agreement for the Previous First Lien Term Loans, the Credit Agreement contains customary restrictive covenants and also provides for customary mandatory prepayments, including a customary excess cash flow sweep. See note 11 in the Q3 2018 Financial Statements for further information in respect of the restrictive covenants. As of September 30, 2018, the Corporation was in compliance with all covenants related to the First Lien Term Loans.

As described above under "—Market Risk—Interest Rate Risk", the Corporation is exposed to fluctuations in the LIBOR and EURIBOR rates and foreign exchange rates as certain of its indebtedness has variable interest rates and is denominated in a number of different currencies, which could lead to increased interest and foreign exchange

charges. See also “Risk Factors and Uncertainties” below and in the 2017 Annual Information Form, particularly under the heading “Risk Factors and Uncertainties—Risks Related to the Corporation’s Substantial Indebtedness”, and in the 2018 Prospectus Supplement under the heading “Risk Factors”.

Previous First and Second Lien Term Loans

On August 1, 2014, the Corporation completed the Stars Interactive Group Acquisition, which was partly financed through the issuance of long-term debt, allocated into first and second lien term loans, which were refinanced in August 2015 (the “Refinancing”), repriced in March 2017 (the “Repricing”) and amended and extended on April 6, 2018 to repay the USD Second Lien Term Loan and to complete the previously announced acquisition of an additional 18% equity interest in BetEasy and BetEasy’s acquisition of TSGA (collectively the “April 2018 Amend and Extend”).

Giving effect to the above noted Refinancing, Repricing, and the April 2018 Amend and Extend, immediately prior to the SBG Financing, the then-existing first lien term loans consisted of a $2.17 billion first lien term loan priced at LIBOR plus 3.00% (the “Previous USD First Lien Term Loan”) and a €500 million first lien term loan priced at EURIBOR plus 3.25% (the “Previous EUR First Lien Term Loan” and, together with the Previous USD First Lien Term Loan, the “Previous First Lien Term Loans”), each with a maturity date of April 6, 2025 and a floor of 0%. In connection with the April 2018 Amend and Extend, the Corporation fully repaid the second lien term loan which consisted of a $95 million loan priced at LIBOR plus 7.00%, with a 1.00% LIBOR floor and repayable on August 1, 2022 (the “USD Second Lien Term Loan”). As of such date, the Corporation had no further obligations under or with respect to the same. In addition, as previous disclosed, in connection with the SBG Financing, the Corporation fully repaid the Previous First Lien Term loans, and thereafter had no further obligations under or with respect to the same.

7.00% Senior Notes

As previously disclosed, two of the Corporation’s subsidiaries, Stars Group Holdings B.V. and Stars Group (US) Co-Borrower, LLC (the “Issuers”), issued the 7.00% Senior Notes due 2026 (the “Senior Notes”) on July 10, 2018 at par in an aggregate principle amount of $1.00 billion. The Senior Notes mature on July 15, 2026. Interest on the Senior Notes is payable semi-annually on January 15 and July 15 of each year, commencing on January 15, 2019. The Senior Notes are guaranteed by each of the Issuers’ restricted subsidiaries that guarantees the Revolving Facility. The Senior Notes are the Issuers’ senior unsecured obligations and rank equally in right of payment with all of the Issuers’ existing and future senior indebtedness.

The indenture governing the Senior Notes (the “Indenture”) provides the holders of the Senior Notes with customary rights, including the right to require Stars Group Holdings B.V. to offer to repurchase the Senior Notes in certain limited circumstances and it also provides the Issuers with the right to redeem some or all of the Senior Notes at defined redemption prices based on when the redemption occurs. The Senior Notes include, among other terms and conditions, certain customary limitations on the Issuers’ ability to take certain actions or engage in certain activities. See note 11 in the Q3 2018 Financial Statements for further information in respect of the terms and conditions of the Indenture and Senior Notes. As of the date hereof, the aggregate principal amount of outstanding Senior Notes is $1.00 billion.

Hedging Activities

Subsequent to the SBG Financing, the Corporation entered into the Swap Agreements (as defined below) to manage the foreign exchange risk and interest rate exposure under the Credit Agreement. At the time of entering into the Swap Agreements, the Corporation unwound and settled the Previous Swap Agreements (as defined below) for a cash payment of $61.1 million.

Swap Agreements

During the three months ended September 30, 2018 and following the SBG Financing, a subsidiary of the Corporation entered into USD-EUR cross-currency interest rate swap agreements with a notional amount of €1.99 billion ($2.33 billion) (the “EUR Cross-Currency Interest Rate Swaps”), EUR-GBP cross-currency interest rate swap agreements with a notional amount of £1.00 billion (€1.12 billion) (the “GBP Cross-Currency Interest Rate Swaps” and together with the EUR Cross-Currency Interest Rate Swaps, the “Cross-Currency Interest Rate Swaps”) each set to mature in July 2023. The EUR Cross-Currency Interest Rate Swaps fix the USD to EUR exchange rate at 1.167 and fix the Euro interest payments at an average rate of 3.6%. The GBP Cross-Currency Interest Rate Swaps fix the EUR to GBP exchange rate at 0.889 and fix the GBP interest payments at an average rate of 5.4%. The Cross-Currency Interest

Rate Swaps have a profile that amortizes in line with the USD First Lien Term Loan. The Corporation also entered into an amortizing interest rate swap agreement with a notional amount of $700 million (the “Interest Rate Swap” and together with the Cross-Currency Interest Rate Swaps, the “Swap Agreements”). The Interest Rate Swap, which is set to mature in July 2023, swaps USD three-month LIBOR to a fixed interest rate of 2.82%.

Upon entering into the EUR Cross-Currency Interest Rate Swaps and the Interest Rate Swap, the instruments were designated in cash flow hedge relationships to hedge the interest rate and, in the case of the EUR Cross-Currency Interest Rate Swaps, the foreign exchange of the USD First Lien Term Loan bearing a minimum floating interest rate of 3.5% (USD three-month LIBOR plus a 3.5% margin, with a LIBOR floor of 0%).

Previous Swap Agreements

On March 2, 2015, a subsidiary of the Corporation entered into cross-currency interest rate swap agreements with a notional amount of $1.74 billion (the “March 2015 Swap Agreements”). The March 2015 Swap Agreements, which were set to mature in August 2019 (but were settled early as described above), fixed the USD to EUR exchange rate at 1.110 and fixed the Euro interest payments at an average rate of 4.6%. In connection with an August 2015 refinancing of the Corporation’s then-outstanding debt, a subsidiary of the Corporation entered into two additional cross-currency interest rate swap agreements to hedge the interest rate and foreign exchange, effective August 12, 2015, for a notional amount of $325 million (the “August 2015 Swap Agreements” and together with the March 2015 Swap Agreements, the “Previous Swap Agreements”). The August 2015 Swap Agreements, which were set to mature in August 2019 (but were settled early as described above), fixed the USD to EUR exchange rate at 1.094 and fixed the Euro interest payments at an average rate of 4.7%.

During the three months ended March 31, 2017, the Corporation unwound and settled a notional principal amount of $616.5 million of the Previous Swap Agreements for cash proceeds of $13.9 million. As described above, during the three months ended September 30, 2018, the Corporation unwound and settled the remaining USD notional principal amount of $1.39 billion related to the Previous Swap Agreements for a cash payment of $61.1 million.

As previously disclosed, a portion of Previous Swaps were initially designated in cash flow hedge relationships to hedge the interest rate and foreign exchange of the Previous USD First Lien Term Loan bearing a minimum floating interest rate of 4.5% (USD three-month LIBOR plus a 3.5% margin, with a LIBOR floor of 1.0%). As part of the repricing and retranching of the Previous First Lien Term Loans on March 3, 2017, the Corporation reduced the applicable interest rate margin on the Previous First Lien Term Loans by 50 basis points to LIBOR plus a 3.5% margin with a LIBOR floor of 1%. As a result, the Corporation de-designated and re-designated the applicable hedging instruments in new hedge accounting relationships.

Net investment hedge accounting

Upon completion of the SBG Financing, the Corporation designated a portion of the carrying amount of the USD First Lien Term Loan and the carrying amount of the Senior Notes as a foreign exchange hedge of its net investment in its USD foreign operations. During a portion of the nine months ended September 30, 2018 and during a portion of the year ended December 31, 2017, the Corporation designated a portion of the carrying amount of the Previous USD First Lien Term Loan, the carrying amount of the USD Second Lien Term Loan and its then-outstanding deferred contingent payment (i.e., the deferred purchase price for the Stars Interactive Group Acquisition) as a foreign exchange hedge of its net investment in its USD foreign operations. Accordingly, the portion of the translation impact arising from the translation of the USD-denominated liabilities that was determined to be an effective hedge during the period was recognized in the unaudited interim condensed consolidated statements of comprehensive income (loss), counterbalancing a portion of the translation impact arising from translation of the Corporation’s net investment in its USD foreign operations.

Upon entering into the GBP Cross-Currency Interest Rate Swaps, the Corporation designated these instruments as a foreign exchange hedge of its net investment in its GBP foreign operations. Accordingly, the portion of the translation impact arising from the translation of the GBP-denominated liabilities that was determined to be an effective hedge during the period was recognized in the unaudited interim condensed consolidated statements of comprehensive income (loss), counterbalancing a portion of the translation impact arising from translation of the Corporation’s net investment in its GBP foreign operations.

For the three and nine months ended September 30, 2018, the Corporation recorded an unrealized exchange loss on translation of $0.6 million and an unrealized exchange gain on translation of $25.3 million, respectively (for the three

and nine months ended September 30, 2017 – $nil for both periods), in the "Cumulative translation adjustment" in reserves related to these hedging relationships.

As at September 30, 2018, a notional principal amount of $3.03 billion of the USD First Lien Term Loan was covered under the Swap Agreements, and the remaining $537.6 million USD First Lien Term Loan is exposed to fluctuations in interest rates. As at September 30, 2018, the fair value of the Swap Agreements represented a liability of $17.2 million. As a result of the EUR Cross-Currency Interest Rate Swaps and the Previous Swap Agreements, the Corporation recorded cash inflows of $10.5 million during the quarter recorded through net financing charges in the Q3 2018 Financial Statements. As a result of the GBP Cross-Currency Interest Rate Swaps, the Corporation recorded cash outflows of $4.9 million during the quarter recorded through other comprehensive loss.

See note 31 in the 2017 Annual Financial Statements for further information in respect of financial instruments.

RECONCILIATIONS

To supplement its Q3 2018 Financial Statements presented in accordance with IFRS, the Corporation considers certain financial measures that are not prepared in accordance with IFRS, including those set forth below. The tables below present reconciliations of Adjusted EBITDA, Adjusted Net Earnings and Adjusted Net Earnings per Diluted Share, Free Cash Flow and the numerator of QNY for the United Kingdom segment, each as presented in this MD&A. The Corporation does not provide a reconciliation for the numerator of QNY for the International and Australia segments as the revenue components thereof (i.e., Poker, Gaming and Betting, as applicable) and Other revenues are set forth in "Segment Results of Operations" above.

Adjusted EBITDA

	Three Months Ended September 30, 2018				
In thousands of U.S. Dollars (except per share amounts)	International	United Kingdom	Australia	Corporate	Consolidated
Net earnings (loss)	137,507	(28,635)	(25,973)	(73,169)	9,730
Income tax recovery	—	—	—	13,189	13,189
Net financing charges	—	—	—	(74,360)	(74,360)
Operating income (loss)	137,507	(28,635)	(25,973)	(11,998)	70,901
Depreciation and amortization	34,398	53,642	10,855	43	98,938
Add (deduct) the impact of the following:					
Acquisition-related costs and deal contingent forwards	—	—	—	1,667	1,667
Stock-based compensation	—	—	—	3,154	3,154
Loss from investments and associates	123	—	—	—	123
Impairment of intangibles assets and assets held for sale	3,869	—	—	—	3,869
Other costs	6,331	2,936	10,354	(21)	19,600
Total adjusting items	**10,323**	**2,936**	**10,354**	**4,800**	**28,413**
Adjusted EBITDA	**182,228**	**27,943**	**(4,764)**	**(7,155)**	**198,252**

In thousands of U.S. Dollars (except per share amounts)	Nine Months Ended September 30, 2018				
	International	United Kingdom	Australia	Corporate	Consolidated
Net earnings (loss)	412,723	(28,635)	(33,620)	(421,201)	(70,733)
Income tax recovery	—	—	—	15,438	15,438
Net financing charges	—	—	—	(273,071)	(273,071)
Net earnings from associates	1,068	—	—	—	1,068
Operating income (loss)	411,655	(28,635)	(33,620)	(163,568)	185,832
Depreciation and amortization	108,354	53,642	20,723	62	182,781
Add (deduct) the impact of the following:					
Acquisition-related costs and deal contingent forwards	—	—	—	112,485	112,485
Stock-based compensation	—	—	—	8,802	8,802
Loss from investments and associates	370	—	—	—	370
Impairment of intangibles assets and assets held for sale	4,943	—	—	—	4,943
Other costs	7,703	2,936	20,758	14,935	46,332
Total adjusting items	**13,016**	**2,936**	**20,758**	**136,222**	**172,932**
Adjusted EBITDA	**533,025**	**27,943**	**7,861**	**(27,284)**	**541,545**

In thousands of U.S. Dollars (except per share amounts)	Three Months Ended September 30, 2017				
	International	United Kingdom	Australia	Corporate	Consolidated
Net earnings (loss)	130,493	—	—	(54,619)	75,874
Income tax recovery	—	—	—	(2,186)	(2,186)
Net financing charges	—	—	—	(38,095)	(38,095)
Net loss from associates	(2,569)	—	—	—	(2,569)
		—	—		
Operating income (loss)	133,062	—	—	(14,338)	118,724
Depreciation and amortization	36,626	—	—	5	36,631
Add (deduct) the impact of the following:					
Stock-based compensation	—	—	—	3,298	3,298
Gain from investments	(8,920)	—	—	—	(8,920)
Reversal of impairment of intangibles assets and assets held for sale	(1,117)	—	—	—	(1,117)
Other costs	3,229	—	—	3,922	7,151
Total adjusting items	**(6,808)**	**—**	**—**	**7,220**	**412**
Adjusted EBITDA	**162,880**	**—**	**—**	**(7,113)**	**155,767**

In thousands of U.S. Dollars (except per share amounts)	Nine Months Ended September 30, 2017				
	International	United Kingdom	Australia	Corporate	Consolidated
Net earnings (loss)	378,666	—	—	(166,556)	212,110
Income tax recovery	—	—	—	(856)	(856)
Net financing charges	—	—	—	(119,593)	(119,593)
Net loss from associates	(2,569)	—	—	—	(2,569)
Operating income (loss)	381,235	—	—	(46,107)	335,128
Depreciation and amortization	108,814	—	—	152	108,966
Add (deduct) the impact of the following:					
Stock-based compensation				7,914	7,914
Gain from investments	(9,137)	—	—	(4,429)	(13,566)
Reversal of impairment of intangibles assets and assets held for sale	(6,162)	—	—	(2,267)	(8,429)
Other costs	3,514	—	—	19,778	23,292
Total adjusting items	**(11,785)**	**—**	**—**	**20,996**	**9,211**
Adjusted EBITDA	**478,264**	**—**	**—**	**(24,959)**	**453,305**

Adjusted Net Earnings and Adjusted Diluted Earnings per Share

In thousands of U.S. Dollars (except per share amounts)	Three Months Ended September 30,		Nine Months Ended September 30,	
	2018	2017	2018	2017
Net earnings (loss)	**9,730**	**75,874**	**(70,733)**	**212,110**
Income tax (recovery) expense	(13,189)	2,186	(15,438)	856
Net loss (earnings) before tax	**(3,459)**	**78,060**	**(86,171)**	**212,966**
Add (deduct) the impact of the following:				
Interest accretion	8,984	10,767	30,064	35,708
Loss on debt extinguishment	18,521	—	143,497	—
Re-measurement of contingent consideration	5,056	—	8,753	—
Re-measurement of Embedded Derivative	(11,300)	—	(11,300)	—
Ineffectiveness on cash flow hedges	(11,949)	—	(11,949)	—
Acquisition-related costs and deal contingent forwards	1,667	—	112,485	—
Amortization of acquisition intangibles	92,107	31,077	154,965	93,227
Stock-based compensation	3,154	3,298	8,802	7,914
(Gain) loss from investments and associates	123	(6,353)	(698)	(10,998)
Impairment (reversal of impairment) of intangibles assets and assets held for sale	3,869	(1,117)	4,943	(8,429)
Other costs (income)	19,600	7,151	46,332	23,292
Adjust for income tax expense	(6,873)	(3,288)	(10,438)	(6,690)
Adjusted Net earnings	**119,500**	**119,595**	**389,285**	**346,990**
Adjusted Net earnings attributable to				
Shareholders of The Stars Group Inc.	119,961	119,595	389,430	346,990
Non-controlling interest	(461)	—	(145)	—
Adjusted Net earnings	**119,500**	**119,595**	**389,285**	**346,990**
Weighted average diluted number of shares	269,526,633	204,800,009	232,640,294	202,796,952
Adjusted Diluted Net Earnings per Share attributable to Shareholders of The Stars Group Inc.	0.45	0.58	1.67	1.71

The table below presents certain items comprising "Other costs (income)" in the Adjusted EBITDA, Adjusted Net Earnings and Adjusted Diluted Earnings per Share reconciliation tables above:

In thousands of U.S. Dollars	Three Months Ended September 30,		Nine Months Ended September 30,	
	2018 $000's	2017 $000's	2018 $000's	2017 $000's
Integration costs	17,088	—	28,555	—
Financial (income) expenses	(4,948)	2,839	(2,899)	3,062
Termination of employment agreements	4,486	1,358	6,544	4,166
AMF and other investigation professional fees	(888)	(1,265)	3,771	3,888
Lobbying (US and Non-US) and other legal expenses	4,260	2,916	9,918	12,233
Non-recurring professional fees	1,423	664	1,976	2,168
Retention bonuses	25	41	259	1,271
Loss on disposal of assets	—	338	41	599
Austria gaming duty	(3,679)	—	(3,679)	(5,000)
Termination of affiliate agreements	—	—	—	407
Other	1,833	260	1,846	498
Other costs	**19,600**	**7,151**	**46,332**	**23,292**

Free Cash Flow

In thousands of U.S. Dollars	Three Months Ended September 30,		Nine Months Ended September 30,	
	2018	2017	2018	2017
Net cash inflows from operating activities	73,227	144,870	369,307	370,843
Customer deposit liability movement	1,552	(2,884)	(12,349)	22,398
	74,779	141,986	356,958	393,241
Capital Expenditure:				
Additions to deferred development costs	(16,496)	(6,275)	(32,686)	(16,701)
Additions to property and equipment	(9,530)	(3,253)	(18,791)	(5,507)
Additions to intangible assets	(4,426)	(565)	(16,268)	(1,484)
Interest paid	(62,113)	(30,556)	(128,391)	(95,620)
Debt principal repayments	(8,937)	(6,031)	(20,430)	(18,901)
Free Cash Flow	(26,723)	95,306	140,392	255,028

United Kingdom Segment QNY

The table below presents proforma revenue for the United Kingdom segment for the three months ended September 30, 2018, which includes revenue earned by SBG prior to the SBG Acquisition, for use in the calculation of the numerator of QNY for the United Kingdom for the applicable period:

In thousands of U.S. Dollars	$
Revenue as reported for the three months ended September 30, 2018	
Poker	2,884
Gaming	73,318
Betting	85,189
Total	161,391
Add: pre-acquisition revenue	28,018
Revenue as adjusted for QNY	189,409

SUMMARY OF QUARTERLY RESULTS

The following financial data for each of the eight most recently completed quarters has been prepared in accordance with IFRS. The presentation currency for each period presented below was and remains the U.S. dollar.

	For the three months ended							
In thousands of U.S. Dollars (except per share amounts)	**Dec. 31, 2016**	**Mar. 31, 2017**	**Jun. 30, 2017**	**Sept. 30, 2017**	**Dec. 31, 2017**	**Mar. 31, 2018**	**Jun. 30, 2018**	**Sept. 30, 2018**
Revenue	310,286	317,317	305,305	329,443	360,247	392,891	411,512	571,983
Gross Profit	254,045	254,857	252,637	266,966	290,355	312,627	327,875	442,757
Operating Income	81,527	110,886	105,517	118,724	113,240	113,866	1,064	70,901
Net Earnings (Loss)	45,039	65,753	70,483	75,874	47,175	74,361	(154,824)	9,730
Basic Net Earnings (Loss) per Common Share	$ 0.31	$ 0.45	$ 0.48	$ 0.52	$ 0.32	$ 0.51	$ (1.01)	$ 0.06
Diluted Net Earnings (Loss) per Common Share	$ 0.23	$ 0.33	$ 0.35	$ 0.37	$ 0.23	$ 0.36	$ (1.01)	$ 0.06

The year-over-year consolidated revenue increases since the third quarter of 2017 as compared to the prior year periods were primarily attributable to Gaming and Betting revenues in what is now the International segment resulting from the continued rollout of casino and sports betting product offerings and the expansion of the geographical reach of such product offerings into eligible markets, in addition to the positive impact on poker revenues from the introduction of the *Stars Rewards* program. Quarterly consolidated revenues in 2018 were also positively impacted by the SBG Acquisition and the Australian Acquisitions.

For a discussion of results, trends and variances, including the impact of foreign currency fluctuations, over the three and nine months ended September 30, 2018 and 2017, see “Consolidated Results of Operations and Cash Flows”, “Segment Results of Operations”, and “Liquidity and Capital Resources” contained in this MD&A.

Given the nature of the Corporation’s business, including, without limitation, the extent of certain non-recurring and other costs, instead of evaluating IFRS net earnings alone, the Corporation also analyzes Adjusted EBITDA, Adjusted EBITDA Margin, Adjusted Net Earnings, Adjusted Net Diluted Earnings per Share and Free Cash Flow on a consolidated and segmental basis, as applicable, to evaluate operating results and for financial and operational decision-making purposes. The Corporation believes that these measures provide useful information about its operating results and enhances the overall understanding of its past performance and future prospects, as well as its performance against peers and competitors. See “Consolidated Results of Operations and Cash Flows”, “Segment Results of Operations” and “Reconciliations” above.

The Corporation’s results of operations can fluctuate due to seasonal trends and other factors. Historically, given the geographies where the majority of the Corporation’s customers are located, and the related climate and weather in such geographies, among other things, revenues from operations, key metrics and customer activity have been generally higher in the first and fourth fiscal quarters than in the second and third fiscal quarters. The Betting operations of the Corporation are also subject to the seasonal variations dictated by the various sports calendars, which will have an effect on its financial performance. A significant proportion of the Corporation’s current and future Betting revenue is and will continue to be generated from bets placed on European football, which has an off-season in the summer that can cause a corresponding temporary decrease in its respective revenues. The Corporation’s ability to generate revenues is also affected by the scheduling of major sporting events that do not occur annually, such as the World Cup, and the UEFA European Championships. In addition, the ability to generate revenue will be dependent on the progression and results of certain teams within specific tournaments and the failure of such team to progress, or adverse results of such teams, may have adverse consequences on the financial performance of the Corporation. Also, the cancellation of sporting events and races could negatively impact Stakes and revenues. Additionally, with respect to online Betting, revenues from that line of operation generally fluctuate in line with Betting Net Revenue Margin. However, the impact on revenues may be mitigated by the positive or negative impact of Betting Net Revenue Margin on Stakes, which can fluctuate inversely with such margins. As a result, prolonged periods of high Betting Net Win Margin can negatively impact customer experience, enjoyment and engagement levels thereby resulting in lower customer wagering volumes on Betting or other gaming verticals. Conversely, while periods of low Betting Net Win Margin tend to negatively impact revenues, this may be partially mitigated by increased customer wagering volume (generally referred to as recycling of winnings) due to the positive impact of customer-favorable results on

customer experience, enjoyment and engagement. Further, changes to the Corporation's use of various offsets to revenues including free bets, bonuses and promotions, and/or loyalty program rewards impact reported revenue, which could also cause fluctuations. As such, results for any quarter are not necessarily indicative of the results that may be achieved in another quarter or for the full fiscal year. There can be no assurance that the seasonal trends and other factors that have impacted the Corporation's historical results will repeat in future periods as the Corporation cannot influence or forecast many of these factors. For other factors that may cause its results to fluctuate, including, without limitation, market risks, such as foreign exchange risks, see "Overview and Outlook" above, and "Risk Factors and Uncertainties" below, and the 2017 Annual Information Form, including, without limitation, under the headings "Risk Factors and Uncertainties" and "Business of the Corporation—Seasonality and Other Factors Impacting the Business" therein, and the 2018 Prospectus Supplement, including, without limitation, under the heading "Risk Factors" and "Business of The Stars Group—Seasonality and Other Factors Impacting the Business".

SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

For a description of the Corporation's significant accounting policies, critical accounting estimates and judgments, and related information, see notes 2 and 3 to the Q3 2018 Financial Statements and 2017 Annual Financial Statements. Other than as set forth below, there have been no changes to the Corporation's significant accounting policies or critical accounting estimates or judgments during the three and nine months ended September 30, 2018.

Sources of Estimation Uncertainty

Valuation of acquired intangible assets

Acquisitions may result in the recognition of certain intangible assets, recognized at fair value, including but not limited to, software technology, customer relationships, below market significant contracts and brands. Key estimates made by management in connection with the valuation of acquired intangible assets relating to the SBG Acquisition and the Australian Acquisitions included:

(i) Discount rates –The Corporation used discount rates of 7% to 10%.

(ii) Attrition rates – The Corporation valued certain intangibles using estimated attrition rates of 3% to 10%.

(iii) Technology migration – The Corporation valued technology intangibles using estimated useful lives of 5 to 7 years based on the planned migration towards newer developed technology.

(iv) Technology royalty rate – The Corporation valued certain technology intangibles using royalty rates of 5% to 10%.

(v) Brand royalty rate – The Corporation valued brands using royalty rates of 2.5% to 5%.

(vi) Estimating future cash flows –The Corporation considered historical performance and industry assessments among other sources in the estimation of the cash flows. Significant estimation uncertainty exists with respect to forecasting and growth assumptions used in the valuation of intangibles.

Valuation of contingent payment on acquisition of non-controlling interest

As part of the incremental acquisition of an 18% equity interest in BetEasy, BetEasy's management team will be entitled to an additional payment of up to $182 million in 2020, subject to certain performance conditions, primarily related to operating performance, and payable in cash and/or additional Common Shares at The Stars Group's discretion. The Corporation considered this additional payment to be a contingent payment and accounted for it as part of the purchase price related to the acquisition of the 18% equity interest in BetEasy. The contingent payment is subsequently recorded at fair value at each balance sheet date, with re-measurements recorded within net financing costs in the unaudited interim condensed statement of earnings. In valuing the contingent payment as at the acquisition date and at period end, the Corporation used a discount rate of 8% for both periods, based on the term of the contingent payment period and credit risk of the counterparty and earnings volatility of 25% - 30% for both periods, based on historical performance and market indicators.

Critical Accounting Judgments

Valuation of acquired intangible assets

The intangible assets described in the sources of estimation uncertainty section above are valued using various valuation methodologies, such as the market, income and cost methods. In applying these methodologies, management makes certain key judgments and assumptions. These judgments and assumptions are highly subjective and the ability to realize the future cash flows used in fair value calculations may be affected by changes in economic conditions, economic performance or business strategies. For further information regarding the valuation of acquired intangible assets, see note 4 in the Q3 2018 Financial Statements.

Acquisition of BetEasy – Control assessment

As previously reported, the Corporation acquired a 62% equity interest in BetEasy on February 27, 2018, and a further 18% equity interest on April 24, 2018. As is typical, the shareholders agreement entered into with the minority shareholders of BetEasy in connection with the Australian Acquisitions includes a number of rights and protections for the minority shareholders in certain circumstances that are directly harmful to the minority, including as it relates to significant changes to business scope, material acquisitions or financing. In the Corporation's judgment such minority shareholder rights are protective rights and the Corporation has control in accordance with *IFRS 3, Business Combinations*.

Debt extinguishment

As discussed in note 11 in the Q3 2018 Financial Statements, on April 6, 2018, the Corporation amended its long-term debt in connection with the Australian Acquisitions (the April 2018 Amend and Extend) and recorded the amendment as an extinguishment for accounting purposes as the debt was repayable at par, and no termination costs were incurred. On July 10, 2018, the Previous First Lien Term Loans were repaid in full and the transaction was recorded as an extinguishment for accounting purposes. No termination costs were incurred upon repayment.

Recognition of Embedded Derivatives

The Senior Notes include certain embedded features allowing the Corporation to redeem the Senior Notes or allowing the holders to require a redemption of the Senior Notes. Management applied its judgment in determining whether the features represent embedded derivatives required to be bifurcated from the carrying value of the Senior Notes, including in relation to the assessment of whether the features are closely related to the host contract (i.e., the Indenture). Certain features, as discussed in notes 11 and 12 in the Q3 2018 Financial Statements, were bifurcated from the carrying value of the Senior Notes.

RECENT ACCOUNTING PRONOUNCEMENTS

New Significant Accounting Policies Adopted

IFRS 9, *Financial Instruments*

The Corporation has applied *IFRS 9, Financial Instruments* retrospectively from January 1, 2018. In accordance with the practical expedients permitted under the standard, comparative information for 2017 has not been restated.

For further information regarding the impact of IFRS 9, see note 17 in the Q3 2018 Financial Statements.

Financial Assets

Financial assets are initially recognized at fair value and from January 1, 2018 are classified into one of the following measurement categories:

- Those to be measured subsequently at fair value, either through profit or loss or other comprehensive income; or
- Those to be measured at amortized cost.

The classification depends on the Corporation's business model for managing the financial assets and the contractual terms of the cash flows. Except in very limited circumstances, the classification may not be changed subsequent to

initial recognition. The Corporation only reclassifies debt instruments when its business model for managing those assets changes.

For assets measured at fair value, gains and losses are recorded in profit or loss or other comprehensive income. For investments in debt instruments, the classification depends on the business model and the contractual terms of the respective cash flows for which the investment is held. For investments in equity instruments that are not held for trading, the classification depends on whether the Corporation has made an irrevocable election at the time of initial recognition to account for the equity instruments at fair value through other comprehensive income.

At initial recognition, the Corporation measures a financial asset at its fair value plus, in the case of a financial asset not measured at FVTPL (as defined below), transaction costs that are directly attributable to the acquisition of the financial asset. Transaction costs of financial assets carried at FVTPL are expensed in profit or loss.

Debt instruments

Subsequent measurement of debt instruments depends on the Corporation's business model for managing the asset and the cash flow characteristics of that asset. There are three measurement categories into which the Corporation classifies its debt instruments:

- Amortized cost: assets that are held for collection of contractual cash flows where those cash flows represent solely payments of principal and interest are measured at amortized cost. A gain or loss on a debt instrument that is subsequently measured at amortized cost and is not part of a hedging relationship is recognized in profit or loss when the asset is derecognized or impaired. Interest income from these financial assets is recognized using the effective interest rate method.

- Fair value through other comprehensive income ("FVOCI"): assets that are held for collection of contractual cash flows and for sale, where the cash flows represent solely payments of principal and interest are measured at FVOCI. Movements in the carrying amount are recorded in other comprehensive income, with impairment gains or losses, interest revenue and foreign exchange gains and losses recognized in profit or loss. When the financial asset is derecognized, the cumulative gain or loss previously recognized in other comprehensive income is reclassified from equity to profit or loss. Interest income from these financial assets is recognized using the effective interest rate method.

- Fair value through profit or loss ("FVTPL"): assets that do not meet the criteria for classification as amortized cost or FVOCI are measured at FVTPL. A gain or loss on a debt instrument that is subsequently measured at FVTPL and is not part of a hedging relationship is recognized in profit or loss and presented in the unaudited interim condensed consolidated statements of earnings.

Equity instruments

The Corporation subsequently measures all equity instruments at fair value, except for equity instruments for which equity method accounting is applied. Where the Corporation's management elects to present fair value gains and losses on equity instruments in other comprehensive income, there is no subsequent reclassification of fair value gains and losses to profit or loss upon the derecognition of those instruments. Equity instruments are designated as FVOCI on an instrument-by-instrument basis when the conditions are met based on the nature of the instrument. Dividends from such instruments continue to be recognized in profit or loss when the Corporation's right to receive payment is established.

Changes in the fair value of financial assets at FVTPL are recognized in the unaudited interim condensed consolidated statements of earnings.

Impairment

At the end of each reporting period, the Corporation assesses on a forward-looking basis the expected credit losses associated with its debt instruments carried at amortized cost and FVOCI. The impairment methodology applied depends on whether there has been a significant increase in credit risk. The impairment provision recorded in respect of debt instruments carried at amortized cost and FVOCI is determined at 12-months expected credit losses on the basis that the Corporation considers these instruments as low risk.

The Corporation applies the simplified approach permitted by IFRS 9 for trade receivables and other financial assets held at amortized cost, which requires expected lifetime losses to be recognized from initial recognition of the receivables.

The forward-looking element in determining impairment for financial assets is derived from comparison of current and projected macro-economic indicators covering primary markets in which the Corporation operates.

Financial Liabilities

Debt modification

The Corporation may pursue amendments to its credit agreements based on, among other things, prevailing market conditions. Such amendments, when completed, are considered by the Corporation to be debt modifications. For debt repayable at par with nominal break costs, the Corporation has elected to account for such debt modifications as equivalent to repayment at no cost of the original financial instrument and an origination of new debt at market conditions. Resetting the debt to market conditions with the same lender has the same economic substance as extinguishing the original financial instrument and originating new debt with a third-party lender at market conditions. The transaction is accounted for as an extinguishment of the original debt instrument, which is derecognized and replaced by the amended debt instrument, with any unamortized costs or fees incurred on the original debt instrument recognized as part of the gain or loss on extinguishment.

For all other debt, the accounting treatment of debt modifications depends upon whether the modified terms are substantially different than the previous terms. The terms of an amended debt agreement are considered substantially different when either: (i) the discounted present value of the cash flows under the new terms, discounted using the original effective interest rate, are at least ten percent different from the discounted present value of the remaining cash flows of the original debt or (ii) management determines that other changes to the terms of the amended agreement, such as a change in the environment in which a floating interest rate is determined, are substantially different. If the modification is considered to be substantially different, the transaction is accounted for as an extinguishment of the original debt instrument, which is derecognized and replaced by the amended debt instrument, with any unamortized costs or fees incurred on the original debt instrument recognized as part of the gain or loss on extinguishment. If the modification is not considered to be substantially different, an adjustment to the carrying amount of the original debt instrument is recorded, which is calculated as the difference between the original contractual cash flows and the modified cash flows discounted at the original effective interest rate.

Derivatives

The Corporation uses derivative instruments for risk management purposes and does not use derivative instruments for speculative trading purposes. All derivatives are recorded at fair value in the unaudited interim condensed consolidated statements of financial position. For derivatives not designated as hedging instruments, the re-measurement of those derivatives each period is recognized in the unaudited interim condensed consolidated statements of earnings.

Derivatives are measured at fair value using pricing and valuation models whenever possible, including market-based inputs to models, broker or dealer quotations or alternative pricing sources.

As permitted by IFRS 9, the Corporation has elected to continue to apply the hedge accounting requirements of IAS 39 rather than the new requirements of IFRS 9.

IFRS 15, *Revenues from Contracts with Customers*

The Corporation has applied *IFRS 15, Revenues from Contracts with Customers* from January 1, 2018. As permitted, the Corporation has applied IFRS 15 using the modified retrospective approach, whereby the cumulative impact of adoption is recognized in opening retained earnings. Comparative information for 2017 has not been restated.

The adoption of IFRS 15 did not have a material impact on the timing and amount of revenue recognized by the Corporation.

For further information regarding the impact of IFRS 15, see note 17 in the Q3 2018 Financial Statements.

New Accounting Pronouncements – Not Yet Effective

For a list of the new and revised accounting standards under IFRS that the Corporation has not yet applied, see the 2017 Annual Financial Statements. Subject to full analysis the Corporation does not currently expect that the adoption of such new and revised standards will have a material impact on the financial statements of The Stars Group in future periods, except as noted below:

IFRS 16, *Leases*

In 2016 the IASB issued IFRS 16 to replace IAS 17, *Leases* ("IAS 17"), effective January 1, 2019. This standard introduces a single lessee accounting model and requires a lessee to recognize assets and liabilities for all leases with a term of more than 12 months, unless the underlying asset is of low value. A lessee is required to recognize a right-of-use asset representing its right to use the underlying asset and a lease liability representing its obligation to make lease payments.

This standard substantially carries forward the lessor accounting requirements of IAS 17, while requiring enhanced disclosures to be provided by lessors.

The Corporation intends to adopt IFRS 16 from its effective date of January 1, 2019. The Corporation is currently evaluating the quantitative impact of this standard and does not anticipate applying it prior to its effective date. However, qualitatively the Corporation currently expects the following material impacts:

(i) an increase in total assets, as assets relating to leases currently accounted for as operating leases under IAS 17 will be recorded within property and equipment on the statement of financial position. Land and building represents the asset category expected to be materially impacted;
(ii) an increase in total liabilities, as liabilities relating to leases currently accounted for as operating leases under IAS 17 will be recognized;
(iii) operating lease expenses, which are currently included within general and administrative sales and marketing and research and development expenses based on the nature of the lease, will be reclassified and recalculated resulting in the recognition of depreciation expense, recorded within general and administrative expenses and interest accretion expense, recorded within net financing costs. As a result, operating income will be impacted;
(iv) future depreciation and interest accretion for the Corporation's historic leases will also be affected by its choice of transition options, which is still under review; and
(v) there may be a corresponding effect on tax balances in relation to all of the above impacts.

OFF BALANCE SHEET ARRANGEMENTS

As at September 30, 2018, the Corporation had no off-balance sheet arrangements that have or are reasonably likely to have a current or future effect on the Corporation's financial condition, changes in financial condition, revenues or expenses, results of operations, liquidity, capital expenditures or capital resources that are material to investors.

OUTSTANDING SHARE DATA

	As at November 5, 2018
Common Shares issued and outstanding	272,075,286
Common Shares issuable upon exercise of options	4,780,405
Common Shares issuable upon settlement of other equity-based awards	982,362
Total Common Shares on a fully-diluted basis	**277,838,053**

LEGAL PROCEEDINGS AND REGULATORY ACTIONS

Other than as set forth below, there were no material changes or updates to the Corporation's material legal proceedings or regulatory actions during the three and nine months ended September 30, 2018. For additional information regarding the Corporation's material legal proceedings and regulatory actions, see the 2017 Annual Reports, particularly under the heading "Legal Proceedings and Regulatory Actions" in each of the 2017 Annual Information Form and the 2018 Prospectus Supplement, and note 30 to the 2017 Annual Financial Statements.

Kentucky Proceeding

For information regarding the previously reported proceeding in Kentucky, see above under "Liquidity and Capital Resources—Credit Facility", each of the 2017 Annual Information Form and the 2018 Prospectus Supplement, including under the heading "Legal Proceedings and Regulatory Actions" therein, and note 30 to the 2017 Annual Financial Statements.

The AMF Investigation and Related Matters

For information regarding the previously reported AMF investigation and related matters, see below and the 2017 Annual Information Form, including under the headings "Legal Proceedings and Regulatory Actions—AMF Investigation and Related Matters", and under "Risk Factors and Uncertainties—The Corporation is subject to various laws relating to trade, export controls, and foreign corrupt practices, the violation of which could adversely affect its operations, reputation, business, prospectus, operating results and financial condition" and the 2018 Prospectus Supplement, including under the headings "Legal Proceedings and Regulatory Actions—AMF Investigation and Related Matters", and under "Risk Factors".

Foreign Payments Matter

As previously disclosed, during its internal investigation with respect to the AMF matters, the Board became aware in 2016 of certain information which led it to undertake a review of whether the Corporation or any of its subsidiaries or personnel had made improper payments, directly or through external consultants, to governmental officials in certain jurisdictions outside of Canada and the United States. The information which came to light as a result of the investigation into the AMF matters related to some of the Corporation's historic business activities that primarily occurred prior to the Stars Interactive Group Acquisition.

The Board, with the involvement of external counsel, is continuing to review these matters. This review includes reviewing historic and current operations, reviewing the Corporation's use of external consultants in foreign markets, and revising internal policies and procedures. As previously disclosed, as a result of this review, the Corporation voluntarily contacted the Royal Canadian Mounted Police ("RCMP") in Canada and the Department of Justice and Securities Exchange Commission in the United States in 2016. These authorities are investigating these matters and the Corporation continues to cooperate with the same, including, without limitation, by cooperating with the RCMP regarding matters related to the search warrant previously executed at the Corporation's former Pointe-Claire, Quebec office, responding to information requests, and voluntarily providing records and information. As a result of this continuing review, additional information could become known in the future.

Class Actions

U.S. Class Action

For information regarding the previously reported U.S. class action lawsuit, see the 2017 Annual Information Form and 2018 Prospectus Supplement. On August 3, 2018, the parties filed a stipulation of settlement with the court and on September 13, 2018, the court entered an order Granting Preliminary Approval of the settlement. The settlement, which will be funded entirely by the Corporation's insurance carrier, is subject to final court approval.

Quebec Class Action

For information regarding the previously reported Quebec class action lawsuit, see the 2017 Annual Information Form and the 2018 Prospectus Supplement.

On or about July 25, 2018, a re-re-amended motion for authorization of a class action and for authorization to bring an action pursuant to Quebec securities law (the "Re-Re-Amended Derome Class Action"), Derome v. The Stars Group Inc. et al. (Case No. 500-06-000785), was filed in the Superior Court of Quebec, Province of Quebec, Canada, District of Montreal, amending previously filed proceedings. The Re-Re-Amended Derome Class Action names The Stars Group, Mr. Baazov, Mr. Sebag, certain of The Stars Group's current directors, Mr. Gadhia and Mr. Goodson, and a former director, General Wesley K. Clark, as defendants. It was filed by an individual shareholder on behalf of himself and a class of persons, composed of a sub-class of primary market purchasers and a sub-class of secondary market purchasers, who purchased The Stars Group's securities between March 31, 2014 and March 22, 2016 (the day before the announcement of the filing of charges brought by the AMF against Mr. Baazov).

The plaintiff generally alleges that throughout the class period the defendants violated certain Canadian securities laws by misrepresenting or failing to disclose (or acquiescing in the same), among other things, that Mr. Baazov allegedly was engaged in an insider trading scheme which allegedly made possible certain acquisitions of The Stars Group. The plaintiff also alleges that The Stars Group did not properly disclose that it had inadequate or ineffective internal controls, that one or more of its directors and Mr. Baazov were in breach of its Code of Business Conduct and that certain public statements made by The Stars Group in respect of the AMF Investigation were false or misleading.

The Re-Re-Amended Derome Class Action seeks damages stemming from losses the plaintiffs claim to have suffered as a result of the foregoing. The Stars Group believes that the Re-Re-Amended Derome Class Action is without merit and intends to vigorously defend itself against it; however, there can be no assurance that The Stars Group will be successful in its defense.

Preferred Share Conversion Appeal

For information regarding the appeal of the Ontario Superior Court of Justice's dismissal of an application by certain holders of Preferred Shares regarding the Corporation's mandatory conversion of its Preferred Shares, see "Overview and Outlook—Recent Corporate and Other Developments—Mandatory Conversion of Preferred Shares".

DISCLOSURE CONTROLS AND PROCEDURES AND INTERNAL CONTROL OVER FINANCIAL REPORTING

The applicable rules of the U.S. Securities and Exchange Commission and the Canadian Securities Administrators require The Stars Group's certifying officers, the Chief Executive Officer ("CEO") and the Chief Financial Officer ("CFO"), to establish and maintain disclosure controls and procedures ("DC&P") and internal control over financial reporting ("ICFR"), as those terms are defined in such rules. In compliance with these rules, the Corporation has filed applicable certifications signed by the CEO and the CFO that, among other things, report on the design of each of DC&P and ICFR.

Disclosure Controls and Procedures

The CEO and CFO have designed DC&P, or have caused them to be designed under their supervision, to provide reasonable assurance that:

- material information relating to the Corporation is made known to them by others, particularly during the period in which the annual and interim filings are being prepared; and
- information required to be disclosed in the annual filings, interim filings or other reports filed or submitted under securities legislation is recorded, processed, summarized and reported within the time periods specified in applicable securities legislation.

Internal Control Over Financial Reporting

The CEO and CFO have designed ICFR, or have caused it to be designed under their supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with the Corporation's accounting and reporting standards.

During the second quarter of 2018, following the adoption of *IFRS 9, "Financial Instruments"*, management identified deficiencies relating to the design of controls over the Corporation's accounting for debt and related disclosures. After

evaluating these deficiencies, management concluded that there was a material weakness in ICFR and corresponding DC&P relating to the same. The material weakness was primarily a result of deficiencies in control design over a complex model that was previously developed to support the underlying accounting for debt. This impacted the effectiveness of the review performed of such information. Specifically, adequate controls were not in place to properly control the validation, access, updating, maintenance, and monitoring of outputs of and from such model.

Management has continued implementing its remediation plan to address this material weakness in the Corporation's ICFR. The Corporation has redesigned its complex model used for validating, updating, maintaining and monitoring the Corporation's accounting for debt and related balances, which now includes outputs that highlight the issues identified as part of the deficiency, making any similar recurrence of such issues obvious through operation of the control. The Corporation also enhanced the control design regarding management's review of the model to improve the effectiveness of the review by identifying the data and outputs of the model that must be considered. During the quarter ended September 30, 2018, the Corporation also hired staff with significant experience in the financial reporting of debt and related balances. Management currently expects that the successful testing of these measures will allow it to conclude that the Corporation's ICFR relating to debt and related disclosures, and corresponding DC&P relating to the same, are effective when assessing their effectiveness as at the end of the fourth quarter of 2018.

Management is dedicated to remediating the material weakness in the Corporation's ICFR and in identifying and remediating internal control risks that could be material in the future, and it believes the foregoing efforts will effectively remediate the material weakness. As the Corporation implements these remediation efforts and continues to evaluate and work to improve its ICFR, management may determine that additional steps or measures may be necessary to address and remediate the material weakness or determine to modify the remediation efforts described above. The Corporation cannot provide assurance that these remediation efforts will be successful or that its ICFR will be effective in accomplishing all control objectives all of the time. If not remediated effectively, the material weakness in such ICFR may impact the accuracy and completeness of the Corporation's financial statements.

The Corporation is committed to maintaining a strong control environment and continuously monitors and assesses the same, including its DC&P and ICFR, in an effort to achieve this goal. As such, management will continue to assess the effectiveness of the foregoing remediation efforts in connection with its evaluations of ICFR.

Changes to Internal Control Over Financial Reporting

Other than as described above, there has been no change in the Corporation's ICFR that occurred during the three months ended September 30, 2018 that has materially affected, or is reasonably likely to materially affect, the Corporation's ICFR.

For the three and nine months ended September 30, 2018, the Corporation limited its assessment of ICFR and DC&P related to ICFR to exclude controls, polices and procedures of SBG and BetEasy (including TSGA), each of which is a business that was acquired not more than 365 days before the end of the third quarter of 2018. See "Overview and Outlook—Recent Corporate and Other Developments" for additional information. In respect of SBG, revenues, net loss, assets and liabilities that are included in the Corporation's unaudited interim consolidated financial statements but were excluded from management's assessment represent 12.2%, 25.3%, 48.3% and 10.4% respectively, of the unaudited interim consolidated financial statement amounts as of or for, as applicable, the three months ended September 30, 2018 and 29.4%, and (184.1)%, of the revenues and net earnings of the unaudited interim consolidated financial statement amounts for the nine months ended September 30, 2018. In respect of BetEasy (including TSGA), revenues, net loss, assets and liabilities that are included in the Corporation's unaudited interim consolidated financial statements but were excluded from management's assessment represent 9.0%, 59.3%, 4.7% and 8.1% respectively, of the unaudited interim consolidated financial statement amounts as of or for, as applicable, the three months ended September 30, 2018 and 9.1%, and (304.3)%, of the revenues and net earnings of the unaudited interim consolidated financial statement amounts for the nine months ended September 30, 2018.

Limitations on Effectiveness of DC&P and ICFR

In designing and evaluating DC&P and ICFR, management recognizes that any controls and procedures, no matter how well designed and operated, can provide only reasonable assurance of achieving the desired control objectives. In addition, the design of DC&P and ICFR must reflect the fact that there are resource constraints and that management is required to apply judgment in evaluating the benefits of possible controls and procedures relative to their costs. See also "Risk Factors and Uncertainties—Risks Related to the Corporation's Business—If the Corporation's internal controls are ineffective, its operating results and market confidence in its reported financial information could be

adversely affected” in the 2017 Annual Information Form and “Risk Factors—If The Stars Group’s internal controls are ineffective, its operating results and market confidence in its reported financial information could be adversely affected” in the 2018 Prospectus Supplement.

RISK FACTORS AND UNCERTAINTIES

Certain factors may have a material adverse effect on the Corporation’s business, financial condition and results of operations. Current and prospective investors should carefully consider the risks and uncertainties and other information contained in this MD&A, the Q3 2018 Financial Statements, the 2017 Annual Reports, particularly under the heading “Risk Factors and Uncertainties” in the 2017 Annual Information Form, the 2018 Prospectus Supplement, particularly under the heading “Risk Factors”, and in other filings that the Corporation has made and may make in the future with applicable securities authorities, including those available on SEDAR at www.sedar.com, EDGAR at www.sec.gov or The Stars Group’s website at www.starsgroup.com. The risks and uncertainties described herein and therein are not the only ones the Corporation may face. Additional risks and uncertainties that the Corporation is unaware of, or that the Corporation currently believes are not material, may also become important factors that could adversely affect the Corporation’s business. If any of such risks actually occur, the Corporation’s business, financial condition, results of operations, and future prospects could be materially and adversely affected. In that event, the trading price of the Common Shares (or the value of any other securities of the Corporation) could decline, and the Corporation’s securityholders could lose part or all of their investment.

FURTHER INFORMATION

Additional information relating to The Stars Group and its business, including, without limitation, the Q3 2018 Financial Statements, the 2017 Annual Reports, the 2018 Prospectus Supplement and other filings that The Stars Group has made and may make in the future with applicable securities authorities, may be found on or through SEDAR at www.sedar.com, EDGAR at www.sec.gov or The Stars Group’s website at www.starsgroup.com. Additional information, including directors’ and officers’ remuneration and indebtedness, principal holders of The Stars Group securities and securities authorized for issuance under equity compensation plans, is also contained in the Corporation’s most recent management information circular for the most recent annual meeting of shareholders of the Corporation.

In addition to press releases, securities filings and public conference calls and webcasts, The Stars Group intends to use its investor relations page on its website as a means of disclosing material information to its investors and others and for complying with its disclosure obligations under applicable securities laws. Accordingly, investors and others should monitor the website in addition to following The Stars Group’s press releases, securities filings, and public conference calls and webcasts. This list may be updated from time to time.

Toronto, Ontario
November 7, 2018

(Signed) *“Brian Kyle”*

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Brian Kyle
Chief Financial Officer

THE STARS GROUP

Form 52-109F2
Certification of Interim Filings
Full Certificate

I, **Rafael (Rafi) Ashkenazi, Chief Executive Officer of The Stars Group Inc.,** certify the following:

1. ***Review:*** I have reviewed the interim financial report and interim MD&A (together, the "interim filings") of ***The Stars Group Inc.*** (the "issuer") for the interim period ended ***September 30, 2018***.

2. ***No misrepresentations:*** Based on my knowledge, having exercised reasonable diligence, the interim filings do not contain any untrue statement of a material fact or omit to state a material fact required to be stated or that is necessary to make a statement not misleading in light of the circumstances under which it was made, with respect to the period covered by the interim filings.

3. ***Fair presentation:*** Based on my knowledge, having exercised reasonable diligence, the interim financial report together with the other financial information included in the interim filings fairly present in all material respects the financial condition, financial performance and cash flows of the issuer, as of the date of and for the periods presented in the interim filings.

4. ***Responsibility:*** The issuer's other certifying officer(s) and I are responsible for establishing and maintaining disclosure controls and procedures (DC&P) and internal control over financial reporting (ICFR), as those terms are defined in National Instrument 52-109 *Certification of Disclosure in Issuers' Annual and Interim Filings*, for the issuer.

5. ***Design:*** Subject to the limitations, if any, described in paragraphs 5.2 and 5.3, the issuer's other certifying officer(s) and I have, as at the end of the period covered by the interim filings

   (a) designed DC&P, or caused it to be designed under our supervision, to provide reasonable assurance that

      (i) material information relating to the issuer is made known to us by others, particularly during the period in which the interim filings are being prepared; and

      (ii) information required to be disclosed by the issuer in its annual filings, interim filings or other reports filed or submitted by it under securities legislation is recorded, processed, summarized and reported within the time periods specified in securities legislation; and

   (b) designed ICFR, or caused it to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with the issuer's GAAP.

5.1 ***Control framework:*** The control framework the issuer's other certifying officer(s) and I used to design the issuer's ICFR is *Internal Control – Integrated Framework* issued by the Committee of Sponsoring Organizations of the Treadway Commission (2013 framework).

5.2 ***ICFR – material weakness relating to design:*** The issuer has disclosed in its interim MD&A for each material weakness relating to design existing at the end of the interim period

   (a) a description of the material weakness;

(b) the impact of the material weakness on the issuer's financial reporting and its ICFR; and

(c) the issuer's current plans, if any, or any actions already undertaken, for remediating the material weakness.

5.3 ***Limitation on scope of design:*** The issuer has disclosed in its interim MD&A

(a) the fact that the issuer's other certifying officer(s) and I have limited the scope of our design of DC&P and ICFR to exclude controls, policies and procedures of

(i) N/A;

(ii) N/A; and

(iii) a business that the issuer acquired not more than 365 days before the last day of the period covered by the interim filings; and

(b) summary financial information about the proportionately consolidated entity, special purpose entity or business that the issuer acquired that has been proportionately consolidated or consolidated in the issuer's financial statements.

6. ***Reporting changes in ICFR:*** The issuer has disclosed in its interim MD&A any change in the issuer's ICFR that occurred during the period beginning on ***July 1, 2018*** and ended on ***September 30, 2018*** that has materially affected, or is reasonably likely to materially affect, the issuer's ICFR.

Date: November 7, 2018

/s/ Rafael (Rafi) Ashkenazi
Rafael (Rafi) Ashkenazi
Chief Executive Officer

Exhibit 99.5

Form 52-109F2
Certification of Interim Filings
Full Certificate

I, **Brian Kyle, Chief Financial Officer of The Stars Group Inc.,** certify the following:

1. ***Review:*** I have reviewed the interim financial report and interim MD&A (together, the "interim filings") of ***The Stars Group Inc.*** (the "issuer") for the interim period ended ***September 30, 2018***.

2. ***No misrepresentations:*** Based on my knowledge, having exercised reasonable diligence, the interim filings do not contain any untrue statement of a material fact or omit to state a material fact required to be stated or that is necessary to make a statement not misleading in light of the circumstances under which it was made, with respect to the period covered by the interim filings.

3. ***Fair presentation:*** Based on my knowledge, having exercised reasonable diligence, the interim financial report together with the other financial information included in the interim filings fairly present in all material respects the financial condition, financial performance and cash flows of the issuer, as of the date of and for the periods presented in the interim filings.

4. ***Responsibility:*** The issuer's other certifying officer(s) and I are responsible for establishing and maintaining disclosure controls and procedures (DC&P) and internal control over financial reporting (ICFR), as those terms are defined in National Instrument 52-109 *Certification of Disclosure in Issuers' Annual and Interim Filings*, for the issuer.

5. ***Design:*** Subject to the limitations, if any, described in paragraphs 5.2 and 5.3, the issuer's other certifying officer(s) and I have, as at the end of the period covered by the interim filings

   (a) designed DC&P, or caused it to be designed under our supervision, to provide reasonable assurance that

      (i) material information relating to the issuer is made known to us by others, particularly during the period in which the interim filings are being prepared; and

      (ii) information required to be disclosed by the issuer in its annual filings, interim filings or other reports filed or submitted by it under securities legislation is recorded, processed, summarized and reported within the time periods specified in securities legislation; and

   (b) designed ICFR, or caused it to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with the issuer's GAAP.

5.1 ***Control framework:*** The control framework the issuer's other certifying officer(s) and I used to design the issuer's ICFR is *Internal Control – Integrated Framework* issued by the Committee of Sponsoring Organizations of the Treadway Commission (2013 framework).

5.2 ***ICFR – material weakness relating to design:*** The issuer has disclosed in its interim MD&A for each material weakness relating to design existing at the end of the interim period

   (a) a description of the material weakness;

(b) the impact of the material weakness on the issuer's financial reporting and its ICFR; and

(c) the issuer's current plans, if any, or any actions already undertaken, for remediating the material weakness.

5.3 ***Limitation on scope of design:*** The issuer has disclosed in its interim MD&A

(a) the fact that the issuer's other certifying officer(s) and I have limited the scope of our design of DC&P and ICFR to exclude controls, policies and procedures of

(i) N/A;

(ii) N/A; and

(iii) a business that the issuer acquired not more than 365 days before the last day of the period covered by the interim filings; and

(b) summary financial information about the proportionately consolidated entity, special purpose entity or business that the issuer acquired that has been proportionately consolidated or consolidated in the issuer's financial statements.

6. ***Reporting changes in ICFR:*** The issuer has disclosed in its interim MD&A any change in the issuer's ICFR that occurred during the period beginning on ***July 1, 2018*** and ended on ***September 30, 2018*** that has materially affected, or is reasonably likely to materially affect, the issuer's ICFR.

Date: November 7, 2018

/s/ Brian Kyle
Brian Kyle
Chief Financial Officer