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 May 2018

Commission File Number: 001-37403

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

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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 May 10, 2018, The Stars Group Inc. (the "Company") reported its financial results for the three months ended March 31, 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 months ended March 31, 2018 (the "Q1 Financial Statements"), (ii) Management's Discussion and Analysis for the three months ended March 31, 2018 (the "Q1 MD&A"), (iii) Chief Executive Officer Certification of Interim Filings, dated May 10, 2018 (the "CEO Certification"), and (iv) Chief Financial Officer Certification of Interim Filings, dated May 10, 2018 (the "CFO Certification"). Copies of the Release, Q1 Financial Statements, Q1 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: May 10, 2018

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

EXHIBIT INDEX

Exhibit No.	Description
99.1	News Release, dated May 10, 2018
99.2	Interim Condensed Consolidated Financial Statements for the three months ended March 31, 2018
99.3	Management's Discussion and Analysis for the three months ended March 31, 2018
99.4	Chief Executive Officer Certification of Interim Filings, dated May 10, 2018
99.5	Chief Financial Officer Certification of Interim Filings, dated May 10, 2018

Exhibit 99.1

The Stars Group Reports First Quarter 2018 Results

TORONTO, May 10, 2018 – The Stars Group Inc. (NASDAQ: TSG; TSX: TSGI) today reported its financial results for the first quarter ended March 31, 2018 and provided certain additional highlights and updates. Unless otherwise noted, all dollar ($) amounts are in U.S. dollars.

"The Stars Group's strong first quarter results continued our organic growth trajectory," stated Rafi Ashkenazi, The Stars Group's Chief Executive Officer. "We are pleased with the performance of each of our verticals, poker, casino and sportsbook, which are benefiting not only from the continued success of Stars Rewards, but also from our strategy of focusing on the customer and continued improvements to our product offerings."

"Moving forward, the exceptional foundation of our existing business will be complemented by our acquisitions of CrownBet and William Hill Australia, and expected completion of the Sky Betting & Gaming acquisition. These acquisitions will help diversify our revenue base, increase our exposure to regulated markets, and transform our combined sportsbook into a second customer acquisition channel. These new additions will accelerate not only the organic growth we are seeing in our existing business, but also our progress towards realizing our vision of becoming the world's favorite iGaming destination."

First Quarter 2018 Financial Summary(1)

	Three Months Ended March 31,		Year-over-Year Change
$000's, except percentages and per share amounts	2018	2017	
Revenue	392,891	317,320	23.8%
Net earnings	74,361	65,753	13.1%
Diluted net earnings per common share	$ 0.36	$ 0.33	9.1%
Adjusted EBITDA	175,022	151,001	15.9%
Adjusted Net Earnings	139,207	113,367	22.8%
Adjusted Net Earnings per Diluted Share	$ 0.66	$ 0.56	17.9%
Net cash inflows from operating activities	132,069	95,547	38.2%
Adjusted Cash Flow from Operations	132,258	111,776	18.3%

(1) For important information on The Stars Group's non-IFRS measures, see below under "Non-IFRS and Non-U.S. GAAP Measures" and the tables under "Reconciliation of Non-IFRS Measures to Nearest IFRS Measures". The financial information presented in this news release was derived from the Q1 2018 Financial Statements (as defined below).

First Quarter 2018 and Subsequent Financial Highlights

- **Revenues** – Revenues for the quarter increased approximately 23.8% year-over-year. Excluding the impact of year-over-year changes in foreign exchange rates, revenues for the quarter would have increased by approximately 12.4%. Real-money online poker revenues and real-money online casino and sportsbook combined revenues represented approximately 62.6% and 34.2% of revenues for the quarter, respectively.
- **Poker Revenues** – Real-money online poker revenues for the quarter were $245.9 million, or an increase of approximately 12.4% year-over-year. Excluding the impact of year-over-year changes in foreign exchange rates, real-money online poker revenues would have increased by approximately 2.3% for the quarter. The increase in poker revenue was primarily driven by the positive impact of the *Stars Rewards* loyalty program, foreign exchange fluctuations, and the introduction of shared poker liquidity in France and Spain, as offset by, among other things, the cessation of operations or difficult operating conditions in certain markets including Australia and Colombia.
- **Casino & Sportsbook Revenues** – Real-money online casino and sportsbook combined revenues for the quarter were $134.5 million, or an increase of approximately 55.0% year-over-year. During the three months ended March 31, 2018, 20.7% of the combined casino and sportsbook revenues related to sportsbook revenues. Excluding the impact of year-over-year changes in foreign exchange rates, real-money online casino and sportsbook combined revenues would have increased

by approximately 39.3% for the quarter. The increase in casino and sportsbook combined revenue was primarily driven by continued improvements in The Stars Group's casino and sportsbook product offerings, positive impacts of foreign exchange fluctuations, and the addition of revenue related to the acquisition of a majority of the equity interests in CrownBet.

- **Debt and Cash –** Total long-term debt outstanding at the end of the quarter was $2.45 billion with a weighted average interest rate of 5.1%. As previously disclosed, on April 6, 2018, The Stars Group successfully increased the size, repriced at lower interest rates and extended the maturity on its U.S. dollar and Euro denominated first lien term loans and revolving credit facility, amended and restated the applicable credit agreement, and fully repaid the remaining $95 million outstanding on its second lien term loan. The Stars Group ended the first quarter of 2018 with approximately $257 million in operational cash on its balance sheet.

First Quarter 2018 and Subsequent Operational Highlights

- **Quarterly Real-Money Active Uniques (QAUs)** – Total QAUs were approximately 2.24 million, a decrease of approximately 4.6% year-over-year primarily led by The Stars Group's strategy of focusing on positive return customer relationship management initiatives to attract high-value, net-depositing customers (primarily recreational players) and the cessation of operations or difficult operating conditions in certain markets including Australia and Colombia. Approximately 2.09 million of such QAUs played online poker during the quarter, a decrease of approximately 5.5% year-over-year, while The Stars Group's online casino offerings had approximately 621,800 QAUs, a decrease of 2.4% year-over-year, which The Stars Group continues to estimate as one of the largest active casino player bases among its competitors. The Stars Group's emerging online sportsbook offerings had approximately 335,800 QAUs, a 16.3% increase year-over-year.
- **Quarterly Net Yield (QNY)** – Total QNY was $165, an increase of 26.7% year-over-year, and QNY excluding the impact of year-over-year changes in foreign exchange rates was $155, an increase of 18.7% year-over-year. QNY is a non-IFRS measure.
- **Net Deposits** – Net Deposits were $353.4 million in the first quarter, an increase of 25.9% year-over-year. Net Deposits are closely correlated to The Stars Group's reported net gaming revenue as some or all of the deposits eventually become revenue. The Stars Group believes that the increase in Net Deposits was primarily driven by the implementation of the *Stars Rewards* loyalty program and continued focus on high-value customers (primarily recreational players), positive impacts from foreign exchange fluctuations and continued development of the casino and sportsbook product offerings.
- **Customer Registrations** – Customer Registrations increased by 2.3 million during the quarter.
- **CrownBet and William Hill Australia** – On February 27, 2018, The Stars Group acquired a 62% equity interest in CrownBet Holdings Pty Limited, an Australian-based online sportsbook, from Crown Resorts Limited and then on April 24, 2018, The Stars Group increased its equity interest in CrownBet to 80%, and CrownBet completed the acquisition of William Hill Australia Holdings Pty Ltd. The aggregate purchase price for these transactions was $435 million (inclusive of $117.7 million to acquire the 62% equity interest in CrownBet), which was paid in a combination of cash and the issuance of approximately 3.1 million newly-issued common shares of The Stars Group.
- **Sky Betting & Gaming –** On April 21, 2018, The Stars Group announced that it had entered into an agreement to acquire Sky Betting & Gaming, one of the United Kingdom's leading online sportsbooks and gaming providers. The aggregate purchase price was $4.7 billion, of which $3.6 billion will be payable in cash and the remainder will be payable through the issuance of approximately 37.9 million newly-issued common shares. Completion of the transaction is conditional upon obtaining customary approvals from the Toronto Stock Exchange, Nasdaq, and certain gaming and other regulatory authorities, in addition to the completion of other customary closing conditions. To finance the cash portion of the purchase price for the transaction, The Stars Group obtained fully committed debt financing of $6.9 billion, including $5.1 billion of first lien term loans, $1.4 billion of senior unsecured notes and a $400 million revolving credit facility. The funded proceeds of $6.5 billion will be used for the cash portion of the transaction consideration, refinancing The Stars Group's existing first lien term loans and repaying Sky Betting & Gaming's outstanding debt.

2018 Full Year Guidance

- **Full Year Guidance** – The Stars Group intends to provide revised 2018 full year financial guidance to include its acquisitions of Crown Bet, William Hill Australia and Sky Betting & Gaming when it releases its financial results for the second quarter in August. The Stars Group continues to be satisfied with the performance of its existing operations and as of the date hereof continues to expect the following 2018 full year financial guidance ranges:

    - **Revenues** of between $1,390 and $1,470 million;
    - **Adjusted EBITDA** of between $625 and $650 million;
    - **Adjusted Net Earnings** of between $487 and $512 million; and
    - **Adjusted Net Earnings per Diluted Share** of between $2.33 and $2.47.

  These unaudited expected results reflect The Stars Group's existing business, excluding CrownBet, William Hill Australia and Sky Betting & Gaming. These expectations also reflect management's view of current and future market and business conditions, including assumptions of (i) potential negative operating conditions in Russia expected to begin in late-May 2018, (ii) no other material regulatory events, and (iii) no material foreign currency exchange rate fluctuations, particularly against the Euro. Such guidance is also based on a Euro to U.S. dollar exchange rate of 1.20 to 1.00, Diluted Shares of between 207,000,000 and 209,000,000 for the high and low ends of the Adjusted Net Earnings per Diluted Share range, respectively, and certain accounting assumptions.

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

The Stars Group's unaudited interim condensed consolidated financial statements for the three months ended March 31, 2018 (the "Q1 2018 Financial Statements"), management's discussion and analysis thereon (the "Q1 2018 MD&A"), as well as 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.

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

The Stars Group will host a conference call today, May 10, 2018 at 8:30 a.m. ET to discuss its financial results for the first quarter ended 2018 and related matters. To access via tele-conference, please dial +1 877-451-6152 or +1 201-389-0879 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 13678731. To access the webcast please use the following link: http://public.viavid.com/index.php?id=129256

Reconciliation of Non-IFRS Measures to Nearest IFRS Measures

The table below presents reconciliations of Adjusted EBITDA, Adjusted Net Earnings and Adjusted Net Earnings per Diluted Share to net earnings, which is the nearest IFRS measure:

	Three Months Ended March 31,	
$000's, except per share amounts	2018	2017
Net earnings	**74,361**	**65,753**
Financial expenses	45,015	40,589
Income taxes expense	1,155	2,688
Depreciation of property and equipment	2,744	2,161
Amortization of intangible and deferred development costs	36,514	33,574
EBITDA	159,789	144,765
Stock-based compensation	2,383	2,164
Termination of employment agreements	672	2,126
Termination of affiliate agreements	—	407
Loss on disposal of assets	—	59
Gain from investments	(1,023)	(435)
Acquisition-related costs	7,739	—
Impairment of (reversal of impairment of) intangible assets and assets held for sale	115	(6,684)
Other costs (see table below)	5,347	8,599
Adjusted EBITDA	175,022	151,001
Current income tax expense	(2,420)	(3,322)
Depreciation and amortization (excluding amortization of purchase price allocation intangibles)	(7,096)	(4,660)
Interest †	(26,299)	(29,652)
Adjusted Net Earnings	**139,207**	**113,367**
Diluted Shares	209,495,673	200,656,549
Adjusted Net Earnings per Diluted Share	0.66	0.56

† Excluding interest accretion and non-refundable late payment fees related to the unpaid balance of the deferred purchase price for the Stars Interactive Group Acquisition.

The table below presents certain items comprising "Other costs" in the reconciliation table above:

	Three Months Ended March 31,	
	2018 $000's	2017 $000's
Non-U.S. lobbying and legal expenses	1,138	741
U.S. lobbying and legal expenses	1,855	3,978
Strategic review professional fees	—	125
Retention bonuses	117	615
Non-recurring professional fees	451	662
AMF and other investigation professional fees (net of insurance proceeds)	1,784	2,390
Office restructuring and legacy business unit shutdown costs	2	88
Other costs	**5,347**	**8,599**

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

	Three Months Ended March 31,	
	2018 $000's	2017 $000's
Net cash inflows from operating activities	132,069	95,547
Customer deposit liability movement	189	16,229
Adjusted Cash Flow from Operations	**132,258**	**111,776**

The table below presents a reconciliation of the numerator of QNY (i.e., real-money online poker revenue and real-money online casino and sportsbook combined revenue) to the nearest IFRS measure (i.e., revenue) as reported for the applicable period. Unless otherwise noted, any deviation in the reconciliation below to measures presented herein may be the result of immaterial adjustments made in later periods due to certain accounting reallocations.

	Three Months Ended March 31,	
	2018 $000's	2017 $000's
Revenue	392,891	317,320
Corporate revenue	(294)	(22)
Other gaming revenue	(12,209)	(11,854)
Real-money online poker revenue and real-money online casino and sportsbook combined revenue (including CrownBet revenue)	380,388	305,444
CrownBet revenue	11,124	—
Real-money online poker revenue and real-money online casino and sportsbook combined revenue (excluding CrownBet revenue)	**369,264**	**305,444**

The Stars Group has not provided a reconciliation of the non-IFRS measures to the nearest IFRS measures included in its full year 2018 financial guidance provided in this news release, including Adjusted EBITDA, Adjusted Net Earnings and Adjusted Net Earnings per Diluted Share, because certain reconciling items necessary to accurately project such IFRS measures, particularly net earnings (loss), cannot be reasonably projected due to a number of factors, including variability from potential foreign exchange fluctuations impacting financial expenses, and the nature of other non-recurring or one-time costs (which are excluded from non-IFRS measures but included in net earnings (loss)), as well as the typical variability arising from the audit of annual financial statements, including, without limitation, certain income tax provision accounting, and related accounting matters.

For additional information on The Stars Group's non-IFRS measures, see below and the Q1 2018 MD&A, including under the headings "Management's Discussion and Analysis" and "Selected Financial Information—Other Financial Information".

About The Stars Group

The Stars Group is a leading provider of technology-based product offerings in the global gaming and interactive entertainment industries. The Stars Group directly or indirectly, including through its Stars Interactive Group division, owns gaming and related consumer businesses and brands, such as PokerStars, PokerStars Casino, BetStars, Full Tilt, and 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 live poker tour and event brands. These brands together have millions of registered customers globally and collectively form the largest poker business in the world, comprising online poker games and tournaments, sponsored live poker competitions, marketing arrangements for branded poker rooms in popular casinos in major cities around the world, and poker programming and content created for television and online audiences. The Stars Group, through certain of these and other brands, also offers non-poker gaming product offerings, including casino and sportsbook. The Stars Group, through certain of its subsidiaries, is licensed or approved to offer, or offers under third party licenses or approvals, its product offerings in various jurisdictions throughout the world, including in Europe, both within and outside of the European Union, Australia, the Americas and elsewhere. In particular, as of the date hereof, The Stars Group holdings gaming licenses or related operating approvals in 18 jurisdictions, and PokerStars, the world's most licensed online gaming brand, holds gaming licenses or related operating approvals in 17 of those jurisdictions.

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 full year 2018 financial guidance, and certain future operational and growth plans and strategies, including as it relates to certain recently announced acquisitions. Forward-looking statements and information can, but may not always, be identified by the use of words such as "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 and information 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; 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; impact of inability to complete future acquisitions or to integrate businesses successfully; significant barriers to entry; competition and the competitive environment within The Stars Group's addressable markets and industries; ability to obtain additional financing on reasonable terms or at all; refinancing risks; 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, the imposition of new or additional taxes, such as value-added and point of consumption taxes, and gaming duties; 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 The Stars Group's 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; systems, networks, telecommunications or service disruptions or failures or cyber-attacks; 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; 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; and natural events. 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", and in the Q1 2018 MD&A, including under the headings "Risk Factors and Uncertainties", "Limitations of Key Metrics and Other Data" and "Key Metrics", 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 with applicable securities authorities in the future. Investors are cautioned not to put undue reliance on forward-looking statements or information. 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 and Non-U.S. GAAP Measures

This news release references non-IFRS and non-U.S. GAAP financial measures, including QNY, Adjusted EBITDA, Adjusted Cash Flow from Operations, Adjusted Net Earnings, Adjusted Net Earnings per Diluted Share, and the foreign exchange impact on revenues (i.e., constant currency). The Stars Group believes these non-IFRS and non-U.S. GAAP 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 or U.S. GAAP. They are not recognized measures under IFRS or U.S. GAAP and do not have standardized meanings prescribed by IFRS or U.S. GAAP. These measures may be different from non-IFRS and non-U.S. GAAP 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 uses the following non-IFRS and non-U.S. GAAP measures in this news release:

Adjusted EBITDA means net earnings before financial expenses, income taxes expense (recovery), depreciation and amortization, stock-based compensation, restructuring and certain other items.

Adjusted Cash Flow from Operations means net cash inflows from operating activities after adding back customer deposit liability movements.

Adjusted Net Earnings means net earnings before interest accretion, amortization of intangible assets resulting from purchase price allocation following acquisitions, deferred income taxes, stock-based compensation, restructuring, foreign exchange, and certain other items.

Adjusted Net Earnings per Diluted Share means Adjusted Net Earnings 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 convertible preferred shares. The effects of anti-dilutive potential common shares are ignored in calculating Diluted Shares. See note 7 to the Q1 2018 Financial Statements. For the three months ended March 31, 2018 and 2017, Diluted Shares equaled 209,495,673 and 200,656,549, respectively. For the purposes of the full year 2018 financial guidance provided in this news release, Diluted Shares equals between 207,000,000 and 209,000,000 for the high and low ends of the Adjusted Net Earnings per Diluted Share range, respectively.

To calculate revenue on a constant currency basis, The Stars Group translated revenue for the three months ended March 31, 2018 using the prior year's monthly exchange rates for its local 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 the Q1 2018 MD&A, including under the headings "Management's Discussion and Analysis" and "Selected Financial Information—Other Financial Information".

Key Metrics and Other Data

The Stars Group defines QAUs as 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 rake or placed a real-money bet or wager on or through one of its real-money online poker, casino or sportsbook offerings during the applicable quarterly period. The Stars Group defines unique 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 multiple verticals (poker, casino and/or sportsbook). 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.

The Stars Group defines QNY as combined real-money online gaming and related revenue (excluding certain other revenues, such as revenues that are included in "other gaming" revenues) for its two business lines (i.e., real-money online poker and real-money online casino and sportsbook) 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 Stars Group provides QNY on a U.S. dollar and constant currency basis. QNY is a non-IFRS measure.

The Stars Group 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 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.

The Stars Group defines Customer Registrations as the cumulative number of online real-money and play-money customer registrations on The Stars Group's brands.

To ensure consistency in The Stars Group's key metrics for the three months ended March 31, 2018 presented in this news release, The Stars Group has excluded all QAUs, Net Deposits and Customer Registrations related to CrownBet and has excluded CrownBet revenues from QNY. The Stars Group will continue to review and analyze applicable data and information available to it and will consider including key metrics from CrownBet in its own key metrics, including QAUs, QNY, Net Deposits and Customer Registrations, once it has had sufficient time to evaluate, confirm and record the same.

For additional information on The Stars Group's key metrics and other data, see the Q1 2018 MD&A, including under the headings "Limitations of Key Metrics and Other Data" and "Key Metrics".

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THE STARS GROUP INC.
CONSOLIDATED STATEMENTS OF EARNINGS

	Three Months Ended March 31,			
U.S. dollars		2018 $000's (except per share amounts)		2017 $000's (except per share amounts)
Revenues		**392,891**		**317,320**
Expenses				
Selling		61,297		43,051
General and administrative		161,395		131,141
Financial		45,015		40,589
Gaming duty		42,952		34,533
Acquisition-related costs		7,739		—
Total expenses		**318,398**		**249,314**
Gain from investments		1,023		435
Net earnings before income taxes		**75,516**		**68,441**
Income taxes		1,155		2,688
Net earnings		**74,361**		**65,753**
Net earnings (loss) attributable to				
Shareholders of The Stars Group Inc.		75,451		65,411
Non-controlling interest		(1,090)		342
Net earnings		**74,361**		**65,753**
Basic earnings per Common Share	$	0.51	$	0.45
Diluted earnings per Common Share	$	0.36	$	0.33

THE STARS GROUP INC.
CONSOLIDATED STATEMENTS OF FINANCIAL POSITION

U.S. dollars	As at March 31, 2018 $000's	As at December 31, 2017 $000's
ASSETS		
Current assets		
Cash and cash equivalents - operational	256,647	283,225
Cash and cash equivalents - customer deposits	255,939	227,098
Total cash and cash equivalents	512,586	510,323
Restricted cash advances and collateral	5,962	7,862
Current investments - customer deposits	109,650	122,668
Accounts receivable	103,924	100,409
Inventories	245	302
Prepaid expenses and deposits	30,214	29,393
Income tax receivable	17,038	16,540
Derivatives	3,706	2,037
Total current assets	783,325	789,534
Non-current assets		
Restricted cash advances and collateral	50,215	45,834
Prepaid expenses and deposits	16,929	16,514
Long-term accounts receivable	13,243	11,818
Long-term investments	9,298	6,981
Property and equipment	52,647	44,837
Investment tax credits receivable	3,881	3,056
Income tax receivable	17,411	14,061
Deferred income taxes	5,278	5,141
Goodwill and intangible assets	4,611,579	4,477,350
Total non-current assets	4,780,481	4,625,592
Total assets	**5,563,806**	**5,415,126**
LIABILITIES		
Current liabilities		
Accounts payable and accrued liabilities	170,553	151,473
Other payables	52,688	42,714
Provisions	17,709	17,590
Customer deposits	364,587	349,766
Income tax payable	43,220	35,941
Current maturity of long-term debt	24,274	4,990
Derivatives	7,452	—
Total current liabilities	680,483	602,474
Non-current liabilities		
Long-term accounts payable and accrued liabilities	2,646	—
Long-term debt	2,316,023	2,353,579
Provisions	3,140	3,093
Derivatives	130,149	111,762
Income tax payable	20,518	24,277
Deferred income taxes	29,366	16,510
Total non-current liabilities	2,501,842	2,509,221
Total liabilities	**3,182,325**	**3,111,695**
EQUITY		
Share capital	1,895,788	1,884,219
Reserves	(182,839)	(142,340)
Retained earnings	667,755	561,519
Equity attributable to the Shareholders of The Stars Group Inc.	**2,380,704**	**2,303,398**
Non-controlling interest	777	33
Total equity	2,381,481	2,303,431
Total liabilities and equity	**5,563,806**	**5,415,126**

THE STARS GROUP INC.
CONSOLIDATED STATEMENTS OF CASH FLOWS

U.S. dollars	Three Months Ended March 31, 2018 $000's	2017 $000's
Operating activities		
Net earnings	74,361	65,753
Dormant accounts recognized as income	(1,866)	(886)
Stock-based compensation	2,383	2,164
Interest accretion	12,485	8,978
Interest expense	25,130	33,683
Income tax expense recognized in net earnings	1,155	2,688
Depreciation of property and equipment	2,744	2,161
Amortization of intangible assets	32,462	31,697
Amortization of deferred development costs	4,052	1,877
Unrealized gain on foreign exchange	(4,425)	(2,099)
Unrealized gain on investments	(1,033)	(226)
Impairment of (reversal of impairment of) intangible assets and assets held for sale	115	(6,684)
Realized loss (gain) on current investments, promissory note and other	437	(2,122)
Income taxes paid	(1,370)	(1,128)
Changes in non-cash operating elements of working capital	(13,308)	(24,139)
Customer deposit liability movement	(189)	(16,229)
Other	(1,064)	59
Net cash inflows from operating activities	**132,069**	**95,547**
Financing activities		
Issuance of common shares in relation to exercised employee stock options	9,737	1,710
Settlement of brokerage margin account	—	(7,602)
Payment of deferred consideration	—	(75,000)
Repayment of long-term debt	(6,068)	(6,888)
Transaction costs on repricing of long-term debt	—	(4,719)
Interest paid	(31,488)	(34,047)
Gain on settlement of derivative	—	13,904
Net cash outflows from financing activities	**(27,819)**	**(112,642)**
Investing activities		
Acquisition of subsidiaries, net of cash acquired	(101,703)	—
Additions in deferred development costs	(6,431)	(4,413)
Purchase of property and equipment	(3,585)	(856)
Acquired intangible assets	(2,427)	(707)
Sale of investments	—	149
Cash movement from (into) restricted cash advances and collateral	1,126	(546)
Settlement of minimum revenue guarantee	(2,713)	(1,707)
Net sale of investments utilizing customer deposits	12,447	5,169
Other	(551)	(4)
Net cash outflows from investing activities	**(103,837)**	**(2,915)**
Increase (decrease) in cash and cash equivalents	413	(20,010)
Cash and cash equivalents – beginning of period	510,323	267,684
Unrealized foreign exchange difference on cash and cash equivalents	1,850	(265)
Cash and cash equivalents - end of period	**512,586**	**247,409**

Exhibit 99.2

UNAUDITED INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

FOR THE THREE MONTHS ENDED
MARCH 31, 2018

May 10, 2018

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UNAUDITED INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

UNAUDITED INTERIM CONDENSED CONSOLIDATED STATEMENTS OF EARNINGS

U.S. dollars	Note	Three Months Ended March 31, 2018 $000's (except per share amounts)	Three Months Ended March 31, 2017 * $000's (except per share amounts)
Revenues	4,5	**392,891**	**317,320**
Expenses	5,6		
Selling		61,297	43,051
General and administrative		161,395	131,141
Financial		45,015	40,589
Gaming duty		42,952	34,533
Acquisition-related costs	14,17	7,739	—
Total expenses		**318,398**	**249,314**
Gain from investments		1,023	435
Net earnings before income taxes		**75,516**	**68,441**
Income taxes		1,155	2,688
Net earnings		**74,361**	**65,753**
Net earnings (loss) attributable to			
Shareholders of The Stars Group Inc.		75,451	65,411
Non-controlling interest		(1,090)	342
Net earnings		**74,361**	**65,753**
Basic earnings per Common Share	7	$ 0.51	$ 0.45
Diluted earnings per Common Share	7	$ 0.36	$ 0.33

* 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 16.

See accompanying notes.

UNAUDITED INTERIM CONDENSED CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME (LOSS)

U.S. dollars	Note	Three Months Ended March 31, 2018 $000's	2017 ** $000's
Net earnings		**74,361**	**65,753**
Items that are or may be reclassified to net earnings			
Debt instruments at FVOCI - loss in fair value	13	(789)	—
Debt instruments at FVOCI - reclassified to net earnings	13	7	—
Available-for-sale investments – gain in fair value *	13	—	3,958
Available-for-sale investments – reclassified to net earnings	13	—	(1,607)
Foreign operations – unrealized foreign currency translation differences	13	(45,243)	(12,418)
Cash flow hedges – effective portion of changes in fair value †	13	(33,095)	(8,728)
Cash flow hedges – reclassified to net earnings †	13	38,216	7,851
Other comprehensive loss		(40,904)	(10,944)
Total comprehensive income		**33,457**	**54,809**
Total comprehensive income (loss) attributable to			
Shareholders of The Stars Group Inc.		34,547	54,467
Non-controlling interest		(1,090)	342
Total comprehensive income		**33,457**	**54,809**

* net of income tax expense of $nil (2017 - net of income tax expense of $181,000).
† net of income tax of $nil (2017 - $nil).
** 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 16.

See accompanying notes.

UNAUDITED INTERIM CONDENSED CONSOLIDATED STATEMENTS OF FINANCIAL POSITION

U.S. dollars	Note	As at March 31, 2018 $000's	As at December 31, 2017 * $000's
ASSETS			
Current assets			
Cash and cash equivalents - operational		256,647	283,225
Cash and cash equivalents - customer deposits		255,939	227,098
Total cash and cash equivalents		512,586	510,323
Restricted cash advances and collateral		5,962	7,862
Current investments - customer deposits		109,650	122,668
Accounts receivable		103,924	100,409
Inventories		245	302
Prepaid expenses and deposits		30,214	29,393
Income tax receivable		17,038	16,540
Derivatives	10	3,706	2,037
Total current assets		783,325	789,534
Non-current assets			
Restricted cash advances and collateral		50,215	45,834
Prepaid expenses and deposits		16,929	16,514
Long-term accounts receivable		13,243	11,818
Long-term investments		9,298	6,981
Property and equipment		52,647	44,837
Investment tax credits receivable		3,881	3,056
Income tax receivable		17,411	14,061
Deferred income taxes		5,278	5,141
Goodwill and intangible assets	8	4,611,579	4,477,350
Total non-current assets		4,780,481	4,625,592
Total assets		**5,563,806**	**5,415,126**
LIABILITIES			
Current liabilities			
Accounts payable and accrued liabilities		170,553	151,473
Other payables		52,688	42,714
Provisions	11	17,709	17,590
Customer deposits		364,587	349,766
Income tax payable		43,220	35,941
Current maturity of long-term debt	9	24,274	4,990
Derivatives	10	7,452	—
Total current liabilities		680,483	602,474
Non-current liabilities			
Long-term accounts payable and accrued liabilities		2,646	—
Long-term debt	9	2,316,023	2,353,579
Provisions	11	3,140	3,093
Derivatives	10	130,149	111,762
Income tax payable		20,518	24,277
Deferred income taxes		29,366	16,510
Total non-current liabilities		2,501,842	2,509,221
Total liabilities		**3,182,325**	**3,111,695**
EQUITY			
Share capital	12	1,895,788	1,884,219
Reserves	13	(182,839)	(142,340)
Retained earnings		667,755	561,519
Equity attributable to the Shareholders of The Stars Group Inc.		**2,380,704**	**2,303,398**
Non-controlling interest		777	33
Total equity		2,381,481	2,303,431
Total liabilities and equity		**5,563,806**	**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 16.
See accompanying notes.

Approved and authorized for issue on behalf of the Board on May 10, 2018.

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

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

UNAUDITED INTERIM CONDENSED CONSOLIDATED STATEMENTS OF CHANGES IN EQUITY

For the three months ended March 31, 2018 and 2017:

		Share Capital								
U.S. dollars	Note	Common Shares number	Convertible Preferred Shares number	Common Shares amount $000's	Convertible Preferred Shares amount $000's	Reserves (note 13) $000's	Retained Earnings $000's	Equity attributable to the Shareholders of The Stars Group Inc. $000's	Non-controlling interest $000's	Total equity $000's
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		—	—	—	—	—	65,411	65,411	342	65,753
Other comprehensive loss		—	—	—	—	(10,944)	—	(10,944)	—	(10,944)
Total comprehensive (loss) income		—	—	—	—	(10,944)	65,411	**54,467**	342	**54,809**
Issue of Common Shares in relation to exercised employee stock options	12,13	1,327,690	—	3,826	—	(841)	—	2,985	—	2,985
Share cancellation		(76,437)	—	(492)	—	492	—	—	—	—
Stock-based compensation	13	—	—	—	—	2,164	—	2,164	—	2,164
Acquisition of non-controlling interest		—	—	—	—	468	—	468	(825)	(357)
Balance – March 31, 2017		**146,352,380**	**1,139,249**	**1,181,738**	**684,385**	**27,186**	**367,699**	**2,261,008**	**321**	**2,261,329**
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	2,16	—	—	—	—	**213**	**30,785**	**30,998**	—	**30,998**
Balance – January 1, 2018 (restated)		**147,947,874**	**1,139,249**	**1,199,834**	**684,385**	**(142,127)**	**592,304**	**2,334,396**	**33**	**2,334,429**
Net earnings (loss)		—	—	—	—	—	75,451	75,451	(1,090)	74,361
Other comprehensive loss		—	—	—	—	(40,904)	—	(40,904)	—	(40,904)
Total comprehensive (loss) income		—	—	—	—	(40,904)	75,451	34,547	(1,090)	33,457
Issue of Common Shares in relation to Equity awards	12,13	640,788	—	11,569	—	(1,832)	—	9,737	—	9,737
Transfer from Preference to Common shares	12,13	13,887	(271)	211	(211)	—	—	—	—	—
Stock-based compensation	13	—	—	—	—	2,383	—	2,383	—	2,383
Deferred tax on stock-based compensation		—	—	—	—	(359)	—	(359)	—	(359)
Acquisition of subsidiary with non-controlling interest		—	—	—	—	—	—	—	1,834	1,834
Balance – March 31, 2018		**148,602,549**	**1,138,978**	**1,211,614**	**684,174**	**(182,839)**	**667,755**	**2,380,704**	**777**	**2,381,481**

* 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 16.

See accompanying notes.

UNAUDITED INTERIM CONDENSED CONSOLIDATED STATEMENTS OF CASH FLOWS

U.S. dollars	Note	Three Months Ended March 31, 2018 $000's	Three Months Ended March 31, 2017 * $000's
Operating activities			
Net earnings		74,361	65,753
Dormant accounts recognized as income		(1,866)	(886)
Stock-based compensation		2,383	2,164
Interest accretion		12,485	8,978
Interest expense		25,130	33,683
Income tax expense recognized in net earnings		1,155	2,688
Depreciation of property and equipment		2,744	2,161
Amortization of intangible assets		32,462	31,697
Amortization of deferred development costs		4,052	1,877
Unrealized gain on foreign exchange		(4,425)	(2,099)
Unrealized gain on investments		(1,033)	(226)
Impairment of (reversal of impairment of) intangible assets and assets held for sale		115	(6,684)
Realized loss (gain) on current investments, promissory note and other		437	(2,122)
Income taxes paid		(1,370)	(1,128)
Changes in non-cash operating elements of working capital		(13,308)	(24,139)
Customer deposit liability movement		(189)	(16,229)
Other		(1,064)	59
Net cash inflows from operating activities		**132,069**	**95,547**
Financing activities			
Issuance of common shares in relation to exercised employee stock options		9,737	1,710
Settlement of brokerage margin account		—	(7,602)
Payment of deferred consideration		—	(75,000)
Repayment of long-term debt		(6,068)	(6,888)
Transaction costs on repricing of long-term debt		—	(4,719)
Interest paid		(31,488)	(34,047)
Gain on settlement of derivative		—	13,904
Net cash outflows from financing activities		**(27,819)**	**(112,642)**
Investing activities			
Acquisition of subsidiaries, net of cash acquired	14	(101,703)	—
Additions in deferred development costs		(6,431)	(4,413)
Purchase of property and equipment		(3,585)	(856)
Acquired intangible assets		(2,427)	(707)
Sale of investments		—	149
Cash movement from (into) restricted cash advances and collateral		1,126	(546)
Settlement of minimum revenue guarantee		(2,713)	(1,707)
Net sale of investments utilizing customer deposits		12,447	5,169
Other		(551)	(4)
Net cash outflows from investing activities		**(103,837)**	**(2,915)**
Increase (decrease) in cash and cash equivalents		413	(20,010)
Cash and cash equivalents – beginning of period		510,323	267,684
Unrealized foreign exchange difference on cash and cash equivalents		1,850	(265)
Cash and cash equivalents - end of period		**512,586**	**247,409**

* 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 16.

See accompanying notes.

1. NATURE OF BUSINESS

The Stars Group Inc. ("The Stars Group" or the "Corporation"), is a leading provider of technology-based product offerings in the global gaming and interactive entertainment industries. As at March 31, 2018, The Stars Group had two major lines of operations within its gaming business, real-money online poker ("Poker") and real-money online casino and sportsbook ("Casino & Sportsbook"). As it relates to these two business lines, online revenues include revenues generated through the Corporation's real-money online, mobile and desktop client platforms.

Through Stars Interactive Holdings (IOM) Limited and its subsidiaries and affiliates (collectively, the "Stars Interactive Group"), which is based in the Isle of Man and operates globally, and CrownBet Holdings Pty Limited and its subsidiaries and affiliates ("CrownBet"), which operates and is based in Australia, the Corporation ultimately owns and operates gaming and related interactive entertainment businesses, which it offers under several owned brands, including, among others, *PokerStars, PokerStars Casino, BetStars, Full Tilt,* and 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* live poker tour and event brands.

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".

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.

This is the first set of the Corporation's financial statements in which it has applied IFRS 9 and IFRS 15. See note 16. Changes to significant accounting policies 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.

For reporting purposes, the Corporation prepares its 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 $" are to Canadian dollars, references to "GBP" are to British Pound Sterling and references to "AUD" or "A$" 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 months ended March 31, 2018. References to "IFRS" and "IASB" are to International Financial Reporting Standards and the International Accounting Standards Board, respectively.

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 16.

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 fair value through profit or loss, transaction costs that are directly attributable to the acquisition of the financial asset. Transaction costs of financial assets carried at fair value through profit or loss 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. 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 following the derecognition of those instruments. 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 fair value through profit or loss 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 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 impairment provision recorded in respect of debt instruments carried at FVOCI is determined at 12-months expected credit losses on the basis that the Corporation considers these instruments as low risk.

The forward-looking element 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. The accounting treatment of debt modifications is contingent upon whether the modified terms are substantially different than the previous terms. The terms of an amended debt agreement are considered substantially different when 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. If the modification is considered 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 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 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 the standard 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 16.

Significant accounting estimates

Valuation of acquired intangible assets

Acquisitions may result in the recognition of software technology, customer relationships, partnership agreements and brands. These are valued using various valuation methodologies, such as market, income and cost methods. In applying these methodologies, certain key judgements and assumptions are made by management. Key judgements and assumptions include, but are not limited to, estimating future cash flows, selecting discount rates and selecting valuation methodologies. These estimates 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 condition, economic performance or business strategies. For further information regarding the valuation of acquired intangible assets as it relates to the CrownBet acquisition, see note 14.

3. RECENT ACCOUNTING PRONOUNCEMENTS

New accounting pronouncements - not yet effective

IFRS 16, Leases

The IASB recently issued IFRS 16 to replace IAS 17 “Leases”. 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 impact of this standard, and does not anticipate applying it prior to its effective date.

4. REVENUE

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

	Three months ended March 31,	
	2018 $000's	2017 $000's
Revenue from contracts with customers	389,596	313,714
Other sources of revenue	3,295	3,606
Total revenue	**392,891**	**317,320**

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 product line (i.e., Poker and Casino & Sportsbook) and geographic region, see note 5.

5. SEGMENTAL INFORMATION

For the three months ended March 31, 2018 and 2017, the Corporation had one reportable segment, primarily related to online gaming, which for the purposes of the financial statements is further divided into the Poker and Casino & Sportsbook business lines. The Corporation’s “Chief Operating Decision Makers” receive product revenue information throughout the year for the purposes of assessing their respective performance. Other gaming related sources of revenue are aggregated into “Other Gaming”, while certain other nominal sources of revenue and corporate costs are included in “Corporate”.

Segmental revenue and net earnings for the three months ended March 31, 2018:

	Three Months Ended March 31, 2018					
	Poker $000's	Casino & Sportsbook $000's	Other Gaming $000's	Total Gaming $000's	Corporate $000's	Total $000's
Revenue	245,868	134,520	12,209	392,597	294	392,891
Selling				(61,297)	—	(61,297)
General and administrative				(150,704)	(10,691)	(161,395)
Financial				(44,614)	(401)	(45,015)
Gaming duty				(42,952)	—	(42,952)
Acquisition-related costs				—	(7,739)	(7,739)
Gain from investments				994	29	1,023
Net earnings (loss) before income taxes				**94,024**	**(18,508)**	**75,516**
Income taxes				1,274	(119)	1,155
Net earnings (loss)				**92,750**	**(18,389)**	**74,361**
Other segmental information						
Depreciation & amortization				39,249	9	39,258
Bad debt				1,996	—	1,996
Total Assets as at March 31, 2018				5,545,567	18,239	5,563,806
Total Liabilities as at March 31, 2018				3,155,548	26,777	3,182,325

Segmental revenue and net earnings for the three months ended March 31, 2017:

	Three Months Ended March 31, 2017					
	Poker $000's	Casino & Sportsbook $000's	Other Gaming $000's	Total Gaming $000's	Corporate $000's	Total $000's
Revenue	218,664	86,780	11,854	317,298	22	317,320
Selling				(43,037)	(14)	(43,051)
General and administrative				(118,554)	(12,587)	(131,141)
Financial				(40,450)	(139)	(40,589)
Gaming duty				(34,533)	—	(34,533)
Acquisition-related costs				—	—	—
(Loss) gain from investments				(878)	1,313	435
Net earnings (loss) before income taxes				**79,846**	**(11,405)**	**68,441**
Income taxes				2,397	291	2,688
Net earnings (loss)				**77,449**	**(11,696)**	**65,753**
Other segmental information						
Depreciation & amortization				35,658	77	35,735
Bad debt				1,776	—	1,776
Total Assets as at December 31, 2017				5,398,310	16,816	5,415,126
Total Liabilities as at December 31, 2017				3,089,732	21,963	3,111,695

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 months ended March 31, 2018 or 2017, as applicable, or that the Corporation otherwise deems relevant based on its historical reporting of the same or otherwise.

	Three Months Ended March 31, 2018					
	Poker $000's	Casino & Sportsbook $000's	Other Gaming $000's	Total Gaming $000's	Corporate $000's	Total $000's
Geographic Area						
Isle of Man	93,513	6,329	—	99,842	—	99,842
Malta	57,740	74,639	1	132,380	—	132,380
Italy	23,278	18,209	139	41,626	—	41,626
United Kingdom	15,734	4,355	61	20,150	—	20,150
Spain	20,310	11,145	173	31,628	—	31,628
France	12,844	3,939	118	16,901	—	16,901
Other licensed or approved jurisdictions	22,449	15,904	11,717	50,070	294	50,364
	245,868	**134,520**	**12,209**	**392,597**	**294**	**392,891**

	Three Months Ended March 31, 2017					
	Poker $000's	Casino & Sportsbook $000's	Other Gaming $000's	Total Gaming $000's	Corporate $000's	Total $000's
Geographic Area						
Isle of Man	87,645	10,258	—	97,903	—	97,903
Malta	52,171	49,241	—	101,412	—	101,412
Italy	21,735	10,882	157	32,774	—	32,774
United Kingdom	12,974	2,698	70	15,742	—	15,742
Spain	11,269	7,468	177	18,914	—	18,914
France	12,400	1,611	136	14,147	—	14,147
Other licensed or approved jurisdictions	20,470	4,622	11,314	36,406	22	36,428
	218,664	**86,780**	**11,854**	**317,298**	**22**	**317,320**

The Corporation's effective corporate income tax rate for the three months ended March 31, 2018 was 1.53%, as the Corporation primarily operates from the Isle of Man and Malta, which are low tax jurisdictions. In addition to corporate income tax, the Corporation also pays significant amounts of gaming duties, value-added tax, employment-related taxes, withholding taxes and business rate taxes. As a result, the Corporation pays significant levels of tax globally with its total tax contributions for the three months ended March 31, 2018 being $62.0 million (March 31, 2017 –$49.2 million).

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

	As at March 31, 2018 $000's	As at December 31, 2017 $000's
Geographic Area		
Canada	56,969	53,394
Isle of Man	4,418,398	4,446,503
Italy	369	35
United Kingdom	6,018	6,511
France	—	—
Other licensed or approved jurisdictions *	182,471	15,744
	4,664,225	**4,522,187**

* The increase in non-current assets in other licensed or approved jurisdictions as at March 31, 2018 is primarily due to the acquisition of CrownBet. See note 14.

6. EXPENSES CLASSIFIED BY NATURE

	Three Months Ended March 31, 2018 $000's	2017 $000's
Financial		
Interest and bank charges	39,008	43,002
Foreign exchange loss (gain)	6,007	(2,413)
	45,015	**40,589**
General and administrative		
Processor costs	20,012	16,774
Office and IT costs	26,283	18,476
Salaries and fringe benefits	46,815	37,928
Research and development salaries	7,817	7,100
Stock-based compensation	2,383	2,164
Depreciation of property and equipment	2,744	2,161
Amortization of deferred development costs	4,052	1,877
Amortization of intangible assets	32,462	31,697
Professional fees	16,716	17,813
Impairment of (reversal of impairment of) intangible assets and assets held for sale	115	(6,684)
Bad debt	1,996	1,776
Loss on disposal of assets	—	59
	161,395	**131,141**
Selling		
Marketing	52,373	36,096
Royalties	8,924	6,955
	61,297	**43,051**
Gaming duty	**42,952**	**34,533**
Acquisition-related costs		
Professional fees	7,739	—
	7,739	**—**

7. 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 March 31, 2018	Three Months Ended March 31, 2017
Numerator		
Numerator for basic and diluted earnings per Common Share - net earnings	$ 75,451,000	$ 65,411,000
Denominator		
Denominator for basic earnings per Common Share – weighted average number of Common Shares	148,232,971	145,561,694
Effect of dilutive securities		
Stock options	1,381,259	587,100
Performance share units	235,943	—
Deferred stock units	99,348	—
Restricted share units	97,085	—
Warrants	1,681,463	48,393
Convertible Preferred Shares	57,767,604	54,459,362
Effect of dilutive securities	**61,262,702**	**55,094,855**
Dilutive potential for diluted earnings per Common Share	**209,495,673**	**200,656,549**
Basic earnings per Common Share	$ 0.51	$ 0.45
Diluted earnings per Common Share	$ 0.36	$ 0.33

8. GOODWILL AND INTANGIBLE ASSETS

The provisional fair values of goodwill and intangible assets acquired through business combinations during the three months ended March 31, 2018 are as follows:

	Three months ended March 31, 2018 $000's
Acquisition of 62% interest in CrownBet (note 14)	
Deferred development costs	35,276
Customer relationship	52,890
Partnership agreements	10,986
Goodwill	58,454
Total goodwill and intangible assets acquired	**157,606**

9. LONG-TERM DEBT

The following is a summary of long-term debt outstanding at March 31, 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):

	Interest rate	March 31, 2018, Principal outstanding balance in local denominated currency 000's	March 31, 2018 Carrying amount $000's	December 31, 2017, Principal outstanding balance in local denominated currency 000's	December 31, 2017 Carrying amount $000's
USD First Lien Term Loan	5.19%	1,890,794	1,821,130	1,895,654	1,848,397
EUR First Lien Term Loan	3.75%	381,242	440,451	382,222	453,540
USD Second Lien Term Loan	8.69%	95,000	78,716	95,000	56,632
Total long-term debt			**2,340,297**		**2,358,569**
Current portion			24,274		4,990
Non-current portion			2,316,023		2,353,579

During the three months ended March 31, 2018, the Corporation incurred the following interest on its then-outstanding long-term debt:

	Effective interest rate	Interest $000's	Interest Accretion $000's	Total Interest $000's
USD First Lien Term Loan	6.43%	19,420	4,662	24,082
EUR First Lien Term Loan	4.09%	4,417	1,989	6,406
USD Second Lien Term Loan	13.97%	2,068	661	2,729
Total		**25,905**	**7,312**	**33,217**

During the three months ended March 31, 2017, the Corporation incurred the following interest on its then-outstanding long-term debt:

	Effective interest rate	Interest $000's	Interest Accretion $000's	Total Interest $000's
USD First Lien Term Loan	5.42%	21,124	2,884	24,008
EUR First Lien Term Loan	4.09%	3,932	271	4,203
USD Second Lien Term Loan	13.28%	4,199	1,334	5,533
Total		**29,255**	**4,489**	**33,744**

The Corporation's debt balance as at March 31, 2018 was as follows:

	Opening Balance $000's	Adjustment on adoption of IFRS 9 $000's	Principal Movements $000's	Transaction costs $000's	Interest Accretion $000's	Translation $000's	Total $000's	Current $000's	Long-term $000's
USD First Lien Term Loan	1,848,397	(27,068)	(4,861)	—	4,662	—	1,821,130	19,443	1,801,687
EUR First Lien Term Loan	453,540	(25,340)	(1,207)	—	1,989	11,469	440,451	4,831	435,620
USD Second Lien Term Loan	56,632	21,423	—	—	661	—	78,716	—	78,716
Total	**2,358,569**	**(30,985)**	**(6,068)**	—	**7,312**	**11,469**	**2,340,297**	**24,274**	**2,316,023**

The Corporation's debt balance as at December 31, 2017 was as follows:

	Opening Balance $000's	Principal Movements $000's	Transaction costs $000's	Interest Accretion $000's	Translation $000's	Total $000's	Current $000's	Long-term $000's
USD First Lien Term Loan	1,965,928	(125,442)	(3,906)	11,817	—	1,848,397	7,042	1,841,355
EUR First Lien Term Loan	296,198	100,529	(829)	1,271	56,371	453,540	3,299	450,241
USD Second Lien Term Loan	166,453	(115,000)	—	5,179	—	56,632	(5,351)	61,983
Total	**2,428,579**	**(139,913)**	**(4,735)**	**18,267**	**56,371**	**2,358,569**	**4,990**	**2,353,579**

As at March 31, 2018, the principal repayments of the Corporation's outstanding long-term debt over the next five years, as adjusted for revised estimates of excess cash flow allocations to the principal repayment of the First Lien Term Loans, amount to the following:

	1 Year $000's	2 Years $000's	3 Years $000's	4 Years $000's	5 Years $000's
USD First Lien Term Loan	19,443	19,443	19,443	1,832,466	—
EUR First Lien Term Loan	4,831	4,831	4,831	455,358	—
USD Second Lien Term Loan	—	—	—	—	95,000
Total	**24,274**	**24,274**	**24,274**	**2,287,824**	**95,000**

(a) First and Second Lien Term Loans

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. Giving effect to a previously disclosed refinancing in August 2015 (the "Refinancing"), and the Repricing (as defined below), as at March 31, 2018, the first lien term loans consisted of a $1.96 billion first lien term loan priced at LIBOR plus 3.50% (the "USD First Lien Term Loan") and a €392 million seven-year first lien term loan 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"), with 1.00% LIBOR and 0% Euribor floors, respectively, and each repayable on August 22, 2021. Also giving effect to the Refinancing, Repricing and Prepayments (as defined below), as at March 31, 2018, the second lien term loan 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").

On March 3, 2017, the Corporation completed the repricing and retranching of the First Lien Term Loans and amended the applicable credit agreement (collectively, the "Repricing"). The Repricing included reducing the applicable interest rate margin on the First Lien Term Loans by 50 basis points to LIBOR plus 350 basis points with a LIBOR floor of 100 basis points and Euribor plus 375 basis points with a 0% Euribor floor, respectively, and retranching such loans by raising €100 million of incremental debt on the EUR First Lien Term Loan and using the proceeds to reduce the USD First Lien Term Loan by $106 million. The Corporation and the lenders also amended the credit agreement for the First Lien Term Loans to, among other things, reflect the Repricing and waive the required 2016 and 2017 excess cash flow repayments (as defined and described in the credit agreement) previously due on March 31, 2017 and March 31, 2018, respectively.

The Repricing was accounted for as a debt modification as the terms of the amended credit agreement were not considered to be substantially different than the previous terms and as a result there was no significant impact on the carrying amount.

On August 8, 2017, and September 20, 2017, the Corporation made principal prepayments without penalty (the "Prepayments") of $40 million and $75 million, respectively, under the USD Second Lien Term Loan using cash on its balance sheet, cash flow from operations, or a combination thereof.

First Lien Term Loans

Except as set forth above and as at March 31, 2018, the Corporation was required to allocate up to 50% of the excess cash flow of the Corporation to the principal repayment of the First Lien Term Loans. As noted above, the Corporation and the lenders amended the credit agreement for the First Lien Term Loans to, among other things, waive the required 2016 and 2017 excess cash flow repayments (as defined and described in the credit agreement) previously due on March 31, 2017 and March 31, 2018, respectively.

The agreement for the First Lien Term Loans restricts Stars Group Holdings B.V. and its subsidiaries from, among other things, incurring additional debt or granting additional liens on its assets and equity, distributing equity interests and distributing any assets to third parties.

Subsequent to March 31, 2018, the Corporation amended and extended the First Lien Term Loans and amended the applicable credit agreement. For further details, see note 17.

S***econd Lien Term Loan***

Giving effect to the Refinancing and Prepayments, the principal balance of the USD Second Lien Term Loan decreased to $95 million as at March 31, 2018. The applicable and effective interest rates are noted on the tables above. Subsequent to March 31, 2018, the Corporation repaid the USD Second Lien Term Loan in full. For further details, see note 17.

10. 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.

Cash flow hedge accounting

On March 2, 2015, a subsidiary of the Corporation entered into cross-currency interest rate swap agreements (the "March 2015 Swap Agreements"). A USD notional amount of $1.74 billion was designated in cash flow hedge relationships to hedge the interest rate and foreign exchange of the 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%). The March 2015 Swap Agreements, which mature in five years, fix the Euro to USD exchange rate at 1.1102 and fix the Euro interest payments at an average rate of 4.6016%.

In connection with the Refinancing, 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 USD notional amount of $325 million (the "August 2015 Swap Agreements" and together with the March 2015 Swap Agreements, the "Swap Agreements"). A portion of the August 2015 Swap Agreements (USD notional amount of $302 million) was designated in cash flow hedge relationships to hedge the interest rate and foreign exchange of the 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%). The August 2015 Swap Agreements, which mature in five years, fix the Euro to USD exchange rate at 1.094 and fix the Euro interest payments at an average rate of 4.657%. During the three months ended March 31, 2017, the Corporation unwound and settled a notional principal amount of $616.54 million of the Swap Agreements for a gain of $13.9 million.

As part of the Repricing, the Corporation reduced the applicable interest rate margin on the First Lien Term Loans by 50 basis points to LIBOR plus 350 basis points with a LIBOR floor of 100 basis points. As a result, the Corporation de-designated and re-designated the applicable hedging instruments in new hedge accounting relationships. An amount of $5.20 million was recognized as financial expenses during the three months ended March 31, 2018 (March 31, 2017 - $2.45 million) relating to the amortization of the other comprehensive income balance brought forward from the previous hedge accounting relationship.

During the three months ended March 31, 2018 and 2017, there was no ineffectiveness with respect to the cash flow hedge.

During the three months ended March 31, 2018, $5.25 million (March 31, 2017 - $3.0 million) was reclassified from “Reserves” to the unaudited interim condensed consolidated statement of earnings as Financial expenses.

The fair value of the Swap Agreements in hedging relationships included in the derivative liabilities of the Corporation as at March 31, 2018 was $130.15 million (December 31, 2017 – $111.76 million).

Net investment hedge accounting

During the three months ended March 31, 2018 and during a portion of the year ended December 31, 2017, the Corporation designated a portion of the USD First Lien Term Loan, its entire principal amount of the USD Second Lien Term Loan and its then-outstanding deferred consideration (i.e., the deferred purchase price for the Stars Interactive Group Acquisition) as a foreign exchange hedge of its net investment in its foreign operations. Accordingly, the portion of the gains 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 losses arising from translation of the Corporation’s net investment in its foreign operations. During the three months ended March 31, 2018, there was no ineffectiveness with respect to the net investment hedge.

For the three months ended March 31, 2018, the Corporation recorded an unrealized exchange loss on translation of $19.94 million (for the three months ended March 31, 2017 – a loss of $25.02 million) in the “Cumulative translation adjustment” in reserves related to the translation of a portion of the USD First Lien Term Loan, USD Second Lien Term Loan and the deferred consideration.

Deal contingent derivative

As previously announced, a subsidiary of the Corporation entered into agreements to increase its equity interest in CrownBet from 62% to 80% and for CrownBet to acquire William Hill Australia Holdings Pty Ltd. (“William Hill Australia”) (see note 17). Both of these transactions closed on April 24, 2018. The aggregate purchase price for both of these transactions was $315 million, of which $234 million was paid in cash for William Hill Australia. In connection with these transactions, to 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 deal contingent derivative was classified and measured at fair value through profit or loss, and the fair value was determined using the probability distribution approach, comparing the all-in forward rate to the contracted strike price for each possible date the transaction was expected to close, and then discounted to the valuation date. An unrealized loss of $7.5 million related to the fair value changes to this derivative has been recognized in the unaudited interim condensed consolidated statement of earnings for the three months ended March 31, 2018 and is included as part of the financial costs (foreign exchange) category in note 6. The deal contingent derivative was categorized as a Level 3 within the fair value hierarchy. The Corporation did not account for the deal contingent derivative as a qualifying hedge under IFRS 9.

The Corporation completed the acquisitions on April 24, 2018 (see note 17).

Put option

In connection with the Corporation’s acquisition on February 27, 2018 of a 62% equity interest in CrownBet for AUD$150 million (see note 14), the Corporation entered into a put option deed with an exercise price equal to the purchase price of the 62% equity interest in CrownBet (AUD$150 million) plus interest. The put option was set to expire on the earlier of February 28, 2019 or the completion of the purchase of William Hill Australia (the latter occurred on April 24, 2018).

The put option was determined to be a derivative asset and classified and measured at fair value through profit or loss as it does not pass the requirements to be recognized at amortized cost. 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 completing the acquisition of William Hill Australia: expected volatility of 19.7%; expected life of 1 year; risk-free interest rate of 1.87% and the estimated probability of completing the purchase of William Hill Australia of 95%. The put option has been categorized as a Level 3 within the fair value hierarchy. An unrealized gain of $0.6 million related to the fair value change of this derivative has been recognized in the unaudited interim condensed consolidated statement of earnings for the three months ended March 31, 2018 and is included as part of the financial costs (foreign exchange) category in note 6. The Corporation did not account for the put option as a qualifying hedge.

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

Derivative Assets	**Forward Contracts $000's**	**Cross-currency interest rate swap contracts $000's**	**Currency options $000's**	**Put Option $000's**	**Total $000's**
Opening balance, as at January 1, 2017	—	**52,038**	—	—	**52,038**
Acquisition	—	—	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**
Put option arising on acquisition	—	—	—	604	604
Realized loss	(1,716)	—	—	—	(1,716)
Unrealized gain in fair value	2,781	—	—	—	2,781
Total derivative asset as at March 31, 2018	3,102	—	—	604	**3,706**
Current portion	3,102	—	—	604	**3,706**
Non-current portion	—	—	—	—	—

Derivative Liabilities	**Forward contracts $000's**	**Cross-currency interest rate swap contracts $000's**	**Deal contingent forward**	**Put liability $000's**	**Total $000's**
Opening balance, as at January 1, 2017	**4,922**	—	—	**5,594**	**10,516**
Unrealized (gain) loss in fair value	(1,826)	110,855	—	—	109,029
Realized gain on settlement	(2,829)	—	—	—	(2,829)
Settlement	(177)	—	—	(5,594)	(5,771)
Accretion	—	—	—	—	—
Translation	(90)	907	—	—	817
Total derivative liability as at December 31, 2017	—	**111,762**	—	—	**111,762**
Unrealized loss in fair value	—	15,801	7,452	—	23,253
Translation	—	2,586	—	—	2,586
Total derivative liability as at March 31, 2018	—	**130,149**	**7,452**	—	**137,601**
Current portion	—	—	7,452	—	7,452
Non-current portion	—	130,149	—	—	130,149

11. 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 consideration (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.) ("Chartwell") 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 March 31, 2018 and December 31, 2017 are as follows:

	Player bonuses and jackpots $000's	Deferred consideration (*) $000's	Minimum revenue guarantee $000's	Other $000's	Total $000's
Balance at January 1, 2017	**1,571**	**202,515**	**17,636**	**—**	**221,722**
Adjustment to provision recognized	48,146	(815)	(121)	—	47,210
Payments	(44,121)	(197,510)	(9,311)	—	(250,942)
Accretion of discount	—	2,048	839	—	2,887
Reclassification	(1,444)	—	—	—	(1,444)
Foreign exchange translation losses	113	62	1,075	—	1,250
Balance at December 31, 2017	**4,265**	**6,300**	**10,118**	**—**	**20,683**
Provisions acquired on business combinations	—	—	—	705	705
Adjustment to provision recognized	10,960	—	—	16	10,976
Payments	(8,875)	—	(2,713)	—	(11,588)
Accretion of discount	—	—	142	117	259
Reclassification	—	—	—	—	—
Foreign exchange translation gains	(38)	—	(148)	—	(186)
Balance at March 31, 2018	**6,312**	**6,300**	**7,399**	**838**	**20,849**
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 March 31, 2018	6,312	6,300	5,074	23	17,709
Non-current portion at March 31, 2018	—	—	2,325	815	3,140

(*) The closing provision of $6.30 million as at March 31, 2018 is contingent on future events.

12. 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 March 31, 2018, 148,602,549 Common Shares were issued, outstanding and fully paid (December 31, 2017 - 147,947,874).

As at March 31, 2018, the Preferred Shares were convertible into 58,927,730 Common Shares (as at December 31, 2017 – 58,084,801).

During the three months ended March 31, 2018:

- the Corporation issued 640,788 Common Shares for cash consideration of $9.75 million as a result of the exercise of equity awards. The exercised stock options were initially valued at $1.83 million. Upon the exercise of such equity awards, the value originally allocated to the equity awards in reserves was reallocated to the Common Shares so issued.
- the Corporation issued 13,887 Common Shares as a result of the conversion of 271 Preferred Shares, which were initially valued at $0.21 million. This value was reallocated from such Preferred Shares to the Common Shares issued upon the conversion thereof.

13. RESERVES

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

	Warrants $000's	Equity awards $000's	Treasury shares $000's	Cumulative translation adjustments $000's	Available-for-sale investments $000's	Financial assets at FVOCI $000's	Derivatives $000's	Other $000's	Total $000's
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 (see below)	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	—	—	—	(45,243)	—	—	—	—	(45,243)
Stock-based compensation	—	2,383	—	—	—	—	—	—	2,383
Exercise of equity awards	—	(1,832)	—	—	—	—	—	—	(1,832)
Realized gains	—	—	—	—	—	30	38,216	—	38,246
Unrealized losses	—	—	—	—	—	(789)	(33,095)	—	(33,884)
Reversal of deferred tax on stock-based compensation	—	(359)	—	—	—	—	—	—	(359)
Impairment of debt instruments at FVOCI	—	—	—	—	—	(23)	—	—	(23)
Balance – March 31, 2018	**14,688**	**37,057**	**(29,542)**	**(165,937)**	**—**	**(614)**	**(28,862)**	**(9,629)**	**(182,839)**

During the year ended December 31, 2017, the principal reclassification made by the Corporation was $9.19 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.

14. ACQUISITION OF SUBSIDIARIES

CrownBet

As previously disclosed on February 27, 2018, a subsidiary of the Corporation acquired a 62% controlling equity interest in CrownBet, an Australian-based online sportsbook. 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 CrownBet. As is typical, the Shareholders Agreement also includes a number of rights which protect the minority shareholders in certain circumstances that are directly harmful to the minority, including as it relates to significant changes to business scope or material acquisitions.

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

	As at February 27, 2018 $000's
Financial assets	28,960
Property, plant and equipment	6,192
Identifiable intangible assets (note 8)	99,152
Financial liabilities	(59,223)
Deferred tax liability	(13,994)
Total identifiable assets	61,087
Non-controlling interest	(1,834)
Goodwill	58,454
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 $14.0 million, comprising of $22.4 million deferred tax liability related to acquired intangible assets and $8.4 million deferred tax asset related to other temporary differences.

The non-controlling interest in CrownBet is measured at the proportionate share of net assets of the subsidiary.

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 sports betting product offerings. The goodwill is not deductible for tax purposes.

Acquisition-related costs directly related to the CrownBet acquisition were $3.5 million and were expensed in the unaudited interim condensed consolidated statements of earnings.

CrownBet contributed $11.1 million of revenue and a loss of $2.3 million to the Corporation's net earnings for the period between the date of acquisition and March 31, 2018.

CrownBet revenue has been reported as part of the Casino & Sportsbook revenues in the segmental reporting note.

If the acquisition of CrownBet had been completed on the first day of the financial year, the Corporation's revenues and net earnings for the three months ended March 31, 2018 would have been $418.8 million and $77.3 million, respectively.

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 three months ended March 31, 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.

15. 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 are determined as at each of March 31, 2018 and December 31, 2017:

	As at March 31, 2018			
	Fair value & carrying value $000's	Level 1 $000's	Level 2 $000's	Level 3 $000's
Bonds - FVOCI	109,650	109,650	—	—
Equity in unquoted companies - FVTPL	9,298	—	—	9,298
Derivatives	3,706	—	3,102	604
Total financial assets	**122,654**	**109,650**	**3,102**	**9,902**
Derivatives	137,601	—	137,601	—
Total financial liabilities	**137,601**	—	**137,601**	—

	As at December 31, 2017			
	Fair value & carrying value $000's	Level 1 $000's	Level 2 $000's	Level 3 $000's
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	111,762	—	111,762	—
Total financial liabilities	**111,762**	—	**111,762**	—

The fair values of other financial assets and liabilities measured at amortized cost on the unaudited interim condensed consolidated statements of financial position as at each of March 31, 2018, and December 31, 2017 are as follows:

	As at March 31, 2018			
	Fair value $000's	Level 1 $000's	Level 2 $000's	Level 3 $000's
First Lien Term Loans	2,373,926	—	2,373,926	—
USD Second Lien Term Loan	95,416	—	95,416	—
Total financial liabilities	**2,469,342**	—	**2,469,342**	—

	As at December 31, 2017 *			
	Fair value $000's	Level 1 $000's	Level 2 $000's	Level 3 $000's
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.

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. When measuring the fair value of an asset or a liability, the Corporation uses market observable data to the extent possible. If the fair value of an asset or a liability is not directly observable, it is estimated by the Corporation using valuation techniques that maximize the use of relevant observable inputs and minimize the use of unobservable inputs (e.g., by the use of the market comparable approach that reflects recent transaction prices for similar items, discounted cash flow analysis, or option pricing models refined to reflect the Corporation's specific circumstances). Inputs used are consistent with the characteristics of the asset or liability that market participants would take into account.

For the Corporation's financial instruments which are recognized in the unaudited interim condensed consolidated statements of financial position at fair value, the fair value measurements are categorized based on the lowest level input that is significant to the fair value measurement in its entirety and the degree to which the inputs are observable. The significance levels are classified as follows in the fair value hierarchy:

- Level 1 – Quoted prices (unadjusted) in active markets for identical assets or liabilities;
- Level 2 – Inputs other than quoted prices included in Level 1 that are observable for the asset or liability, either directly or indirectly; and
- Level 3 – Inputs for the asset or liability that are not based on observable market data.

Transfers between levels of the fair value hierarchy are recognized by the Corporation at the end of the reporting period during which the transfer occurred as part of its periodic measurement of fair values. There were no transfers in or out of Level 1, 2 or 3 during the three months ended March 31, 2018.

Valuation of Level 2 fair values

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 – cross-currency interest rate swaps

Currently, the Corporation uses cross-currency swap and interest rate swap agreements to manage its interest rate and foreign currency risk 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 March 31, 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 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 cross-currency interest rate swap valuations in their entirety are classified in Level 2 of the fair value hierarchy.

Derivative Financial Instruments – deal contingent derivative

Refer to note 10 for details on the valuation of the deal contingent derivative.

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 March 31, 2018, and December 31, 2017 for each Level 3 asset or liability the valuation techniques and key inputs used by the Corporation were as follows:

- Equity in private companies (Level 3 Asset): The Corporation uses a valuation model based on market multiples derived from quoted prices of companies comparable to the investee.
- 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 CrownBet (see note 14) using the Black-Scholes valuation model (see note 10).
- 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).
- 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).

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

	Level 3 Asset $000's	Level 3 Promissory note $000's
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	517	—
Fair value movement on put option	604	—
Translation	13	—
Balance – March 31, 2018	**9,902**	—

	Level 3 Liability $000's
Balance – January 1, 2017	**201,100**
Accretion	2,048
Repayment of deferred consideration	(197,510)
Gain on settlement of deferred consideration	(44)
Settlement of put liability	(5,594)
Balance – December 31, 2017	—

16. 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.

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	FVTPL $000's	Available-for-sale $000's	FVOCI $000's	Total financial assets $000's
Opening balance - IAS 39	—	129,650	—	129,650
Reclassification of bonds from AFS to FVOCI	—	(115,343)	115,343	—
Reclassification of funds from AFS to FVTPL	7,045	(7,045)	—	—
Reclassification of equity in unquoted companies from AFS to FVTPL	6,981	(6,981)	—	—
Reclassification of equity in quoted companies from AFS 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:

Trade receivables carried at amortized cost;
Debt instruments carried at FVOCI; and
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 which 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		
	Original (IAS 39)	New (IFRS 9)	Original (IAS 39) $000's	New (IFRS 9) $000's	Adjustment to opening retained earnings $000's
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)	(2,327,584)	(30,985)
			(1,552,674)	**(1,521,676)**	**(30,785)**

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 (see note 4), as a result of the requirement under IFRS 15 to present revenue from contracts with customers separately from other sources of revenue. Notwithstanding the presentation and disclosure requirement of IFRS 15 for total revenue, the Corporation continues to present segment revenues, including by major product line (i.e. Poker and Casino & Sportsbook) and geographical region (see note 5), which are presented and disclosed as they were prior to the Corporation's adoption of IFRS 15.

17. SUBSEQUENT EVENTS

As previously disclosed, on March 6, 2018, a subsidiary of the Corporation entered into agreements to increase its equity interest in CrownBet from 62% to 80% and for CrownBet to acquire William Hill Australia, an Australian-based online sportsbook. On April 24, 2018, the Corporation announced that these transactions had both been successfully completed. The aggregate purchase price for these transactions was $435 million (inclusive of $117.7 million to acquire a 62% equity interest in CrownBet, see note 14), which was paid in a combination of cash and the issuance of approximately 3.1 million newly-issued Common Shares. The management team of CrownBet is entitled to an additional payment of up to $182 million in 2020 subject to certain performance conditions and payable in cash, additional Common Shares or a combination thereof, at the Corporation's discretion.

Due to the proximity of the transactions noted above to the approval of the Corporation's unaudited interim condensed consolidated financial statements for the three months ended March 31, 2018, it is not possible for the Corporation to finalize the accounting for such transactions, including disclosure details of goodwill, fair value of consideration (actual and contingent), assets and liabilities assumed, contingent liabilities recognized, transactions recognized separately, non-controlling interests and the impact on the amounts reported in the statement of comprehensive income.

On April 6, 2018, the Corporation successfully increased, repriced and extended its First Lien Term Loans and revolving credit facility ("Credit Facility"), and amended and restated the applicable credit agreement (collectively, the "2018 Amend and Extend"). The 2018 Amend and Extend included, among other things, an increase in the USD First Lien Term Loan and EUR First Lien Term Loan to $2.17 billion and €500 million, respectively, an extension of the respective maturity dates to April 6, 2025, and a decrease in pricing of 50 basis points to LIBOR plus 3.00% and Euribor plus 3.25%, respectively. The Corporation's Credit Facility was also increased from $100 million to $225 million and priced at LIBOR plus 2.75% with a new maturity date of April 6, 2023. The margin for the

Credit Facility is subject to leverage-based step-downs. The Corporation used $95 million of the increased First Lien Term Loans to fully repay 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 CrownBet and CrownBet's acquisition of William Hill Australia. The Stars Group and the lenders also amended the credit agreement for the First Lien Term Loans to, among other things, reflect the foregoing transactions and add certain operational and financial flexibility.

As previously disclosed, on April 21, 2018, the Corporation agreed to acquire Sky Betting and Gaming ("SBG"), one of the United Kingdom's leading online sports betting and gaming providers. The aggregate purchase price is $4.7 billion, of which $3.6 billion will be payable in cash and the remainder will be payable through the issuance of approximately 37.9 million newly-issued Common Shares. For the three months ended March 31, 2018, the Corporation has incurred professional fees of $4.2 million in relation to the acquisition of SBG.

Completion of the transaction is conditional upon obtaining customary approvals from the TSX, Nasdaq, and certain gaming and other regulatory authorities, in addition to the completion of other customary closing conditions. To finance the cash portion of the purchase price for the transaction, the Corporation obtained fully committed debt financing of $6.9 billion, including $5.1 billion of first lien term loans, $1.4 billion of senior unsecured notes and a $400 million revolving credit facility. The funded proceeds of $6.5 billion will be used for the cash portion of the transaction consideration, refinancing the Corporation's existing First Lien Term Loans and repaying SBG's outstanding debt.

THE STARS GROUP

Exhibit 99.3

MANAGEMENT'S DISCUSSION AND ANALYSIS

FOR THE THREE MONTHS ENDED
MARCH 31, 2018

May 10, 2018

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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 months ended March 31, 2018. References to "The Stars Group" or the "Corporation" in this MD&A refer to The Stars Group Inc. and it subsidiaries, 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 months ended March 31, 2018 (the "Q1 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 Q1 2018 Financial Statements in U.S. dollars and, unless otherwise indicated, in conformity with 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 Q1 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 and references to "CDN" or "CDN $" are to Canadian dollars. Unless otherwise indicated, all references to a specific "note" refer to the notes to the Q1 2018 Financial Statements.

As at March 31, 2018, the Corporation had two major lines of operations within its online gaming business, real-money online poker ("Poker") and real-money online casino and sportsbook ("Casino & Sportsbook"). As it relates to these two product lines, online revenues include revenues generated through the Corporation's online, mobile and desktop client platforms.

This MD&A references non-IFRS and non-U.S. generally accepted accounting principles ("GAAP") financial measures, including those under the headings "Selected Financial Information" and "Key Metrics" below. The Corporation believes these non-IFRS and non-U.S. GAAP 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 or U.S. GAAP. They are not recognized measures under IFRS or U.S. GAAP and do not have standardized meanings prescribed by IFRS or U.S. GAAP. These measures may be different from non-IFRS and non-U.S. GAAP financial measures used 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.

Unless otherwise stated, in preparing this MD&A the Corporation has considered information available to it up to May 10, 2018, the date the Corporation's board of directors (the "Board") approved this MD&A and the Q1 2018 Financial Statements.

CAUTION REGARDING FORWARD-LOOKING STATEMENTS

This MD&A, the Q1 2018 Financial Statements and the 2017 Annual Reports 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.

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: the heavily regulated industry in which the Corporation carries on its business; 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; impact of inability to complete future or announced acquisitions or to integrate businesses successfully; significant barriers to entry; competition and the competitive environment within the Corporation’s addressable markets and industries; ability to obtain additional financing on reasonable terms or at all; refinancing risks; 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, the imposition of new or additional taxes, such as value-added (“VAT”) and point of consumption taxes, and gaming duties; 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 the Corporation’s 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; systems, networks, telecommunications or service disruptions or failures or cyber-attacks; 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; 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; and natural events. 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, 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.

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 May 10, 2018 and, accordingly, are subject to change after such date. The Corporation does not undertake to update or revise any forward-looking statements, except in accordance with applicable securities laws.

LIMITATIONS OF 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"), and net deposits ("Net Deposits"), 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 may differ from estimates published by third parties or from similarly-titled metrics of its competitors due to differences in methodology and access to information. Moreover, QNY is a non-IFRS measure. For important information on the Corporation's non-IFRS measures, see the information presented in italics under the heading "Management's Discussion and Analysis" above and the information under "Key Metrics" and "Selected Financial Information—Other Financial Information" 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, such as QAUs. 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. 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. 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.

OVERVIEW AND OUTLOOK

Business Overview and Background

The Stars Group is a leading provider of technology-based product offerings in the global gaming and interactive entertainment industries. The Stars Group's gaming business is its primary business and source of revenue and currently consists 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"), and CrownBet Holdings Pty Limited and its subsidiaries and affiliates ("CrownBet"), in which it acquired a majority equity interest in February 2018. In April 2018, The Stars Group acquired an additional interest in CrownBet and CrownBet acquired William Hill Australia Holdings Pty Ltd. ("William Hill Australia"), and the Corporation disclosed that it agreed to acquire Sky Betting & Gaming ("SBG"), one of the United Kingdom's leading online sportsbooks and gaming providers, which it expects to close in the third quarter of 2018. See "Overview and Outlook – Recent Corporate Developments" for additional information.

Through Stars Interactive Group, which is based in the Isle of Man and operates globally, and CrownBet (including William Hill Australia), which operates and is based in Australia, The Stars Group owns and operates gaming and related interactive entertainment businesses, such as online (including desktop and mobile) real-money poker, casino and sports betting (also known as sportsbook) and play-money poker and casino. The Corporation offers these product offerings under several ultimately owned brands, including, among others, *PokerStars*, *PokerStars Casino, BetStars, Full Tilt,* and 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* live poker tour and event brands. These brands together have millions of registered customers globally and collectively form the largest poker business in the world, comprising online poker games and tournaments, sponsored live poker competitions, marketing arrangements for branded poker rooms in popular casinos in major cities around the world, and poker programming and content created for television and online audiences. The Stars Group 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 also estimates that its combined online casino, including *PokerStars Casino*, is currently among the world's largest and fastest growing and currently has one of the largest active player bases among its competitors. The Stars Group also has an emerging sportsbook, *BetStars,* that is currently primarily focused on regulated jurisdictions within the European Union, a majority equity interest in CrownBet (including William Hill Australia), which currently operates in the regulated Australian online sports betting market, and has agreed to acquire SBG, which currently primarily operates in the regulated United Kingdom online gaming 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 growth in the online casino and sportsbook verticals. The Stars Group believes that such potential opportunities include the ability to leverage its brand and product recognition (particularly poker) to acquire new customers, including recreational customers, and capitalize on network effects and cross-selling these new verticals to its existing and new customer base. The Stars Group continues to improve its online casino and sportsbook product offerings, including through mobile applications and other enhancements, expanding its game and sports portfolios and geographic reach, and launching external marketing campaigns. In addition to online casino and sportsbook, The Stars Group currently intends to expand upon and explore other growth opportunities, including, without limitation, expanding upon its current social gaming offering, and pursuing other interactive entertainment opportunities.

The Stars Group believes it has a premier, scalable platform that diversifies its product offerings both geographically and across verticals 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 product offerings 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, and loyalty programs, 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 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 introduced certain improvements in the 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). Most recently, 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 Rewards* program seeks to offer an exciting, personalized gaming experience that rewards players for their overall gameplay across poker, casino and sportsbook, in each case where available. *Stars Rewards* gives players randomized prizes based on a number of factors, including the time passed since the player made his or her first real-money deposit, volume of play, player impact on the overall ecosystem, such as whether the player is a net-withdrawing versus net-depositing player, and product and game selection.

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. The Stars Group has been, among other things, reinvesting resulting savings and funds from the poker ecosystem improvements into marketing, increased incentives for certain customers, bonuses and promotions, new poker product offerings, research and development, and to help offset costs in the business, including certain taxes, gaming duties and other costs related to promoting the regulation of online gaming in various jurisdictions.

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. In particular, as of the date hereof The Stars Group holds gaming licenses in 18 jurisdictions, and *PokerStars*, the world's most licensed online gaming brand, holds gaming licenses in 17 of those jurisdictions. The Stars Group intends to seek licensure with respect to more European Union member states if and when such member states introduce their own independent regulatory and licensing regimes compliant with European Union law. Outside of the European Union, The Stars Group anticipates there may be a potential for the regulation of online gaming, including online poker, casino and/or sports betting, including with respect to shared liquidity, and that this may result in potential licensing or partnerships with private operators in various jurisdictions. 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 obtain gaming licenses, 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 the 2017 Annual Information Form.

Notwithstanding, 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.

For additional information about The Stars Group, see the disclosure and discussion elsewhere in this MD&A and the 2017 Annual Reports. 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, 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 Developments

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

Nominee Agreement and Appointment of Board Observer

As previously disclosed, in January 2018 The Stars Group entered into an agreement with Mr. Tang Hao and his affiliated entity Discovery Key Investments Limited, which based on publicly available information collectively hold approximately 17.4% of the outstanding common shares of The Stars Group ("Common Shares"). In connection with that agreement, Mr. Melvin Zhang was appointed as an observer to the Board as a nominee of Mr. Tang. Mr. Zhang will serve as an observer until such time as he and Mr. Tang have received certain licenses and approvals from certain of The Stars Group's gaming regulatory authorities, at which point Mr. Zhang will serve on the Board as a director. Also pursuant to the agreement, Mr. Tang is subject to certain restrictions on director nominations and share ownership, including certain standstill restrictions with respect to acquiring greater than 20% of the outstanding Common Shares. For additional information, see the 2017 Annual Information Form under the heading "Directors and Officers—Appointment of Observer to the Board".

CrownBet and William Hill Australia

As previously disclosed on February 27, 2018, a subsidiary of the Corporation acquired a 62% equity interest in CrownBet from Crown Resorts Limited. On March 6, 2018, the Corporation also entered into agreements to increase its equity interest in CrownBet from 62% to 80% and for CrownBet to acquire William Hill Australia, an Australian-based online sportsbook. On April 24, 2018, the Corporation and CrownBet completed these transactions. The aggregate purchase price for these transactions was $435 million (inclusive of $117.7 million to acquire the 62% equity interest in CrownBet), which was paid in a combination of cash and the issuance of approximately 3.1 million newly-issued Common Shares. As part of the purchase of the additional 18% equity interest in CrownBet, the management team of CrownBet is entitled to an additional payment of up to $182 million in 2020 subject to certain performance conditions and payable in cash, additional Common Shares or a combination thereof, at the Corporation's discretion. To finance the cash portion of the purchase price for the transactions, the Corporation completed the amendment, extension and upsizing of its First Lien Term Loans (as defined below) on April 6, 2018.

Mr. Matthew Tripp, CrownBet's Chief Executive Officer, will remain in his position and continue to operate the combined business in Australia. Under the transaction agreements, The Stars Group is entitled to appoint a majority of the directors on the board of directors of CrownBet.

Amendment and Extension of First Lien Term Loans and Credit Facility

As previously disclosed, on April 6, 2018, the Corporation successfully increased, repriced and extended its First Lien Term Loans and Credit Facility (as defined below), amended and restated the applicable credit agreement, and fully repaid the remaining $95 million outstanding on its USD Second Lien Term Loan (as defined below) (collectively, the "2018 Amend and Extend"). For additional information, see "Liquidity and Capital Resources" below.

Agreement to Acquire SBG

As previously disclosed, on April 21, 2018, the Corporation agreed to acquire SBG, one of the United Kingdom's leading online sportsbooks and gaming providers. The aggregate purchase price was $4.7 billion, of which $3.6 billion will be payable in cash and the remainder will be payable through the issuance of approximately 37.9 million newly-issued Common Shares.

The Corporation believes that this acquisition will provide it with certain operational and financial benefits, including: (i) greater revenue diversification and significantly enhanced exposure to sports betting, as the majority of SBG's revenues are generated by sports betting; (ii) an increased presence in regulated markets, particularly within the United Kingdom, which is currently the world's largest regulated online gaming market; (iii) the development of sports betting as a second low-cost customer acquisition channel, complementing The Stars Group's core poker business and enabling more effective cross-selling to players across multiple verticals; (iv) improved products and technology as a result of the addition of SBG's innovative casino and sports book offerings and portfolio of popular mobile apps; and (v) certain identified cost synergies. SBG's unaudited annual revenue was £624 million in the 12-month period ended December 31, 2017.

Completion of the transaction is conditional upon obtaining customary approvals from the Toronto Stock Exchange, Nasdaq, and certain gaming and other regulatory authorities, in addition to the completion of other customary closing conditions. Approval of the transaction by The Stars Group's shareholders will not be a requirement or condition to close. To finance the cash portion of the purchase price for the transaction, the Corporation obtained fully committed debt financing of $6.9 billion, including $5.1 billion of first lien term loans, $1.4 billion of senior unsecured notes and a $400 million revolving credit facility. The funded proceeds of $6.5 billion will be used for the cash portion of the transaction consideration, refinancing the Corporation's existing First Lien Term Loans and repaying SBG's outstanding debt.

KEY METRICS

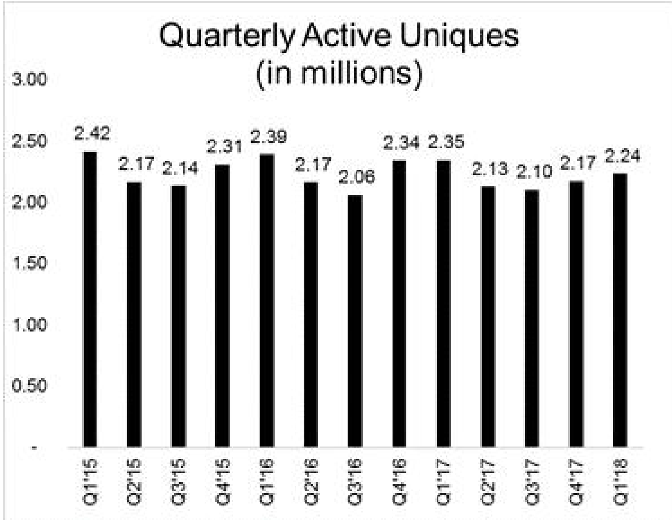
The Corporation reviews a number of metrics, including those key metrics set forth below, to evaluate its business, measure performance, identify trends, formulate business plans and make strategic decisions. Although management may have provided other key metrics in the past, it continues to review and assess the importance, completeness and accuracy of such metrics 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. As such, management may determine that particular metrics 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. As a result, such historic metrics may be replaced, redefined or clarified, or new or alternative metrics may be introduced. For each applicable period, management intends to provide key metrics that it believes may be the most helpful and relevant to obtain a complete and accurate understanding of the Corporation's business, performance and trends affecting the same, 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. For additional information on how the Corporation calculates its key metrics and factors that can affect such metrics, see "Limitations of Key Metrics and Other Data" above.

With respect to QAUs and QNY, the Corporation provides applicable trend information for each quarterly period since the first quarter of 2015, and with respect to Net Deposits, it provides applicable trend information for each quarterly period since the first quarter of 2016. The Corporation believes that readers should consider QAUs, QNY and Net Deposits together as customer growth and monetization trends reflected in such metrics are key factors that affect the Corporation's revenues.

To ensure consistency in the Corporation's key metrics for the three months ended March 31, 2018 presented in this MD&A, the Corporation has excluded all QAUs and Net Deposits related to CrownBet, and has excluded CrownBet revenues from QNY. The Corporation will continue to review and analyze applicable data and information available to it and will consider including key metrics from CrownBet in its own key metrics, including QAUs, QNY and Net Deposits, once it has had sufficient time to evaluate, confirm and record the same.

Quarterly Real-Money Active Uniques (QAUs)

The Corporation defines QAUs 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 rake or placed a real-money bet or wager on or through one of the Corporation's real-money online poker, casino or sportsbook offerings during the applicable quarterly period. The Corporation defines unique 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 multiple verticals (poker, casino and/or sportsbook). 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. QAUs are a measure of the player liquidity on the Corporation's real-money poker product offerings and level of gameplay on all its real-money product offerings, collectively. Trends in QAUs affect revenue and financial results by influencing the volume of gameplay, the Corporation's product offerings, and its expenses and capital expenditures. QAUs are disclosed below on a combined basis for the Corporation's real-money online gaming brands.

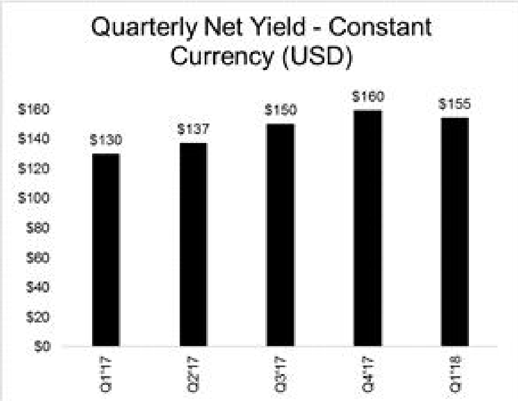


During the three months ended March 31, 2018, the Corporation had 2.24 million combined QAUs, which represents a decrease of 4.6% over the prior year period. The Corporation believes that the decrease when compared to the first quarter of 2017 was primarily the result of (i) the Corporation's strategy 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, (ii) the cessation of online poker operations in Australia and Colombia, and (iii) a normalization in Portugal as compared to the prior year following the relaunch of real money online poker and casino in that jurisdiction. Notwithstanding, the Corporation's QAUs were positively impacted by the growth and expansion of the Corporation's real-money online sportsbook product offering. 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 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 global customer base as the U.S. dollar is the primary currency of gameplay on the Corporation's product offerings. Notwithstanding, 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 acquisitions and strategic transactions, and continuing to introduce new and innovative product offerings, features and enhancements. See also the 2017 Annual Information Form, including under the headings "Business of the Corporation—Online Poker", "—Online Casino and Sportsbook" and "—Business Strategy of the Corporation". To the extent the growth of or growth rate in the Corporation's customer base declines, the Corporation's revenue growth will become increasingly dependent on its ability to increase levels of customer monetization.

Quarterly Net Yield (QNY)

The Corporation defines QNY as combined real-money online gaming and related revenue (excluding certain other revenues, such as revenues that are included in Other Gaming revenues) for its two product lines (i.e., Poker and Casino & Sportsbook) 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. QNY is a non-IFRS measure. For a reconciliation of the numerator of QNY to the nearest IFRS measure, see below. For other important information on the Corporation's non-IFRS measures, see the information presented in italics under the heading "Management's Discussion and Analysis" above and the information under "Selected Financial Information—Other Financial Information" below. The Corporation also provides QNY on a constant currency basis. For information on the Corporation's constant currency revenues, see "Discussion of Operations—Foreign Exchange Impact on Revenue" for the three months ended March 31, 2018. Trends in QNY are a measure of growth as the Corporation continues to expand its core real-money online poker offerings and real-money online casino and sportsbook offerings. In addition, the trends in the Corporation's ability to generate revenue on a per customer basis across its real-money online gaming offerings are reflected in QNY and are key factors that affect the Corporation's revenue.



During the three months ended March 31, 2018, the Corporation's QNY was $165, which represents an increase of 26.7% from the prior year period. The growth in QNY was primarily the result of (i) the implementation of the *Stars Rewards* loyalty program and continued focus on high-value, net-depositing customers (primarily recreational players), (ii) positive impacts of foreign exchange fluctuations, (iii) the Corporation's strategy of focusing on positive return CRM initiatives to attract such customers which has resulted, and may continue to result, in a decrease in certain lower value customers, (iv) the introduction of shared poker liquidity in France and Spain, and (v) 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. During the three months ended March 31, 2018, the Corporation's constant currency QNY was $155, which represents an increase of 18.7% from the prior year period. The growth in constant currency QNY was driven primarily by the same factors mentioned above.

There are many variables that impact the monetization of the Corporation's product offerings through QNY, including the rake and fees charged in real-money online poker, the amounts wagered and gross win margins (i.e., the percentage of wagers retained by the Corporation) in real-money online casino and sportsbook, the amount of time customers play on its product offerings, offsets to gross gaming 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 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. See also the 2017 Annual Information Form, including under the headings "Business of the Corporation—Online Poker", "—Online Casino and Sportsbook" and "—Business Strategy of the Corporation".

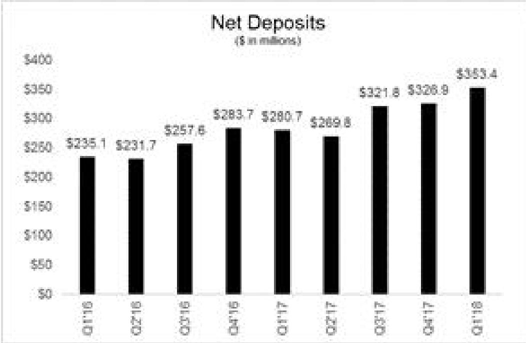
The tables below present reconciliations of the numerator of QNY (i.e., Poker and Casino & Sportsbook revenues) to the nearest IFRS measure (i.e., revenue) as reported for the applicable period. Unless otherwise noted, any deviation in the reconciliations below to measures presented herein may be the result of immaterial adjustments made in later periods due to certain accounting reallocations.

$000's	**Jun 30, 2015**	**Sep 30, 2015**	**Dec 31, 2015**	**Mar 31, 2016**	**Jun 30, 2016**	**Sep 30, 2016**
Revenue	259,500	247,327	293,201	288,518	285,762	270,681
Corporate	(392)	(225)	(471)	(59)	(46)	—
Other Gaming Revenue	(11,562)	(9,729)	(13,419)	(11,971)	(10,479)	(9,632)
Poker and Casino & Sportsbook (excluding CrownBet revenue)	247,546	237,373	279,311	276,488	275,237	261,049

$000's	**Dec 31, 2016**	**Mar 31, 2017**	**Jun 30, 2017**	**Sep 30, 2017**	**Dec 31, 2017**	**Mar 31, 2018**
Revenue	310,286	317,320	305,305	329,443	360,247	392,891
Corporate	(3)	(22)	(92)	(213)	(358)	(294)
Other Gaming Revenue	(12,884)	(11,854)	(12,762)	(12,675)	(13,031)	(12,209)
Poker and Casino & Sportsbook (including CrownBet revenue)	297,399	305,444	292,451	316,555	346,858	380,388
CrownBet revenue	—	—	—	—	—	11,124
Poker and Casino & Sportsbook (excluding CrownBet revenue)	297,399	305,444	292,451	316,555	346,858	369,264

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 Corporation's reported net gaming revenue. Some or all of such deposits eventually become revenue if and when the deposits enter the online poker, casino or sportsbook ecosystems through applicable rake, tournament fees or wagering. Trends in Net Deposits are used by management to gauge expected revenue performance across the Corporation's current online real-money gaming offerings (i.e., poker, casino, sportsbook) and are considered by management when making decisions with respect to changes to any such offering, 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.



During the three months ended March 31, 2018, Net Deposits were $353.4 million, which represents an increase of 25.9% over the prior year period. 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 continued focus on high-value customers (primarily recreational players), positive impacts from foreign exchange fluctuations, 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.

As with QAUs and QNY, there are many variables that impact 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 (primarily professional or highly experienced players) has reduced, and may continue to 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. In the first and second quarters of 2016, following the initial implementation of such changes to the poker ecosystem, including changes to its then-effective VIP program, the Corporation experienced significant movements in customer real-money account balances resulting from increased withdrawals by high-volume, net-withdrawing customers. As the Corporation continues to make adjustments and improvements to 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.

For other factors that may cause Net Deposits to fluctuate, see "Overview and Outlook" above, "Summary of Quarterly Results", "Liquidity and Capital Resources—Market Risk" 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.

SELECTED FINANCIAL INFORMATION

Selected Financial Information

Selected financial information of the Corporation for the three months ended March 31, 2018 and 2017, and for the year ended December 31, 2017 is set forth below.

$000's, except per share amounts	Three Months Ended March 31, 2018		Three Months Ended March 31, 2017		For the year ended December 31, 2017	
Revenue		392,891		317,320		1,312,315
Net Earnings		74,361		65,753		259,285
Basic Net Earnings Per Common Share	$	0.51	$	0.45	$	1.77
Diluted Net Earnings Per Common Share	$	0.36	$	0.33	$	1.27
Total Assets (as at)		5,563,806		5,388,982		5,415,126
Total Long-Term Liabilities (as at)		2,501,842		2,467,487		2,509,221

Revenue increased in the three months ended March 31, 2018 as compared to the respective prior year period primarily as a result of the growth of the Corporation's online poker, casino and sportsbook product offerings. For additional variance analysis on Poker revenues and Casino & Sportsbook revenues, see "Discussion of Operations" below. For revenue calculated on a constant currency basis, see "Foreign Exchange Impact on Revenue" below for the three months ended March 31, 2018.

Net earnings increased for the three months ended March 31, 2018 as compared to the prior year period, primarily due to the increases in revenues and expenses, and the inclusion of the results of CrownBet, in each case as described below under "Discussion of Operations". Net earnings for the period include the results attributable to the non-controlling interests in subsidiaries not wholly owned by the Corporation, whereas Basic Net Earnings Per Common Share and Diluted Net Earnings Per Common Share exclude the revenues attributable to the non-controlling interests. For purposes of the foregoing, non-controlling interests specifically includes the 38% equity interests in CrownBet not owned by the Corporation as at March 31, 2018.

The increase in the Corporation's asset base from December 31, 2017 to March 31, 2018 was primarily driven by the acquisition of a 62% equity interest in CrownBet and the inclusion of its assets, as well as the recognition of intangible assets and goodwill on acquisition related to the same. The increase in outstanding long-term liabilities from December 31, 2017 was primarily the result of a decrease in the fair value of the Swap Agreements (as defined below) causing such fair value to move further into a liability position.

Other Financial Information

To supplement its Q1 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 and QNY set forth above under "Key Metrics". The Corporation uses such 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 Adjusted Cash Flow from Operations, 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 key metrics used by management in its financial and operational decision-making. 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 equivalents. See also the information presented in italics under the heading "Management's Discussion and Analysis" above and the information under "Limitations of Key Metrics and Other Data" and "Key Metrics" above.

$000's, except per share amounts	Three Months Ended March 31, 2018		Three Months Ended March 31, 2017	
Revenue		392,891		317,320
Adjusted EBITDA		175,022		151,001
Adjusted Cash Flow from Operations		132,258		111,776
Adjusted Net Earnings		139,207		113,367
Adjusted Net Earnings per Diluted Share	$	0.66	$	0.56

Adjusted EBITDA, Adjusted Cash Flow from Operations, Adjusted Net Earnings and Adjusted Net Earnings per Diluted Share

The Corporation currently considers the following non-IFRS measures:

- Adjusted EBITDA, which the Corporation defines as net earnings before financial expenses, income taxes expense (recovery), depreciation and amortization, stock-based compensation, restructuring and certain other items as set out in the table below.

- Adjusted Cash Flow from Operations as defined by the Corporation means net cash inflows from operating activities after adding back customer deposit liability movements.

- Adjusted Net Earnings, which the Corporation defines as net earnings before interest accretion, amortization of intangible assets resulting from purchase price allocation following acquisitions, deferred income taxes, stock-based compensation, restructuring, foreign exchange and certain other items as set out in the table below.

- Adjusted Net Earnings per Diluted Share, as defined by the Corporation means Adjusted Net Earnings 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 Corporation's convertible preferred shares ("Preferred Shares"). The effects of anti-dilutive potential Common Shares are ignored in calculating Diluted Shares. See note 7 in the Q1 2018 Financial Statements. For the three months ended March 31, 2018 and 2017, Diluted Shares equaled 209,495,673 and 200,656,549, respectively.

The table below presents a reconciliation of Adjusted EBITDA, Adjusted Net Earnings and Adjusted Net Earnings per Diluted Share, each to the nearest IFRS measure:

	Three Months Ended March 31,	
$000's, except per share amounts	**2018**	**2017**
Net earnings	**74,361**	**65,753**
Financial expenses	45,015	40,589
Income taxes expense	1,155	2,688
Depreciation of property and equipment	2,744	2,161
Amortization of intangible and deferred development costs	36,514	33,574
EBITDA	159,789	144,765
Stock-based compensation	2,383	2,164
Termination of employment agreements	672	2,126
Termination of affiliate agreements	—	407
Loss on disposal of assets	—	59
Gain from investments	(1,023)	(435)
Acquisition-related costs	7,739	—
Impairment of (reversal of impairment of) intangible assets and assets held for sale	115	(6,684)
Other costs (see table below)	5,347	8,599
Adjusted EBITDA	**175,022**	**151,001**
Current income tax expense	(2,420)	(3,322)
Depreciation and amortization (excluding amortization of purchase price allocation intangibles)	(7,096)	(4,660)
Interest †	(26,299)	(29,652)
Adjusted Net Earnings	**139,207**	**113,367**
Diluted Shares	209,495,673	200,656,549
Adjusted Net Earnings per Diluted Share	0.66	0.56

† Excluding interest accretion and non-refundable late payment fees related to the unpaid balance of the deferred purchase price for the Stars Interactive Group Acquisition.

There are a number of limitations related to the use of these measures rather than net earnings, which is the nearest IFRS equivalent of these financial measures. Some of these limitations are:

- these non-IFRS financial measures exclude the applicable items listed in the reconciliation table above and other costs as set forth in the table below; and

- the expenses that the Corporation excludes in its calculation of these non-IFRS financial measures may differ from the 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 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 expenses at this time as it does not consider them as on-going core operating 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 or from matters not directly involving the Corporation or its current business. Moreover, certain exclusions, such as retention bonuses and office restructuring and legacy business unit shutdown costs, primarily relate to the Corporation's transformation following the Stars Interactive Group Acquisition and management believes such expenses are more similar to acquisition-related costs than to on-going core operating expenses. Over time, as management continues assessing its operations and calculating applicable non-IFRS measures, it 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.

The table below presents certain items comprising "Other costs" in the reconciliation table above:

	Three Months Ended March 31,	
	2018	**2017**
	$000's	**$000's**
Non-U.S. lobbying and legal expenses	1,138	741
U.S. lobbying and legal expenses	1,855	3,978
Strategic review professional fees	—	125
Retention bonuses	117	615
Non-recurring professional fees	451	662
AMF and other investigation professional fees (net of insurance proceeds)	1,784	2,390
Office restructuring and legacy business unit shutdown costs	2	88
Other costs	**5,347**	**8,599**

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

	Three Months Ended March 31,	
	2018	**2017**
	$000's	**$000's**
Net cash inflows from operating activities	132,069	95,547
Customer deposit liability movement	189	16,229
Adjusted Cash Flow from Operations	**132,258**	**111,776**

The Corporation believes that removing movements in customer deposit liabilities provides a more meaningful understanding of its cash flow from operations as customer deposits are not available funds for the Corporation to use for financial or operational purposes.

DISCUSSION OF OPERATIONS

Comparison of the Three Months Ended March 31, 2018 and 2017

	Three Months Ended March 31,			
$000's except percentage amounts	**2018**	**2017**	**Variance**	**% Change**
Revenue	392,891	317,320	75,571	23.8%
Selling	61,297	43,051	18,246	42.4%
General and administrative	161,395	131,141	30,254	23.1%
Financial	45,015	40,589	4,426	10.9%
Gaming duty	42,952	34,533	8,419	24.4%
Acquisition-related costs	7,739	—	7,739	100.0%
Gain from investments	1,023	435	588	135.1%
Income taxes	1,155	2,688	(1,533)	(57.0%)

Revenue

The revenue increase for the three months ended March 31, 2018 as compared to the prior year period was primarily attributable to (i) the implementation of the *Stars Rewards* loyalty program, (ii) the continued development of the Corporation's casino product offerings, including through additional third-party slots under the *PokerStars Casino* brand, (iii) the introduction of shared poker liquidity in France and Spain, (iv) the addition of revenue related to the acquisition of a majority equity interest in CrownBet, and (v) user experience and user interface improvements to the Corporation's sportsbook product and a year-over-year increase in gross win margin. As it relates to currency fluctuations during the quarter, the general weakening of the U.S. dollar relative to certain foreign currencies had a positive impact on the Corporation's revenue as compared to the prior year period. See also "Foreign Exchange Impact on Revenue" below.

Revenue by Product Line and Geographic Region

	Three Months Ended March 31, 2018					
	Poker $000's	**Casino & Sportsbook $000's**	**Other Gaming $000's**	**Total Gaming $000's**	**Corporate $000's**	**Total $000's**
Geographic Area						
Isle of Man	93,513	6,329	—	99,842	—	99,842
Malta	57,740	74,639	1	132,380	—	132,380
Italy	23,278	18,209	139	41,626	—	41,626
United Kingdom	15,734	4,355	61	20,150	—	20,150
Spain	20,310	11,145	173	31,628	—	31,628
France	12,844	3,939	118	16,901	—	16,901
Other licensed or approved jurisdictions	22,449	15,904	11,717	50,070	294	50,364
	245,868	**134,520**	**12,209**	**392,597**	**294**	**392,891**

	Three Months Ended March 31, 2017					
	Poker $000's	Casino & Sportsbook $000's	Other Gaming $000's	Total Gaming $000's	Corporate $000's	Total $000's
Geographic Area						
Isle of Man	87,645	10,258	—	97,903	—	97,903
Malta	52,171	49,241	—	101,412	—	101,412
Italy	21,735	10,882	157	32,774	—	32,774
United Kingdom	12,974	2,698	70	15,742	—	15,742
Spain	11,269	7,468	177	18,914	—	18,914
France	12,400	1,611	136	14,147	—	14,147
Other licensed or approved jurisdictions	20,470	4,622	11,314	36,406	22	36,428
	218,664	**86,780**	**11,854**	**317,298**	**22**	**317,320**

The majority of the Corporation's revenues are generated through Poker, followed by Casino & Sportsbook. Other offerings, including social and play-money gaming, live poker events, branded poker rooms and other sources of revenue primarily related to gaming are aggregated into Other Gaming revenues. Corporate revenues include certain other nominal sources of revenue. These revenues together comprise one segment as individually they do not meet any of the quantitative thresholds or disclosure requirements described in IFRS 8, Operating segments.

Poker Revenue

Poker revenue for the three months ended March 31, 2018 was $245.9 million as compared to $218.7 million for the prior year period, which represents an increase of 12.4% year-over-year. The increase in Poker revenue was primarily the result of (i) positive impacts of foreign exchange fluctuations, (ii) the implementation of the *Stars Rewards* loyalty program, and (iii) the introduction of shared poker liquidity in France and Spain. Notwithstanding, Poker revenues were negatively impacted by, among other things (i) certain customers playing, either entirely or partially in place of poker, the Corporation's real-money online casino offerings, (ii) the cessation of online poker operations in Australia and Colombia, and (iii) a normalization in Portugal as compared to the prior year following the relaunch of real-money online poker and casino in that jurisdiction. For information on the impact of fluctuations in foreign exchange rates, see "Foreign Exchange Impact on Revenue" below.

Casino & Sportsbook Revenue

Casino & Sportsbook revenue for the three months ended March 31, 2018 was $134.5 million as compared to $86.8 million for the prior year period, which represents an increase of 55.0% year-over-year. During the three months ended March 31, 2018, 20.7% of the Casino & Sportsbook revenues related to Sportsbook revenues. The increase in Casino & Sportsbook revenue was primarily the result of (i) positive impacts of foreign exchange fluctuations, (ii) the inclusion of $11.1 million of revenues from CrownBet in Sportsbook revenues, (iii) the continued development of the Corporation's casino product offerings, including through additional third-party slots under the *PokerStars Casino* brand, and (iv) user experience and user interface improvements to the Corporation's sportsbook product and a year-over-year increase in gross win margin. For information on the impact of fluctuations in foreign exchange rates, see "Foreign Exchange Impact on Revenue" below.

Revenue by Geographic Region

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 online product offerings. The revenue tables above 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 months ended March 31, 2018 or 2017 or that the Corporation otherwise deems relevant based on its historical reporting of the same or otherwise.

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, would represent less than 5% of its total consolidated revenue for the three months ended March 31, 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.

Poker

Poker revenue increased in all geographic regions for the three months ended March 31, 2018 as compared to the prior year period. The increases were generally the result of the same factors noted above under "Poker Revenue" for the same period.

Casino & Sportsbook

Casino & Sportsbook revenue increased in each geographic region, except the Isle of Man, for the three months ended March 31, 2018 as compared to the prior year period. The increases were generally the result of the same factors noted above under "Casino & Sportsbook Revenue" for the same period. The increase in Malta was also the result of the Corporation offering certain online casino and live dealer games under its Malta license to players in jurisdictions otherwise served through the Isle of Man and the United Kingdom licenses. The decrease in the Isle of Man was the result of the use of the Corporation's Malta license for certain offerings as noted above. In addition, the increase in other licensed or approved jurisdictions was primarily the result of the addition of revenue related to the acquisition of a majority equity interest in CrownBet.

Other Gaming

Other Gaming revenue was relatively flat as a proportion of revenue during the three months ended March 31, 2018 as compared to the prior year period.

Foreign Exchange Impact on Revenue

The general weakening of the U.S. dollar, which is the primary currency of gameplay on the Corporation's product offerings, relative to certain foreign currencies (particularly the Euro, which is the primary depositing currency of the Corporation's customers) during the three months ended March 31, 2018 as compared to the prior year period had a positive impact on the Corporation's Poker, and Casino & Sportsbook revenue. During the three months ended March 31, 2018, the Corporation estimates the increase in the purchasing power of its consumer base, based on a weighted average of customer deposits, was a result of an average 11.0% increase in the value of its customers' local currencies relative to the U.S. dollar. Given the timing of the acquisition of a majority interest in CrownBet, the Corporation has not yet included CrownBet customer deposits, which are primarily made in Australian dollars, in the foregoing weighted average.

To calculate revenue on a constant currency basis, the Corporation translated revenue for the current period using the prior year's monthly average exchange rates for its local currencies other than the U.S. dollar, which the Corporation believes 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 Corporation's product offerings and the majority of the Corporation's customers are from European Union jurisdictions.

If the Corporation had translated its total IFRS revenue for the three months ended March 31, 2018 using the constant currency exchange rates for its source currencies other than the U.S. dollar, such revenues would have been $356.9 million, which is $36.0 million lower than actual IFRS revenues during such period. As a result, excluding the impact of year-over-year changes in foreign exchange rates, such revenues for the quarter would have increased by 12.5%, as opposed to 23.8%, over the prior year period.

Expenses

Selling

The increase in selling expenses for the three months ended March 31, 2018 as compared to the prior year period was primarily the result of (i) an increase in acquisition marketing costs in connection with online poker and sportsbook operations, (ii) the inclusion of post-acquisition marketing costs in respect of CrownBet, and (iii) an increase in royalty costs in connection with online casino operations driven by the growth of casino revenues and the expansion of third-party slot and live dealer game offerings.

General and Administrative

The increase in general and administrative expenses for the three months ended March 31, 2018 as compared to the prior year period was primarily the result of (i) the inclusion of post-acquisition operating expenses in respect of CrownBet; (ii) a reversal of the impairment of the Corporation's investment in Innova Gaming Group Inc. recognized in the prior year period, and (iii) an increase in salary expenses due to investment in headcount and lower than anticipated staff incentives payments in the prior year period.

Financial

The increase in financial expenses for the three months ended March 31, 2018 as compared to the prior year period was primarily the result of foreign exchange losses recorded in the current year period as a result of an arrangement to hedge currency risk in connection with the then-proposed increase in the Corporation's equity interest in CrownBet from 62% to 80% and CrownBet's acquisition of William Hill Australia. The increase was partially offset by (i) reduced accretion recorded in respect of the deferred purchase price for the Stars Interactive Group Acquisition, and (ii) reduced interest expenses following the previously disclosed Repricing (as defined below) and prepayments of the USD Second Lien Term Loan of $40 million and $75 million in August and September 2017, respectively (the "Prepayments").

Gaming Duty

The increase in gaming duty expenses for the three months ended March 31, 2018 as compared to the prior year period was primarily the result of gaming duty on Poker, and Casino & Sportsbook revenues reflecting growth in such revenues in markets where gaming duty is applicable, such as Spain, Italy and France.

Acquisition-related Costs

The increase in acquisition-related costs for the three months ended March 31, 2018 as compared to the prior year period was primarily the result of (i) the Corporation's acquisition of a 62% equity interest in CrownBet; (ii) preparation for the Corporation's acquisition of an additional 18% equity interest in CrownBet and CrownBet's acquisition of William Hill Australia, and (iii) preparation for the Corporation's previously disclosed agreement to acquire SBG.

Foreign Exchange Impact on Expenses

The Corporation's expenses are also impacted by currency fluctuations. Almost all its expenses are incurred in either the Euro, British Pound Sterling, U.S. dollar or Canadian 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".

Gain (Loss) from Investments

The increase in gains from investments for the three months ended March 31, 2018 as compared to the prior year period was primarily the result of fair value gains recognized on the Corporation's non-current investments as a result of the Corporation's transition to IFRS 9. See "Recent Accounting Pronouncements—New Significant Accounting Policies Adopted" below.

Income Taxes Expense

The decrease in income taxes expense for the three months ended March 31, 2018 as compared to the prior year period was primarily due to the impact of tax losses arising in CrownBet post acquisition for which deferred tax assets have been recognized at the statutory corporate income tax rate in Australia of 30%.

SUMMARY OF QUARTERLY RESULTS

The following financial data for each of the eight most recently completed quarters has been prepared in accordance with IFRS, and all such periods have been adjusted to reflect the impact of discontinued operations, as applicable. The presentation currency for each period presented below was and remains the U.S. dollar.

	For the three months ended							
$000's, except per share amounts	**Jun 30, 2016**	**Sept 30, 2016**	**Dec 31, 2016**	**Mar 31, 2017**	**Jun 30, 2017**	**Sept 30, 2017**	**Dec 31, 2017**	**Mar 31, 2018**
Revenue	285,762	270,681	310,286	317,320	305,305	329,443	360,247	392,891
Net Earnings	22,497	12,523	45,039	65,753	70,483	75,874	47,175	74,361
Basic Net Earnings per Common Share	$ 0.16	$ 0.09	$ 0.31	$ 0.45	$ 0.48	$ 0.52	$ 0.32	$ 0.51
Diluted Net Earnings per Common Share	$ 0.12	$ 0.06	$ 0.23	$ 0.33	$ 0.35	$ 0.37	$ 0.23	$ 0.36

The year-over-year revenue increases since the second quarter of 2017 as compared to the prior year periods were primarily attributable to Casino & Sportsbook revenues resulting from the continued rollout of casino and sportsbook 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. Prior to the third quarter of 2017, the revenue increases were also a result of the previously announced changes to the Corporation's customer loyalty program and rake structure, in addition to adjustments to the Corporation's multi-table tournament payout structure, including through the reinvestment of a portion of the loyalty program cost reductions and additional rake into CRM and lifecycle initiatives for recreational players.

For a discussion of trends and variances, including the impact of foreign currency fluctuations, over the three months ended March 31, 2018 and 2017, see "Selected Financial Information", "Discussion of Operations", "Liquidity and Capital Resources" and "Cash Flows by Activity" 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 Cash Flow from Operations, Adjusted Net Earnings and Adjusted Net Earnings per Diluted Share 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 "Selected Financial Information—Other Financial Information" 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, key metrics and customer activity have been generally higher in the first and fourth fiscal quarters than in the second and third fiscal quarters. In online sportsbook, fluctuations can also occur around applicable sports seasons with increased customer activity around notable or popular sporting events. Additionally, with respect to online sports betting, revenues from that vertical generally fluctuate in line with gross win margin (or the total customer wagers less customer winnings as a proportion of the total amount wagered). However, the impact on revenues may be mitigated by the positive or negative impact of gross win margins on customer wagering, which can fluctuate inversely with such margins. As a result, prolonged periods of high gross win margin can negatively impact customer experience, enjoyment and engagement levels thereby resulting in lower customer wagering volumes on sports betting or other gaming verticals. Conversely, while periods of low gross 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-friendly results on customer experience, enjoyment and engagement. Further, changes to the Corporation's *Stars Rewards* loyalty program impact net gaming 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, "Liquidity and Capital Resources—Market Risk" 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.

LIQUIDITY AND CAPITAL RESOURCES

The Corporation's principal sources of liquidity are its cash generated from operations 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 Credit Facility (as defined and detailed below) 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 activities and other capital expenditures, as well as currently planned acquisitions, for at least the next 12 months. Notwithstanding, as a result of, among other things, 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 contractions of the Corporation's operations may influence its ability to secure the capital resources required to satisfy current or future obligations (including, without limitation, those set forth under "Contractual Obligations" below) 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.

The Corporation believes that it improved its financial condition during the three months ended March 31, 2018 by, among other things, decreasing its leverage ratios and producing strong net cash inflows from operating activities. Subject to the completion of the previously announced acquisitions of CrownBet, William Hill Australia and SBG and the debt related thereto, the Corporation intends to improve its financial condition through its strong cash flow generation and liquidity of the combined businesses, including as a result of continuing to introduce new and innovative product offerings 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 "Credit Facility" and "Long-Term Debt" and the notes to the Q1 2018 Financial Statements, as well as the 2017 Annual Information Form. 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".

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, which is the primary depositing currency 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 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 recognized foreign currency losses of $6.0 million and foreign exchange gains of $2.4 million in the three months ended March 31, 2018 and 2017, respectively.

For additional information on derivatives, see also notes 2 and 21 in the 2017 Annual Financial Statements and note 10 in the Q1 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 Sensitivity

The Corporation's exposure to changes in interest rates (particularly fluctuations in LIBOR) relates primarily to interest paid on the Corporation'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 Corporation is also exposed to fair value interest rate risk with respect to its USD First Lien Term Loan (as defined below), which it attempts to mitigate by hedging through the Swap Agreements that fix the interest rate on the same. The Corporation is also 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 the date hereof, the USD First Lien Term Loan has a LIBOR floor of 0% and as such, the interest rate cannot decrease below 3.00%. The EUR First Lien Term Loan (as defined below) has a EURIBOR floor of 0% and as such, the interest rate cannot decrease below 3.25%. Management monitors movements in the interest rates by frequently reviewing the EURIBOR and LIBOR.

The Corporation'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 Corporation'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 Corporation'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 Corporation 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.

Contractual Obligations

The following is a summary of the Corporation's contractual obligations as at March 31, 2018:

	Payments due by period				
$000's	**Total**	**Less than 1 year**	**1-3 years**	**4-5 years**	**More than 5 years**
Provisions	14,537	11,397	2,700	304	136
Long Term Debt *	2,919,903	161,832	320,795	2,437,276	—
Derivatives	137,601	7,452	130,149	—	—
Purchase Obligations	151,454	27,267	46,682	44,896	32,609
Total	**3,223,495**	**207,948**	**500,326**	**2,482,476**	**32,745**

* Includes principal and interest

On April 6, 2018, the Corporation completed the 2018 Amend and Extend and in connection with the same, the Corporation fully repaid the remaining $95 million outstanding on its USD Second Lien Term Loan.

Credit Facility

The Corporation obtained a first lien revolving credit facility of $100 million on August 1, 2014 in connection with the Stars Interactive Group Acquisition (the "Credit Facility"). On April 6, 2018, as part of the 2018 Amend and Extend, the Corporation increased the Credit Facility to $225 million. Now maturing on April 6, 2023, the Credit Facility can be used to fund working capital needs and for general corporate purposes. The interest rate under the Credit Facility is LIBOR plus 2.75% (and BBR plus 2.75% for borrowings in Australian Dollars). The margin for the Credit Facility is subject to leverage-based step-downs. The commitment fee on the Credit Facility varies based on first lien leverage and ranges from 0.250% to 0.375%. Borrowings under the Credit Facility are subject to the satisfaction of customary conditions, including the absence of a default and compliance with certain representations and warranties.

As at each of March 31, 2018 and 2017 and without giving effect to the 2018 Amend and Extend, the available balance under the Credit Facility was $70 million. In connection with the previously reported December 23, 2015 Commonwealth of Kentucky trial court order for damages against certain of its subsidiaries, the Corporation filed a notice of appeal to the Kentucky Court of Appeals and 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 delivered cash collateral in the amount of $40 million and letters of credit in the aggregate amount of $30 million, thereby reducing the availability under the Credit Facility at the end of each applicable period by the same amount. Giving effect to the 2018 Amend and Extend, availability under the Credit Facility is $195 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 the 2017 Annual Information Form and note 30 of the 2017 Annual Financial Statements.

Long-Term Debt

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

	Interest rate	March 31, 2018, Principal outstanding balance in local denominated currency 000's	March 31, 2018 Carrying amount $000's	December 31, 2017, Principal outstanding balance in local denominated currency 000's	December 31, 2017 Carrying amount $000's
USD First Lien Term Loan	5.19%	1,890,794	1,821,130	1,895,654	1,848,397
EUR First Lien Term Loan	3.75%	381,242	440,451	382,222	453,540
USD Second Lien Term Loan	8.69%	95,000	78,716	95,000	56,632
Total long-term debt			**2,340,297**		**2,358,569**
Current portion			24,274		4,990
Non-current portion			2,316,023		2,353,579

The decrease in outstanding long-term debt from December 31, 2017 to March 31, 2018 was primarily the result of quarterly scheduled debt principal repayments, partially offset by foreign exchange fluctuations and interest accretion. For additional information regarding the interest on the Corporation's outstanding long-term debt, including the effective interest rates, see the Q1 2018 Financial Statements. To manage its interest rate exposure on certain of its debt, the Corporation previously entered into the Swap Agreements.

The principal repayments over the next five years of the Corporation's long-term debt outstanding as of March 31, 2018, as adjusted for revised estimates of excess cash flow allocations to the principal repayment of the First Lien Term Loans, amount to the following:

	1 Year $000's	2 Years $000's	3 Years $000's	4 Years $000's	5 Years $000's
USD First Lien Term Loan	19,443	19,443	19,443	1,832,466	—
EUR First Lien Term Loan	4,831	4,831	4,831	455,358	—
USD Second Lien Term Loan	—	—	—	—	95,000
Total	**24,274**	**24,274**	**24,274**	**2,287,824**	**95,000**

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. Giving effect to a previously disclosed refinancing in August 2015 (the "Refinancing") and repricing in March 2017 (the "Repricing"), as at March 31, 2018, the first lien term loans consisted of a $1.89 billion first lien term loan priced at LIBOR plus 3.50% (the "USD First Lien Term Loan") and a €381 million first lien term loan priced at LIBOR plus 3.75% (the "EUR First Lien Term Loan" and, together with the USD First Lien Term Loan, the "First Lien Term Loans"), with 1.00% LIBOR and 0% EURIBOR floors, respectively, and each repayable on August 1, 2021. Giving effect to the Refinancing, Repricing and Prepayments, as at March 31, 2018, the second lien term loan 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 previously disclosed, on April 6, 2018, the Corporation completed the 2018 Amend and Extend, which included, among other things, an increase in the USD First Lien Term Loan and EUR First Lien Term Loan to $2.17 billion and €500 million, respectively, an extension of the respective maturity dates to April 6, 2025, and a decrease in pricing by 50 basis points to LIBOR plus 3.00% and EURIBOR plus 3.25%, respectively and a 0% LIBOR floor on the USD First Lien Term Loan. Starting on the last day of the first fiscal quarter ending after April 6, 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. The Corporation used $95 million of the increased First Lien Term Loans to fully repay 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 CrownBet and CrownBet's acquisition of William Hill Australia. See "Overview and Outlook – Recent Corporate Developments" for additional information.

The Corporation and the lenders also amended the credit agreement for the First Lien Term Loans to, among other things, reflect the foregoing transactions and add certain operational and financial flexibility.

The agreement for the First Lien Term Loans limits Stars Group Holdings B.V. and its subsidiaries' ability to, among other things, (i) incur additional debt, (ii) grant additional liens on its 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 agreement for the First Lien Term Loans also provides for customary mandatory prepayments, including a customary excess cash flow sweep.

As described above under "—Market Risk—Interest Rate Sensitivity", the Corporation is exposed to fluctuations in the LIBOR rate as certain of its indebtedness has variable interest rates, which could lead to increased interest charges. During the year ended December 31, 2015, a subsidiary of the Corporation entered into cross currency interest rate swap agreements (collectively, the "Swap Agreements"), designated and qualifying as cash flow hedges, to manage the interest rate exposure on the USD First Lien Term Loan. Under the Swap Agreements, the subsidiary agreed to exchange a notional principal amount of $2.07 billion of the USD First Lien Term Loan into Euro denominated fixed rate debt in order to fix future interest and principal payments in terms of the Euro, which is the subsidiary's functional currency. In doing so, the Corporation currently expects to mitigate the impact of changes in interest rates and the impact of foreign currency gains and losses resulting from changes in the U.S. dollar to Euro exchange rate, thereby potentially reducing the uncertainty of future cash flows. As at March 31, 2018, the fair value of the Swap Agreements represented a liability of $130.1 million. As a result of the Swap Agreements, the Corporation had interest savings of $5.3 million during the quarter. During the year ended December 31, 2017, the Corporation unwound and settled a notional principal amount of $616.54 million of the Swap Agreements for a gain of $13.90 million. As a result of this unwinding and settlement, $1.15 billion of the USD First Lien Term Loan is covered under the Swap Agreements. The remaining $666.5 million USD First Lien Term Loan is exposed to fluctuations in interest rates.

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”.

During the year ended December 31, 2017 and during a portion of the year ended December 31, 2016, the Corporation designated a portion of the USD First Lien Term Loan, the entire principal amount of the USD Second Lien Term Loan and its then-outstanding deferred consideration for the Stars Interactive Group Acquisition as a foreign exchange hedge of its net investment in its foreign operations. Accordingly, the portion of the gains arising from the translation of the USD-denominated liabilities that was determined to be an effective hedge during the period was recognized in other comprehensive income and accumulated under the heading cumulative foreign currency translation reserve, counterbalancing a portion of the losses arising from translation of the Corporation’s net investment in its foreign operations.

During the three months ended March 31, 2018, there was no ineffectiveness with respect to the net investment hedge.

For the three months ended March 31, 2018, the Corporation recorded an unrealized exchange loss on translation of $19.94 million, as compared to a loss of $25.02 million for the prior year period, in the cumulative translation adjustment in reserves related to the translation of a portion of the USD First Lien Term Loan, USD Second Lien Term Loan and the deferred purchase price for the Stars Interactive Group Acquisition.

In connection with the 2018 Amend and Extend, the Corporation fully repaid the USD Second Lien Term Loan on April 6, 2018. As of such date, the Corporation had no further obligations under or with respect to the same.

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

CASH FLOWS BY ACTIVITY

Comparison of the Three Months Ended March 31, 2018 and 2017

The table below outlines a summary of cash inflows and outflows by activity for the three months ended March 31, 2018 and 2017.

	Three Months Ended March 31,	
	2018 $000's	2017 $000's
Net cash inflows from operating activities	132,069	95,547
Net cash outflows from financing activities	(27,819)	(112,642)
Net cash outflows from investing activities	(103,837)	(2,915)

Cash Inflows from Operating Activities

The Corporation generated cash inflows from operating activities for the three months ended March 31, 2018 and 2017. The Corporation’s cash inflows from operating activities increased for the three months ended March 31, 2018 as compared to the prior year period primarily as a result of an increase in net earnings generated from the underlying operations of the Corporation and a decrease in withdrawals of customer deposits relative to the prior year period.

Cash Outflows from Financing Activities

During the three months ended March 31, 2018, the primary expenditure affecting cash outflows from financing activities was the repayment of long-term debt interest and principal related to the First Lien Term Loans and the repayment of interest on the USD Second Lien Term Loan. During the three months ended March 31, 2017, the primary expenditures affecting cash outflows from financing activities were (i) the payment of $75 million on the deferred purchase price for the Stars Interactive Group Acquisition in January 2017, (ii) the repayment of long-term debt interest and principal related to the First Lien Term Loans and the USD Second Lien Term Loan, (iii) the settlement of an investment margin account previously utilized to acquire strategic investments in 2014, and (iv) the payment of certain transaction costs in connection with the Repricing. These expenditures were partially offset by a gain on settlement of certain derivatives.

Cash Inflows from Investing Activities

During the three months ended March 31, 2018, the Corporation's cash outflows from investing activities were primarily driven by (i) payment for the acquisition of a 62% equity interest in CrownBet, and (ii) capital expenditures, primarily consisting of investments in online poker, casino and sportsbook development. During the three months ended March 31, 2017, the Corporation's cash outflows from investing activities were primarily driven by (i) capital expenditures, primarily consisting of investments in online poker, casino and sportsbook development, and (ii) the settlement of certain minimum revenue guarantees in connection with the Corporation's divestiture of certain former B2B assets, in each case partially offset by the inflows of cash from the sale of investments.

SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

For a description of the Corporation's significant accounting policies, critical accounting estimates and judgments, and related information, see note 2 to the Q1 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 months ended March 31, 2018.

Change in Critical Accounting Estimates

During the three months ended March 31, 2018, there were no changes to the Corporation's critical accounting estimates or judgments other then those detailed below.

Valuation of Acquired Intangible Assets

Acquisitions may result in the recognition of software technology, customer relationships, partnership agreements and brands. These are valued using various valuation methodologies, such as market, income and cost methods. In applying these methodologies, certain key judgements and assumptions are made by management. Key judgements and assumptions include, but are not limited to, estimating future cash flows, selecting discount rates and selecting valuation methodologies. These estimates 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 condition, economic performance or business strategies. For further information regarding the valuation of acquired intangible assets as it relates to the CrownBet acquisition, see note 8 in the Q1 2018 Financial Statements.

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 16 in the Q1 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 fair value through profit or loss, transaction costs that are directly attributable to the acquisition of the financial asset. Transaction costs of financial assets carried at fair value through profit or loss 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. 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 following the derecognition of those instruments. 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 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 impairment provision recorded in respect of debt instruments carried at FVOCI is determined at 12-months expected credit losses on the basis that the Corporation considers these instruments as low risk.

The forward-looking element 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. The accounting treatment of debt modifications is contingent upon whether the modified terms are substantially different than the previous terms. The terms of an amended debt agreement are considered substantially different when 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. If the modification is considered 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 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 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 the standard 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 16 in the Q1 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

The IASB recently issued IFRS 16 to replace IAS 17, *Leases*. 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 impact of this standard and does not anticipate applying it prior to its effective date.

OFF BALANCE SHEET ARRANGEMENTS

As at March 31, 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 May 8, 2018
Common Shares issued and outstanding	152,009,440
Common Shares issuable upon conversion of 1,138,978 Preferred Shares	60,117,636
Common Shares issuable upon exercise of options	5,842,508
Common Shares issuable upon exercise of warrants	4,000,000
Common Shares issuable upon settlement of other equity-based awards	706,290
Total Common Shares on a fully-diluted basis	**222,675,874**

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 months ended March 31, 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 the 2017 Annual Information Form 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", the 2017 Annual Information Form, including under the heading "Legal Proceedings and Regulatory Actions" therein, and note 30 to the 2017 Annual Financial Statements.

The AMF Investigation and Foreign Payments Matter

For information regarding the previously reported AMF investigation and related matters and foreign payments matter, see below and the 2017 Annual Information Form, including under the headings "Legal Proceedings and Regulatory Actions—AMF Investigation and Related Matters", "Legal Proceedings and Regulatory Actions—Foreign Payments Matter" and "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, prospects, operating results and financial condition".

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

For information regarding the previously reported class action lawsuits, see the 2017 Annual Information Form.

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.

Changes to Internal Control Over Financial Reporting

There has been no change in the Corporation’s ICFR that occurred during the three months ended March 31, 2018 that has materially affected, or is reasonably likely to materially affect, the Corporation’s ICFR.

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.

For the three months ended March 31, 2018, the Corporation limited its design of DC&P and ICFR to exclude controls, polices and procedures of CrownBet, which is a business that a subsidiary of the Corporation acquired a 62% equity interest in not more than 365 days before the end of the first quarter of 2018. See “Overview and Outlook – Recent Corporate Developments” for additional information. CrownBet’s revenues, net earnings, total assets and total liabilities that are included in the Corporation’s unaudited interim consolidated financial statements but that were excluded from management’s assessment represent 2.8%, -3.1%, 0.1% and 0.2% respectively, of the unaudited interim consolidated financial statement amounts as of and for the three months ended March 31, 2018.

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 Q1 2018 Financial Statements, the 2017 Annual Reports, particularly under the heading “Risk Factors and Uncertainties” in the 2017 Annual Information Form, 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 Q1 2018 Financial Statements, the 2017 Annual Reports 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
May 10, 2018

(Signed) *"Brian Kyle"*

____
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 ***March 31, 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: N/A***

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 ***January 1, 2018*** and ended on ***March 31, 2018*** that has materially affected, or is reasonably likely to materially affect, the issuer's ICFR.

Date: May 10, 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 ***March 31, 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: N/A***

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 ***January 1, 2018*** and ended on ***March 31, 2018*** that has materially affected, or is reasonably likely to materially affect, the issuer's ICFR.

Date: May 10, 2018

/s/ Brian Kyle
Brian Kyle
Chief Financial Officer