



Fourth Quarter and Full Year 2017 Earnings Presentation

March 14, 2018



CAUTIONARY NOTE REGARDING FORWARD LOOKING STATEMENTS



This presentation 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. 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 and 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 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 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 and market its products and services, including difficulties or delays in the same; significant barriers to entry; competition and the competitive environment within The Stars Group’s addressable markets and industries; impact of inability to complete future acquisitions or to integrate businesses successfully; risks associated with advancements in technology, including artificial intelligence; ability to develop and enhance existing products and services and new commercially viable products and services; 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 products or services; 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 gaming products and services, including, without limitation, as it relates to payment processing; ability to obtain additional financing on reasonable terms or at all; refinancing risks; customer and operator preferences and changes in the economy; dependency on customers’ acceptance of its products and services; 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 (“2017 Annual Information Form”), including under the heading “Risk Factors and Uncertainties”, and in management’s discussion and analysis for the year ended December 31, 2017 (the “2017 Annual 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 presentation references non-IFRS and non-U.S. GAAP financial measures, including Quarterly Net Yield (“QNY”), Adjusted EBITDA, Adjusted Cash Flow from Operations, Unlevered Free Cash Flow, Free Cash Flow, 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 presentation:

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, and which The Stars Group first introduced for the quarter ended June 30, 2017.

Unlevered Free Cash Flow means Adjusted Cash Flow from Operations less capital expenditures from continuing operations and is presented in the Appendix.

Free Cash Flow means Unlevered Free Cash Flow less interest expense and required principal repayments for the acquisition of Stars Interactive Group in August 2014, and is presented in the Appendix.

Reconciliations of Adjusted EBITDA, Adjusted Cash Flow from Operations, Unlevered Free Cash Flow, Free Cash Flow, Adjusted Net Earnings, Adjusted Net Earnings per Diluted Share, and the numerator of QNY, to the nearest IFRS measures are provided in the Appendix.

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 9 to The Stars Group’s audited annual consolidated financial statements for the year ended December 31, 2017 (the “2017 Annual Financial Statements”). For the three months and year ended December 31, 2017, Diluted Shares equaled 206,807,485 and 203,707,589, respectively. For the purposes of the full year 2018 financial guidance provided in this presentation, Diluted Shares now 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.

NON-IFRS AND NON-U.S. GAAP MEASURES (CONT.)



To calculate revenue on a constant currency basis, The Stars Group translated revenue for the three months and year ended December 31, 2017 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.

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 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 the 2017 Annual 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.

For additional information on The Stars Group's key metrics and other data, see the 2017 Annual MD&A, including under the headings "Limitations of Key Metrics and Other Data" and "Key Metrics".

Currency

Unless otherwise noted, all references to "\$", "US\$" and "USD" are to the U.S. dollar, "€" or "EUR" are the Euro, "AUD" or "A\$" are to the Australian dollar and "C\$" are to the Canadian dollar.

SPEAKERS



Rafi Ashkenazi
Chief Executive Officer



Brian Kyle
Chief Financial Officer



Marlon Goldstein
Chief Legal Officer



Robin Chhabra
Chief Corporate Development Officer

2017 – A TRANSFORMATIVE YEAR



- **Achieved** record revenues
- **Introduced** successful Stars Rewards program
- **Strengthened** the balance sheet
- **Enhanced** leadership through Board and senior management additions
- **Rebranded** as The Stars Group



RECORD RESULTS



Full Year 2017

- Total revenues increased by 14%.
- Poker revenues increased by 4% and represented 67% of total revenues.
- Casino and Sportsbook revenues increased by 45% and represented 29% of total revenues.



Fourth Quarter 2017

- Total revenues increased by 16%.
- Poker revenues increased by 8% and represented 65% of total revenues.
- Casino and Sportsbook revenues increased by 40% and represented 31% of total revenues.

A SUCCESSFUL STRATEGY IN 2017 AND BEYOND



- **Capitalize** on our dominant Poker position
- **Cross-Sell** to Casino & Sportsbook
- **Innovate** and **Improve** our product offerings
- **Invest** in our marketing
- **Explore** new geographies



Positioned to become the world's favourite iGaming destination



Brian Kyle
Chief Financial Officer

A HIGH-VALUE STRATEGY

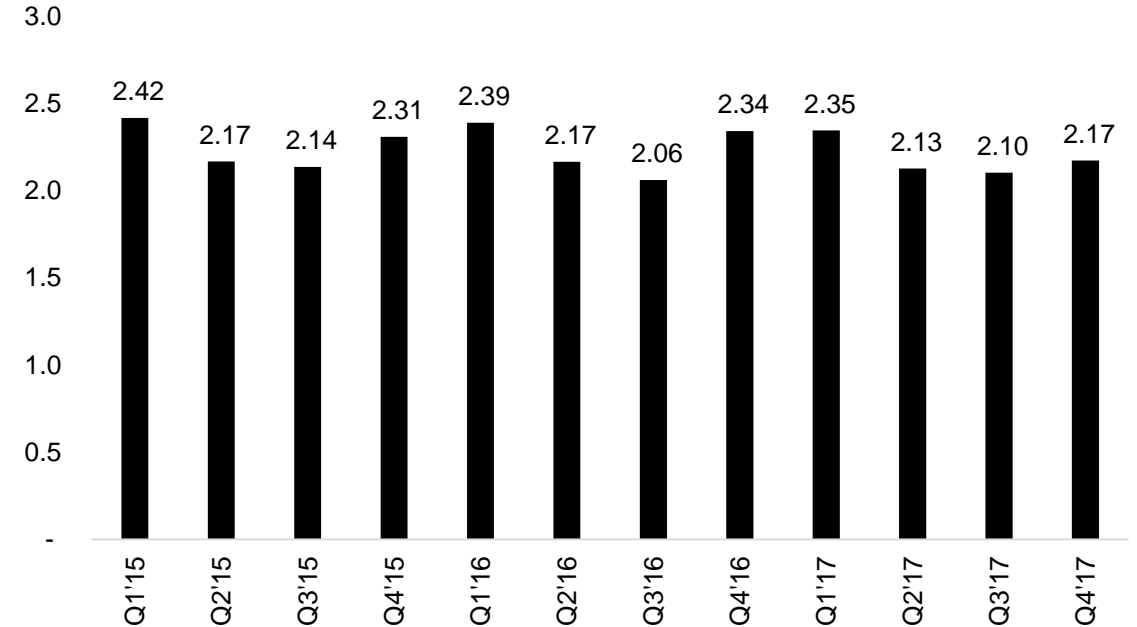


Quarterly Net Yield
(USD)



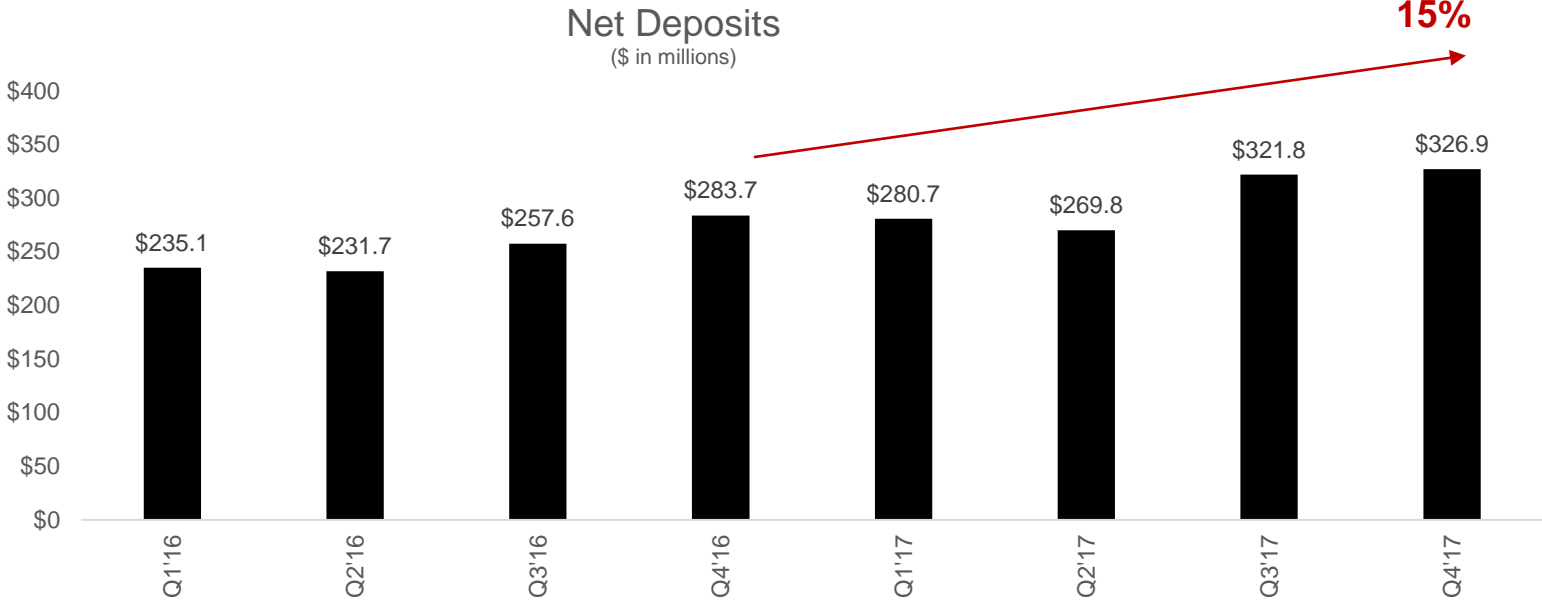
- Yield increase driven by strategic focus on high-value customers in marketing, promotion and customer loyalty program
- Strategy expected to deliver more sustainable and healthy ecosystem for the long term

Quarterly Active Uniques
(in millions)



- QAU decline primarily from withdrawal from certain markets, including Australia and Columbia
- Decline also in lower-value unique customers resulting from strategic focus on high-value customers

NET DEPOSITS GROW 15%



Implementation of Stars Rewards loyalty program; **focus** on high value customers; and continued **growth** of casino and sportsbook product offerings

REVENUE HIGHLIGHTS



(USD in millions)

	<u>Q4 2017</u>	<u>Q4 2016</u>	<u>% Change</u>	<u>2017</u>	<u>2016</u>	<u>% Change</u>
Revenue	\$360.2	\$310.3	16%	\$1,312.3	\$1,155.2	14%
Poker Revenue	\$234.4	\$217.2	8%	\$877.3	\$846.1	4%
<i>% of total</i>	65.1%	70.0%		66.9%	73.2%	
Casino & Sportsbook Revenue	\$112.5	\$80.2	40%	\$384.0	\$264.1	45%
<i>% of total</i>	31.2%	25.8%		29.3%	22.9%	
Other Gaming Revenue	\$13.0	\$12.9	1%	\$50.3	\$45.0	12%
<i>% of total</i>	3.6%	4.2%		3.8%	3.9%	

- All verticals benefited significantly from the successful introduction of the Stars Rewards loyalty program in July 2017.
- Casino and Sportsbook revenues increased as a result of cross-selling, geographic expansion.
- The Stars Group's revenue base continues to diversify away from a reliance on Poker.

FINANCIAL HIGHLIGHTS (CONSTANT CURRENCY)

Constant Currency

(USD in millions)

	<u>Q4 2017</u>	<u>Q4 2016</u>	<u>% Change</u>	<u>2017</u>	<u>2016</u>	<u>% Change</u>
Revenue	\$337.5	\$310.3	9%	\$1,279.4	\$1,155.2	11%
Poker Revenue	\$221.3	\$217.2	2%	\$853.3	\$846.1	1%
Casino & Sportsbook Revenue	\$103.3	\$80.2	29%	\$375.6	\$264.1	42%
Other Gaming Revenue	\$12.9	\$12.9	0%	\$50.5	\$45.0	12%

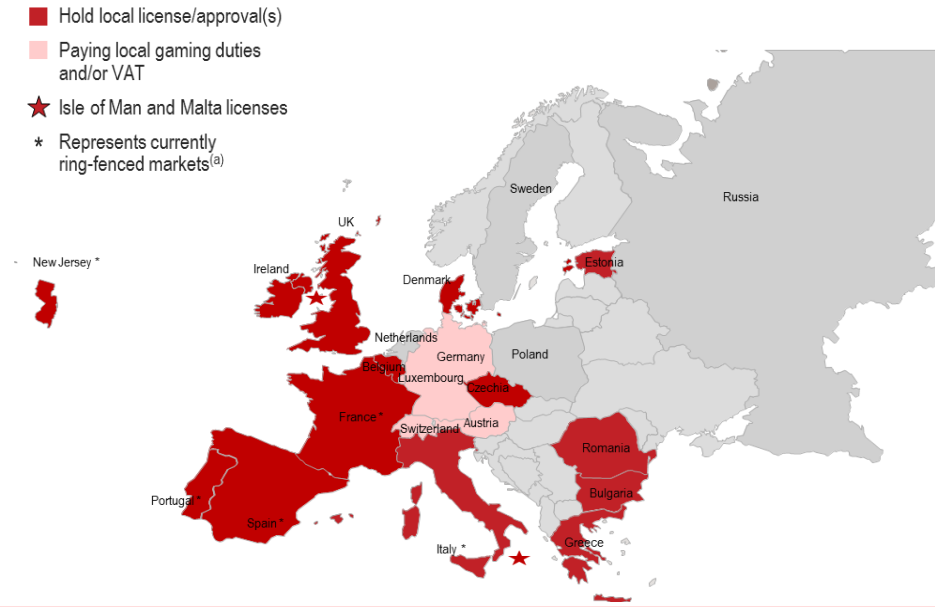
Note: To calculate revenue on a constant currency basis, The Stars Group translated revenue for the three months and year ended December 31, 2017 using the prior year's monthly exchange rates for its local currencies other than the U.S. dollar, which The Stars Group believes is a useful metric that facilitates comparison to its historical performance.

DIVERSIFICATION OF BUSINESS CONTINUES

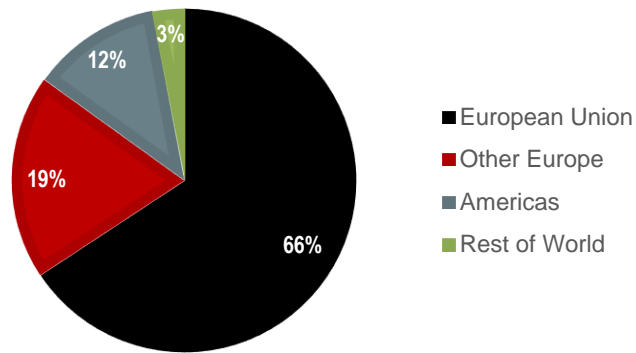


Q4 2017 GGR¹ Geographic Contributions

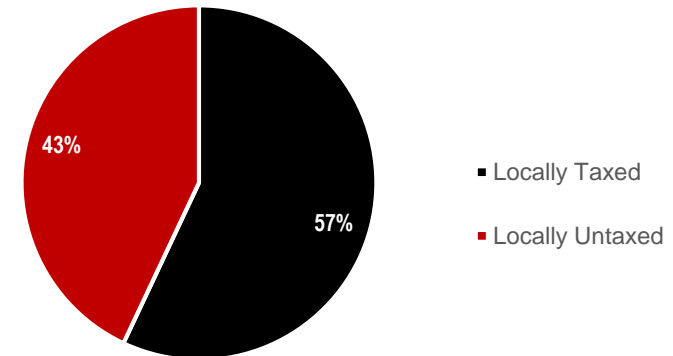
Country's Revenue as % of GGR	Number of Countries	Total % of GGR
5-12%	6	52%
2-5%	6	19%
1-2%	10	15%
0-1%	100+	14%



Q4 2017 Geographic Revenue Breakdown

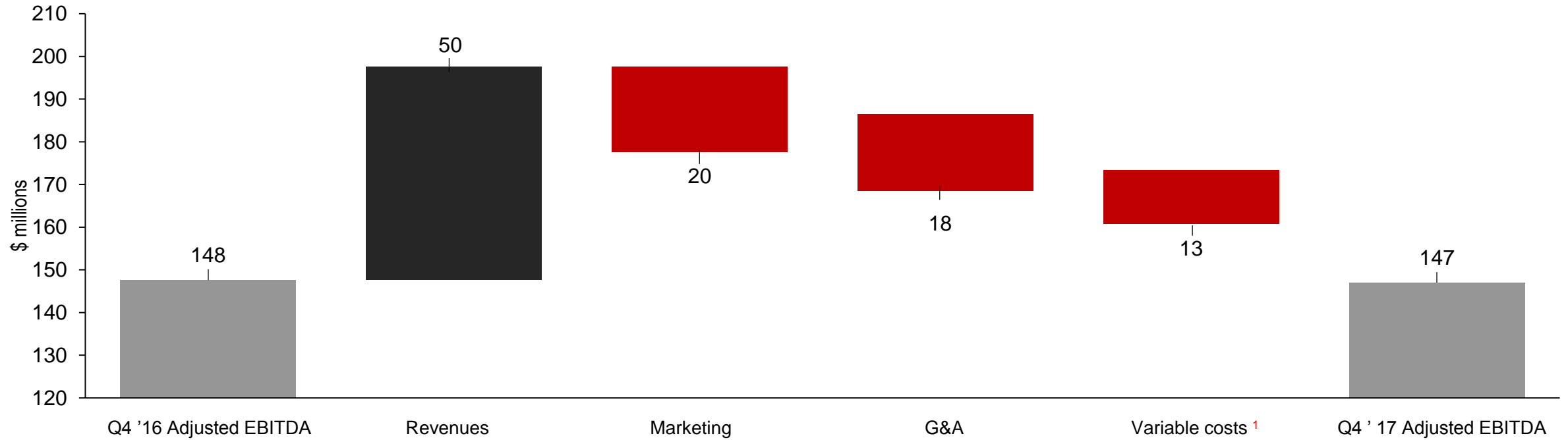


GGR Local Taxation Breakdown



1. Gross Gaming Revenue ("GGR") is the rake or fees charged to customers through The Stars Group's real-money online poker product offerings plus the customer bets placed through The Stars Group's real-money online casino and sportsbook product offerings minus the customer winnings, before offsets to revenue including customer loyalty program costs, bonuses and promotions, tournament overlays, and value added taxes in some jurisdictions.

ADJUSTED EBITDA Q4 '17



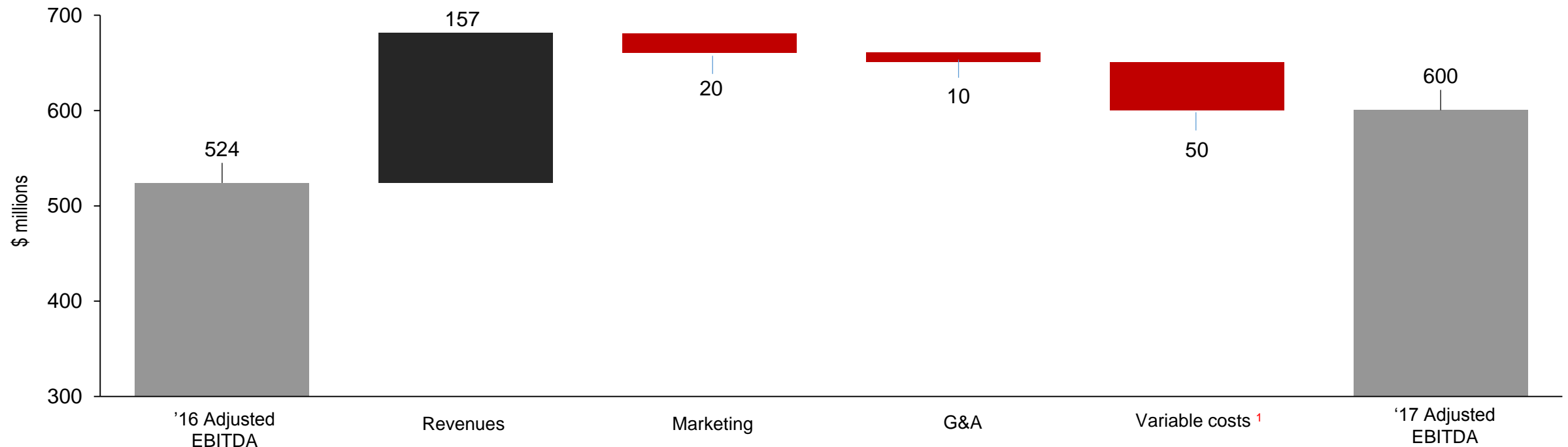
Adjusted EBITDA

- Strong growth in revenues, positively benefiting from foreign exchange of \$25.7 million, notwithstanding cessation of operations in Australia and Colombia and the difficult operating conditions in the Czech Republic and Poland
- Incremental increase in poker and sportsbook marketing to drive growth in 2018 and beyond
- Increase in G&A expenses primarily due to geographic, product and infrastructure growth initiatives
- Increase in variable costs as a result of growth in revenues

Adjusted EBITDA margin of 41% declined from 48% in the prior year period, as expected

¹ Variable costs include gaming duty, royalties and processor costs

ADJUSTED EBITDA FULL YEAR '17



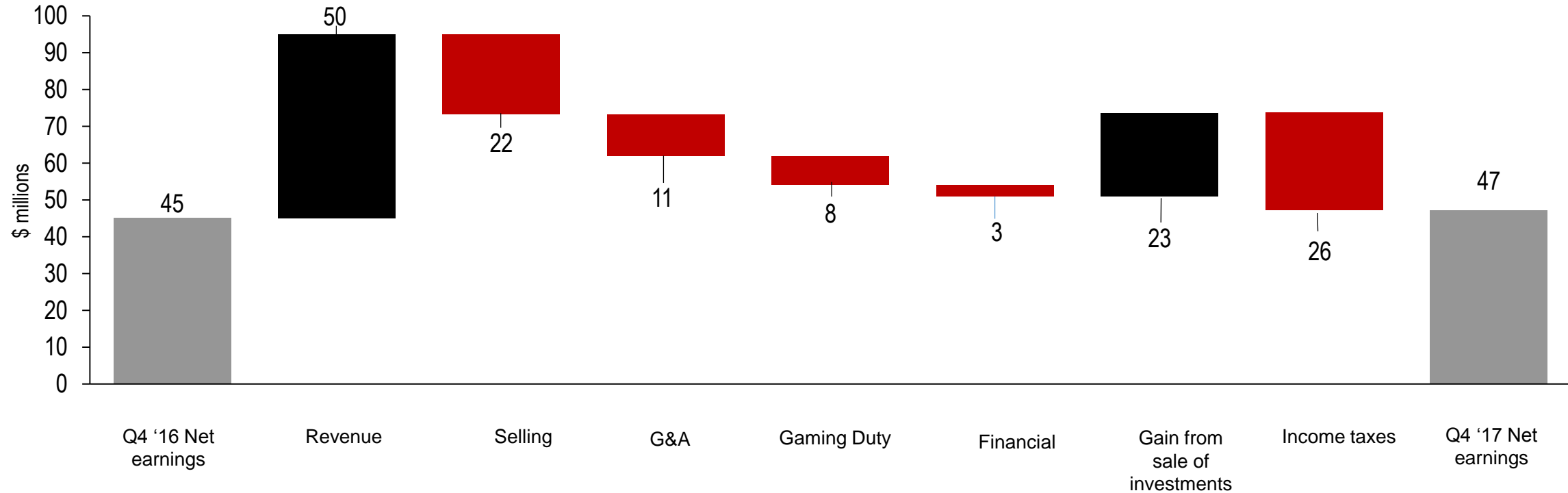
Adjusted EBITDA

- Strong growth in revenues, positively benefiting from foreign exchange of \$36 million, notwithstanding cessation of operations in Australia and Colombia and the difficult operating conditions in the Czech Republic and Poland
- Incremental increase in poker and sportsbook marketing to drive growth in 2018 and beyond
- Increase in G&A expenses primarily due to geographic, product and infrastructure growth initiatives
- Increase in variable costs as a result of growth in revenues

Adjusted EBITDA margin in line with the prior year

¹ Variable costs include gaming duty, royalties and processor costs

NET EARNINGS Q4 '17



Earnings Per Share Calculations

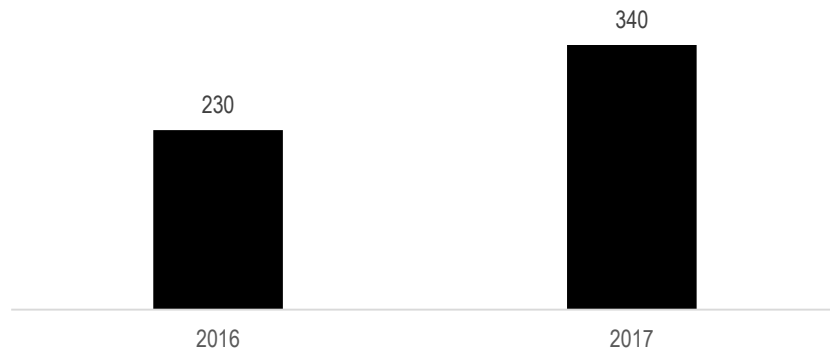
(\$ in millions, except for Diluted shares)

	Q4 '17	Q4 '16	FY '17	FY '16
Diluted net earnings per common share	\$0.23	\$0.23	\$1.27	\$0.70
Adjusted Net Earnings	\$112.0	\$107.0	\$458.9	\$366.7
Adjusted Net Earnings per Diluted Share	\$0.54	\$0.53	\$2.25	\$1.88
Diluted Shares	206,807,485	200,132,710	203,707,589	195,432,920

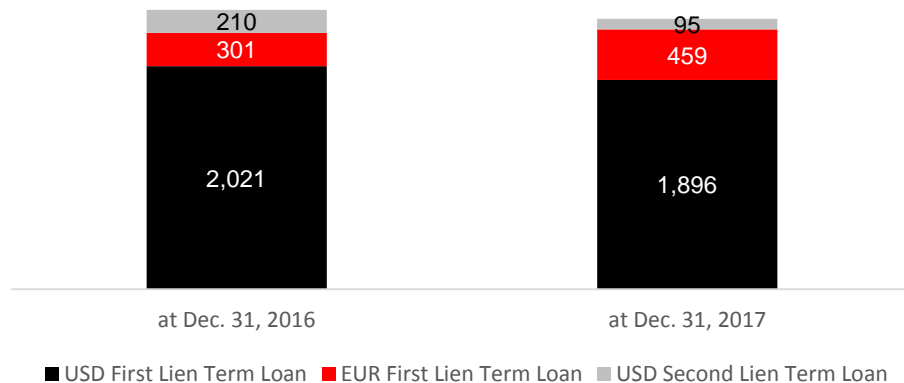
STRONG GROWTH IN FREE CASH FLOW



Free Cash Flow
(\$ millions)



Principal outstanding debt balance
(\$ millions)



- Completed the deferred payment obligation related to the August 2014 Stars Interactive Group acquisition
- Prepaid \$115 million of The Stars Group's high-cost second lien term loan
- Repriced and restructured first lien term loans reducing the applicable interest rate margin by 50 basis points
- Strengthened the balance sheet - \$283 million of operational cash on balance sheet as at Dec. 31, 2017
- Invested in marketing and other growth initiatives
- Long-term debt outstanding at Dec. 31, 2017 was \$2.45B (2016: \$2.53B)
- Weighted average interest rate of 4.7% (2016: 4.9%), comprised of:
 - \$1.85B USD First Lien Term Loan priced at LIBOR (floor of 1.00%) plus 3.50%, repayable Aug. 22, 2021
 - €378M EUR First Lien Term Loan priced at EURIBOR (no floor) plus 3.75%, repayable Aug. 22, 2021
 - \$95M USD Second Lien Term Loan priced at LIBOR (floor of 1.00%) plus 7.00%, repayable Aug. 1, 2022

OUTLOOK FOR 2018



2018 Guidance¹

Revenue (\$ Millions)	\$1,390 - \$1,470
Adjusted EBITDA (\$ Millions)	\$625 - \$650
Adjusted Net Earnings (\$ Millions)	\$487 - \$512
Adjusted Net Earnings per Diluted Share	\$2.33 - \$2.47

- Continued execution of core strategies drives consistent growth
- Robust growth driven by continued strength in Casino and Sportsbook
- Poker growth from continued focus on high-value customers and ecosystem enhancements
- Accelerated investments in growth initiatives, marketing and infrastructure expected to secure sustained growth momentum across the business
- Continued monitoring of regulatory environment

¹ Please refer to Appendix for Guidance assumptions



Rafi Ashkenazi
Chief Executive Officer

A DOMINANT POKER POSITION



Poker continues to serve as The Stars Group's primary customer acquisition channel

Opportunities



Shared Liquidity



Monitoring





POKERSTARS
PLAYERS
★★★★ NL HOLD'EM ★★★★★
CHAMPIONSHIP



POKERSTARS | **POWERUP**

X-Ray
Force all opponents to expose one hole card.

Disintegrate
Destroy a targeted board card dealt this street.

Intel
Reveal the deck's top card for the rest of the hand.

AN EMERGING FORCE IN CASINO



Rapid growth as a result of improving customer experience and focus on enhanced product offerings

- One of the **largest online casinos** as measured by active unique players
- Among the **top five** as measured by revenues when compared to public competitors

Internally Developed, Proprietary Titles



Millionaire's Island



Stars MegaSpin

SPORTSBOOK IS A MAJOR OPPORTUNITY



Developing into into an attractive secondary customer acquisition channel in advance of the 2018 World Cup

During the fourth quarter, BetStars:

- **Launched** digital marketing in key European geographies, with a focus on localization and local marketing activity
- **Obtained** the first sportsbook license for an international operator in the Czech Republic
- **Invested** in CRM personnel and execution
- **Introduced** a new European mobile app

ACQUISITIONS: KEY TAKEAWAYS



- Acquired majority control of CrownBet
 - One of Australia's fastest growing online sportsbooks
 - Strong management team, proprietary technology and mobile app
 - Unique partnerships with media and sporting bodies and market-leading loyalty program
- Agreed to acquire William Hill Australia
 - Expected to close in April 2018
 - Combined businesses expected to have a significant market share in world's 2nd largest regulated sports betting market
 - Further diversifies The Stars Group's business by product and geography while adding locally licensed revenues
 - Anticipate becoming the 3rd largest in market where scale is important to navigate potential regulatory and tax changes
 - Business to be led by CEO Matt Tripp and CrownBet management team

ACQUISITIONS: OVERVIEW



- Aggregate purchase price of A\$560M for 80% of combined CrownBet/William Hill Australia entity, to be paid through combination of cash and stock
- Currently anticipate transactions to be accretive on Enterprise Value > Adjusted EBITDA basis at a combined valuation of approximately 12.1x unaudited 2017 Adjusted EBITDA of A\$57.5 million
- Potential earnout of up to A\$232M to management in 2020 subject to certain performance conditions, payable in cash and/or additional common shares at The Stars Group's discretion
- Anticipated gross cost synergies of approximately A\$50 million beginning in 2019, after a period of expected incremental integration and rebranding costs
- Anticipate such synergies and continued growth in CrownBet profits will exceed the potential impact from expected point of consumption taxes in Australia, along with the negative impact on revenues from the recent ban on credit betting in the market and typical migration loss related to brand consolidation
- To finance the cash portion of the purchase price for the transactions, The Stars Group obtained committed financing for incremental first lien term loans

Australia - Unaudited financial information

A\$ (m)	2016			2017		
	CrownBet	William Hill Australia	Combined	CrownBet	William Hill Australia	Combined
Revenue ¹	155	194	349	204	191	395
EBITDA	(13)	41	28	8	50	58

¹ Revenue is net of offsets such as free bets and loyalty program rewards, as well as applicable GST



Poker

Maintain dominance in poker and grow the category as a whole

- Investments in poker marketing, lobbying, infrastructure and growth initiatives to grow the game globally
- Shared liquidity
- Geographic expansion
- Introduce multiple new poker innovations
- Introduce Stars Rewards 2.0 and continue making changes to improve the health of the poker ecosystem



Casino

Achieve a leadership position in casino

- Improve user experience throughout customer lifecycle
- Continue accelerated integration of top tier third-party casino games and leverage new in house studio to introduce more proprietary games
- Introduce Stars Rewards 2.0 and continue implementation of VIP program
- Potential geographic expansion



Sportsbook

Develop sportsbook into a strong secondary customer acquisition channel

- Enhance mobile development capability and continue improving BetStars offering
- Measured sportsbook marketing, particularly for the World Cup
- Geographic expansion
- Potential M&A to accelerate strategy



Fourth Quarter and Full Year 2017 Earnings Presentation

March 14, 2018



APPENDIX



GUIDANCE ASSUMPTIONS



These unaudited expected results reflect The Stars Group's existing business and exclude the recently announced acquisition of a majority interest in CrownBet and the proposed acquisition of William Hill Australia.

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 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.

INCOME STATEMENT



(\$000's except per share figures)

	Q4 2017	Q4 2016	2017	2016
Revenues	\$360,247	\$310,286	\$1,312,315	\$1,155,247
Expenses				
Selling	\$67,251	\$45,505	\$192,709	\$162,785
General and administrative	\$162,857	\$151,552	\$571,258	\$585,123
Financial	\$39,713	\$36,565	\$163,039	\$138,299
Gaming duty	\$37,188	\$29,420	\$130,771	\$113,102
Acquisition-related costs	-	-	-	\$199
Total expenses	\$307,009	\$263,042	\$1,057,777	\$999,508
Gain (loss) from investments	\$20,288	(\$4,728)	\$34,524	(\$19,278)
Net (loss) earnings from associates	-	(\$21)	(\$2,569)	\$623
Gain on settlement of deferred consideration	-	\$2,466	-	\$2,466
Net earnings before income taxes	\$73,526	\$44,961	\$286,493	\$139,550
Income taxes expense (recovery)	\$26,352	(\$78)	\$27,208	\$4,000
Net earnings	\$47,174	\$45,039	\$259,285	\$135,550
Basic earnings per common share	\$0.32	\$0.31	\$1.77	\$0.96
Diluted earnings per common share	\$0.23	\$0.23	\$1.27	\$0.70

NON-IFRS RECONCILIATIONS



<i>(\$000's except per share figures)</i>	Q4 2017	Q4 2016	2017	2016
Net earnings	\$47,175	\$45,039	\$259,285	\$135,550
Financial expenses	\$39,713	\$36,565	\$163,039	\$138,299
Income taxes expense (recovery)	\$26,352	(\$78)	\$27,208	\$4,000
Depreciation of property and equipment	\$2,370	\$2,072	\$8,925	\$8,181
Amortization of intangible and deferred development costs	\$35,851	\$34,783	\$138,261	\$131,702
EBITDA	\$151,461	\$118,381	\$596,718	\$417,732
Stock-based compensation	\$2,708	\$1,893	\$10,622	\$10,289
Termination of employment agreements	\$1,677	\$3,643	\$5,842	\$15,008
Termination of affiliate agreements	—	\$1,099	\$407	\$4,485
Loss on disposal of assets	—	\$361	\$599	\$923
(Gain) Loss from investments	(\$20,288)	\$4,749	(\$34,524)	\$19,278
Acquisition-related costs	—	—	—	\$199
Gain on settlement of deferred consideration	—	(\$2,466)	—	(\$2,466)
Net loss (earnings) from associates and (reversal of) impairment of assets held for sale, associates and intangible assets	\$1,631	\$9,646	(\$4,230)	\$16,308
Other costs (see following slide)	\$9,813	\$10,298	\$24,872	\$42,337
Adjusted EBITDA	\$147,002	\$147,604	\$600,306	\$524,093
Current income tax expense	(\$1,224)	(\$2,570)	(\$7,914)	(\$8,384)
Depreciation and amortization (excluding amortization of purchase price allocation intangibles)	(\$7,145)	(\$5,779)	(\$22,885)	(\$18,138)
Interest (excluding interest accretion and non-refundable late payment fees related to the unpaid balance of the deferred purchase price)	(\$26,682)	(\$32,242)	(\$110,567)	(\$130,872)
Adjusted Net Earnings	\$111,951	\$107,013	\$458,940	\$366,699
Diluted shares	206,807,485	200,132,710	203,707,589	195,432,920
Adjusted Net Earnings per Diluted Share	\$0.54	\$0.53	\$2.25	\$1.88

OTHER COSTS RECONCILIATION



<i>(\$000's)</i>	Q4 2017	Q4 2016	YTD 2017	YTD 2016
Non-U.S. lobbying and legal expenses	\$787	\$765	\$3,409	\$3,065
U.S. lobbying and legal expenses	\$4,074	\$3,630	\$13,686	\$12,793
Strategic review professional fees	—	\$2,965	\$125	\$10,338
Retention bonuses	\$117	\$615	\$1,388	\$3,272
Non-recurring professional fees	\$2,263	\$1,188	\$4,431	\$6,020
AMF and other investigation professional fees (net of insurance proceeds)	\$2,544	\$1,018	\$6,432	\$5,509
Austria gaming duty	—	—	(\$5,000)	—
Office restructuring and legacy business unit shutdown costs	\$28	\$117	\$401	\$1,340
Other costs	\$9,813	\$10,298	\$24,872	\$42,337

CASH FLOWS



Adjusted Cash Flow from Continuing Operations

<i>(\$000's)</i>	Q4 2017	Q4 2016	2017	2016
Net cash inflows from operating activities	\$123,757	\$148,295	\$494,600	\$349,936
Customer Deposit Liability Movement	\$8,526	(\$5,489)	\$30,924	\$70,992
Adjusted Cash Flow from Operations	\$132,283	\$142,806	\$525,524	\$420,928

Free Cash Flow

<i>(\$000's)</i>	Q4 2017	Q4 2016	2017	2016
Net cash inflows from operating activities	\$123,757	\$148,295	\$494,600	\$349,936
Customer Deposit Liability Movement	\$8,526	(\$5,489)	\$30,924	\$70,992
Adjusted Cash Flow from Operations	\$132,283	\$142,806	\$525,524	\$420,928

Capex				
Additions in deferred development costs	(\$6,511)	(\$6,045)	(\$23,212)	(\$20,961)
Purchase of property and equipment	(\$5,490)	(\$1,541)	(\$10,997)	(\$6,806)
Acquired intangible assets	(\$409)	(\$1,046)	(\$1,893)	(\$7,669)
Total capex	(\$12,410)	(\$8,632)	(\$36,102)	(\$35,436)

Unlevered Free Cash Flow

Interest paid	(\$29,007)	(\$31,408)	(\$124,627)	(\$131,346)
Principal repayments	(\$6,012)	(\$5,897)	(\$24,913)	(\$23,791)
Free Cash Flow	\$84,854	\$96,869	\$339,882	\$230,355

FINANCIAL HIGHLIGHTS – OTHER



(USD in millions except per share data)

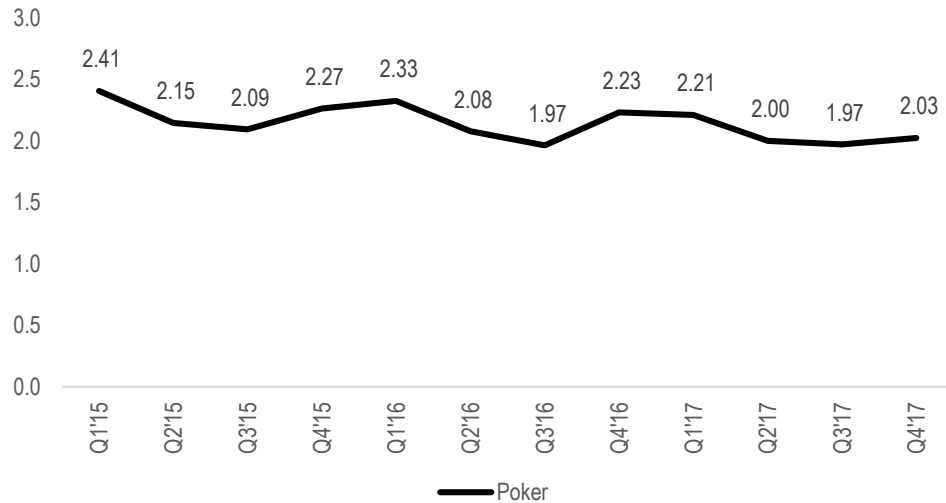
	Q4 2017	Q4 2016	% Change	2017	2016	% Change
Net earnings	\$47.2	\$45.0	5%	\$259.3	\$135.6	91%
Diluted earnings per common share	\$0.23	\$0.23	--	\$1.27	\$0.70	81%
Adjusted EBITDA	\$147.0	\$147.6	--	\$600.3	\$524.1	15%
<i>% margin</i>	<i>40.8%</i>	<i>47.6%</i>		<i>45.7%</i>	<i>45.4%</i>	
Adjusted Net Earnings	\$112.0	\$107.0	5%	\$458.9	\$366.7	25%
Adjusted Net Earnings per Diluted Share	\$0.54	\$0.53	2%	\$2.25	\$1.88	20%
Diluted Shares (millions)	206.8	200.1		203.7	195.4	



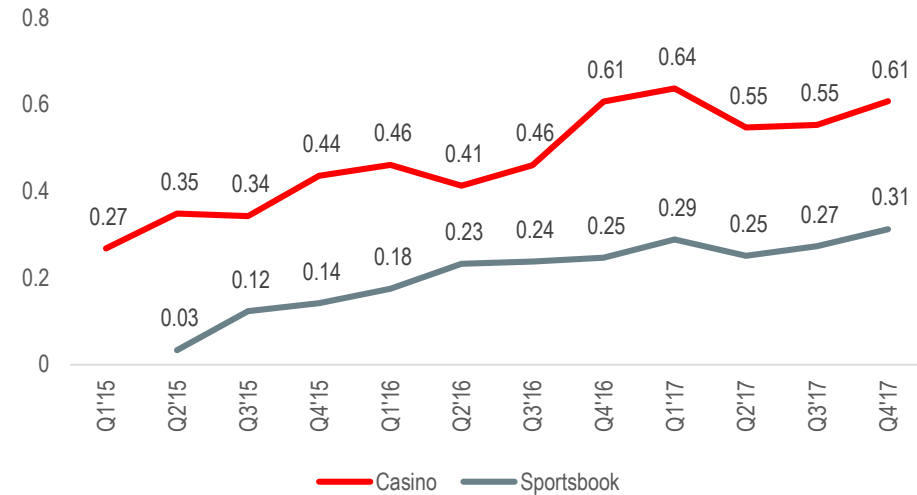
QAUs BY SEGMENT



Quarterly Active Uniques by Segment
(in millions)



Quarterly Active Uniques by Segment
(in millions)

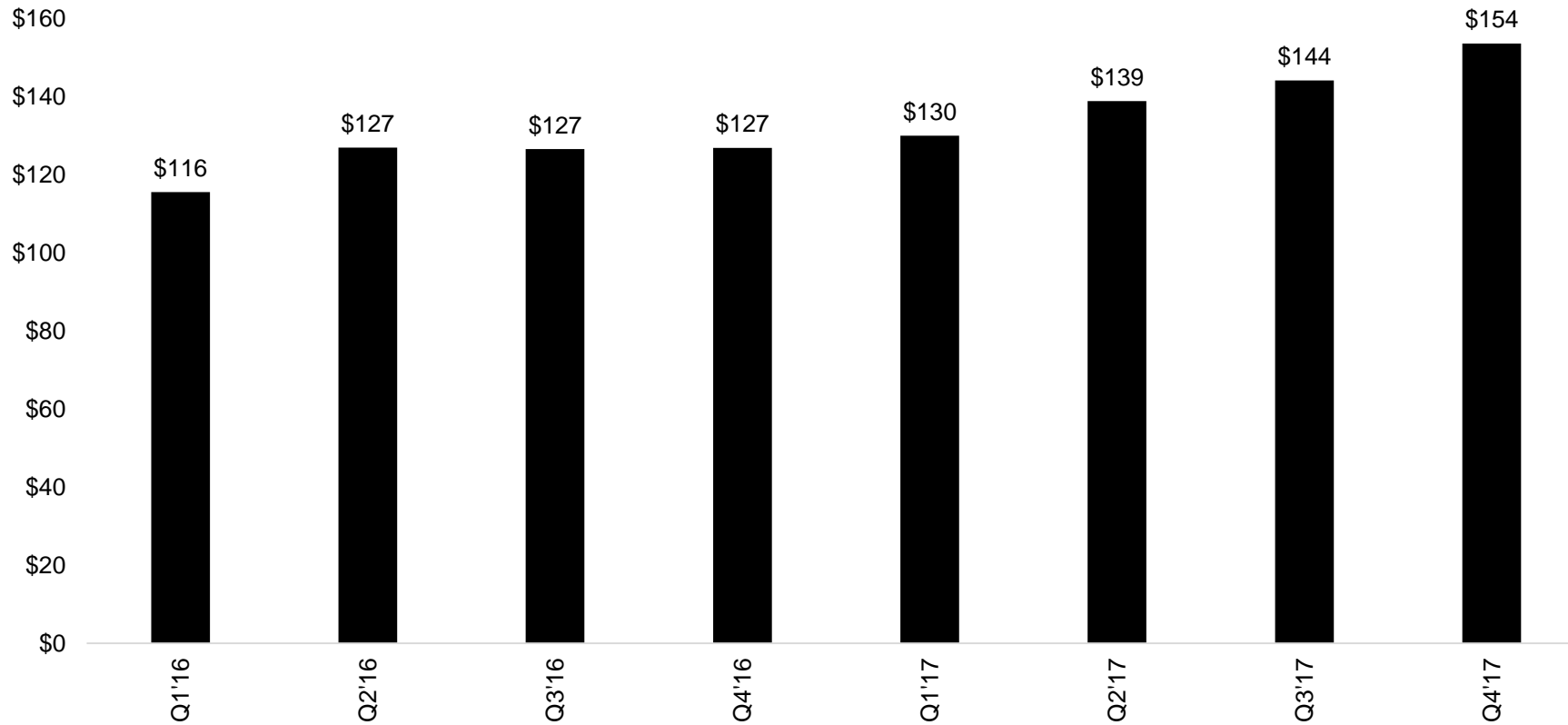


- **Poker:** Decline in QAUs playing poker related to similar factors as those affecting total QAUs
- **Casino:** Stable QAUs due to geographic expansion offsetting the factors driving overall QAU decline
- **Sportsbook:** Increased QAUs due to geographic expansion, organic growth, and direct acquisition of customers through BetStars brand

QNY – CONSTANT CURRENCY



Quarterly Net Yield - Constant Currency
(USD)



QNY NUMERATOR RECONCILIATION



<i>(\$ in millions)</i>	Sep 30, 2015	Dec 31, 2015	Mar 31, 2016	Jun 30, 2016	Sep 30, 2016	Dec 31, 2016	Mar 31, 2017	Jun 30, 2017	Sep 30, 2017	Dec 31, 2017
Revenue	\$247	\$293	\$289	\$286	\$271	\$310	\$317	\$305	\$329	\$360
Corporate	—	—	—	—	—	—	—	—	—	—
Other Gaming	(10)	(13)	(12)	(10)	(10)	(13)	(12)	(13)	(13)	(13)
Poker and Casino & Sportsbook	\$237	\$280	\$277	\$276	\$261	\$297	\$305	\$292	\$316	\$347



DILUTED SHARES OUTSTANDING



	Common Shares/ Common Shares Equivalent
Basic Common Shares Outstanding	148,270,626
<u>Securities Convertible into Common Shares</u>	
Common Share Purchase Warrants - weighted average exercise price of C\$19.17	4,000,000
Convertible Preferred shares*	58,763,272
Stock Options** – weighted average exercise price of C\$25.62	6,496,451
Restricted Share Units	146,034
Deferred Share Units	155,555
Performance Share Units	437,954
Fully Diluted Shares Outstanding	218,269,892

* There were 1,138,978 convertible preferred shares outstanding, each with an initial principal price per preferred share of C\$1,000 and convertible, at the holder's option, initially into approximately 41.67 common shares of the Corporation based on the conversion price of C\$24 per common share, in each case, subject to dilution adjustments and including a 6% annual accretion to the conversion ratio, compounded semi-annually. Calculation included herein is based on a conversion ratio of 51.59 as of March 12, 2018. For additional information regarding the convertible preferred shares, see the 2017 Annual Information Form.

** 4,138,728 options are exercisable with weighted average exercise price of C\$25.53