Condensed Consolidated
Interim Financial Statements of

Timbercreek Senior Mortgage Investment Corporation

Three months ended March 31, 2016 and 2015

Timbercreek
Senior Mortgage Investment Corporation

CONDENSED CONSOLIDATED INTERIM STATEMENTS OF FINANCIAL POSITION

(Unaudited)

		March 31, 2016		December 31, 2015
ASSETS				
Other assets (note 12 (b))	$	596,098	$	662,405
Mortgage investments, including mortgage syndications (note 6)		489,832,382		481,261,784
Total assets	**$**	**490,428,480**	**$**	**481,924,189**
LIABILITIES AND EQUITY				
Accounts payable and accrued expenses	$	586,309	$	496,292
Dividends payable (note 8(b))		1,572,558		1,572,558
Due to Manager (note 12(a))		42,133		40,848
Mortgage funding holdbacks		265,708		250,000
Prepaid mortgage interest		129,534		232,673
Credit facility (note 7)		175,056,333		164,096,651
Mortgage syndication liabilities (note 6(b))		24,688,204		27,107,802
Total liabilities		**202,340,779**		**193,796,824**
Shareholders' equity		**288,087,701**		**288,127,365**
Total liabilities and equity	**$**	**490,428,480**	**$**	**481,924,189**
Commitments and contingencies (notes 6 and 14)				
Subsequent events (notes 2,8(b) and 12(e))				

See accompanying notes to the condensed consolidated interim financial statements.

CONDENSED CONSOLIDATED INTERIM STATEMENTS OF NET INCOME AND COMPREHENSIVE INCOME

(Unaudited)

	Three months ended March 31, 2016	2015
Interest income:		
Interest, including mortgage syndications	$ 7,153,583	$ 7,321,066
Fees and other income, including mortgage syndications	571,785	613,250
Gross interest income	7,725,368	7,934,316
Interest and fees expense on mortgage syndications (note 6(b))	(314,932)	(634,016)
Net interest income	7,410,436	7,300,300
Expenses:		
Management fees (note 10)	1,103,444	1,065,904
General and administrative	247,455	223,289
Total expenses	1,350,899	1,289,193
Income from operations	6,059,537	6,011,107
Financing costs:		
Interest on credit facility (note 7)	1,381,528	1,365,513
Total financing costs	1,381,528	1,365,513
Net income and comprehensive income	**$ 4,678,009**	**$ 4,645,594**
Earnings per share (note 11)		
Basic and diluted	**$ 0.15**	**$ 0.15**

See accompanying notes to the condensed consolidated interim financial statements.

CONDENSED CONSOLIDATED INTERIM STATEMENTS OF CHANGES IN SHAREHOLDERS' EQUITY

(Unaudited)

Three months ended March 31, 2016	Common Shares	Retained Earnings	Total
Shareholders' equity, beginning of period	$ 287,931,315	$ 196,050	$ 288,127,365
Dividends	–	(4,717,673)	(4,717,673)
Issuance of common shares under dividend reinvestment plan	295,619	–	295,619
Repurchase of common shares under dividend reinvestment plan	(295,619)	–	(295,619)
Net income and comprehensive income	–	4,678,009	4,678,009
Shareholders' equity, end of period	**$ 287,931,315**	**$ 156,386**	**288,087,701**

Three months ended March 31, 2015	Common Shares	Retained Earnings	Total
Shareholders' equity, beginning of period	$ 288,731,412	$ (186,873)	$ 288,544,539
Dividends	–	(4,733,493)	(4,733,493)
Issuance of common shares under dividend reinvestment plan	289,630	–	289,630
Repurchase of common shares under dividend reinvestment plan	(289,630)	–	(289,630)
Net income and comprehensive income	–	4,645,594	4,645,594
Shareholders' equity, end of period	**$ 288,731,412**	**$ (274,772)**	**$ 288,456,640**

See accompanying notes to the condensed consolidated interim financial statements.

CONDENSED CONSOLIDATED INTERIM STATEMENTS OF CASH FLOWS

(Unaudited)

	Three months ended March 31, 2016	2015
OPERATING ACTIVITIES		
Net income and comprehensive income	$ 4,678,009	$ 4,645,594
Amortization of lender fees	(468,401)	(586,587)
Lender fees received	329,541	743,124
Financing costs	1,381,528	1,365,513
Change in non-cash operating items:		
Interest receivable	(451,391)	(380,613)
Other assets	65,956	(544,483)
Accounts payable and accrued expenses	109,615	234,540
Due to Manager	1,285	(7,347)
Prepaid mortgage interest	(103,139)	479,629
Mortgage funding holdbacks	15,708	453
	5,558,711	**5,949,823**
FINANCING ACTIVITIES		
Advances from (repayments of) credit facility, net	10,798,220	35,524,001
Interest paid	(1,239,312)	(1,418,787)
Dividends paid	(4,717,673)	(4,733,493)
	4,841,235	**29,371,721**
INVESTING ACTIVITIES		
Fundings of mortgage investments, net of mortgage syndications	(40,676,657)	(86,779,444)
Discharges of mortgage investments, net of mortgage syndications	30,276,711	53,092,100
	(10,399,946)	**(33,687,344)**
Increase in cash and cash equivalents	–	1,634,200
Cash and cash equivalents, beginning of period	–	–
Cash and cash equivalents, end of period	**$ –**	**$ 1,634,200**

See accompanying notes to the condensed consolidated interim financial statements.

1. CORPORATE INFORMATION

Timbercreek Senior Mortgage Investment Corporation (the "Company") is a mortgage investment corporation domiciled in Canada. The registered office of the Company is 25 Price Street, Toronto, Ontario M4W 1Z1. The Company is incorporated under the Canada Business Corporations Act by articles of incorporation dated December 1, 2011. The common shares of the Company are traded on the Toronto Stock Exchange ("TSX") under the symbol "MTG".

The investment objective of the Company is, with a primary focus on capital preservation, to acquire and maintain a diversified portfolio of mortgage investments that generate income allowing the Company to pay monthly dividends to shareholders.

The Company has entered into a management agreement with Timbercreek Asset Management Inc. (the "Manager") dated September 13, 2013. The Manager is responsible for the day-to-day operations and providing all general management, mortgage servicing and administrative services to the Company.

2. PROPOSED PLAN OF ARRANGEMENT (THE "ARRANGEMENT")

On May 5, 2016, the Company, Timbercreek Mortgage Investment Corporation ("TMIC"), and the Manager entered into the Arrangement, pursuant to which the parties agreed that, subject to the terms and conditions set forth in the Arrangement, the Company and TMIC will amalgamate to form a single entity, to be named Timbercreek Financial Corp. ("TFC") with each of the Company's shareholders receiving 1.035 TFC shares for each share held and each TMIC Shareholder receiving one TFC share for each TMIC share held.

Under the Arrangement, the Company has agreed to, among other things, call a special meeting of shareholders to seek the approval of the Company's shareholders of the transaction. Specifically, shareholders will be asked to consider, and if thought fit, to pass the following:

(i) a resolution to approve the continuance of the Company as an Ontario corporation, bringing the entity into the same corporate jurisdiction as TMIC.

(ii) a resolution to approve the combination of the Company and TMIC by way of a Plan of Arrangement; and

(iii) a resolution to approve the termination of the Company's Management Agreement and the entering into of a new management agreement between TFC and the Manager.

TMIC has also agreed to, among other things, call a special meeting of shareholders (the "Meeting"). At the Meeting, TMIC's shareholders will be asked to consider, and if thought fit, to pass the following resolutions:

(i) a resolution to approve the combination of TMIC and the Company by way of an Arrangement; and

(ii) a resolution to approve the contribution and termination of the TMIC Management Agreement and the entering into of a new management agreement between TFC and the Manager. The new management agreement would result in a reduction of the management fee payable by TMIC, the elimination of the performance fee, and would also provide for a one-time termination fee reflective of the elimination of the performance fee.

In connection with the Arrangement, TFC will enter into a new credit facility effective immediately following the effective date. Under the terms of the new credit facility, TFC will be permitted to borrow up to $350 million on a revolving basis, subject to its borrowing base as set out in the new agreement. The term of the new credit facility will mature on May 6, 2018 and will be secured by a general security agreement over TFC's assets.

Both special meetings will be held in conjunction with the annual general meeting of each company. If such resolutions are approved by both the Company's shareholders and TMIC's shareholders, the companies will jointly apply to the Ontario Superior Court of Justice for the final order approving the Arrangement. If successful, it is anticipated that the Arrangement will be approved by June 2016.

3. BASIS OF PREPARATION

(a) Statement of compliance

These condensed consolidated interim financial statements of the Company have been prepared by management in accordance with International Accounting Standard ("IAS") 34*, Interim Financial Reporting*. The presentation of these condensed consolidated interim financial statements is based on accounting policies and practices in accordance with International Financial Reporting Standards ("IFRS"). These accompanying condensed consolidated interim financial statements should be read in conjunction with the notes to the Company's consolidated financial statements for the years ended December 31, 2015 and 2014, since these condensed consolidated interim financial statements do not contain all disclosures required by IFRS for annual financial statements. These condensed consolidated interim financial statements reflect all normal and recurring adjustments which are in the opinion of management, necessary for a fair presentation of the respective interim periods presented.

The condensed consolidated interim financial statements were approved by the Board of Directors on May 13, 2016.

(b) Principles of consolidation

These condensed consolidated interim financial statements include the accounts of the Company and a wholly owned subsidiary of the Company, Timbercreek Senior Mortgage Trust (the "Trust"). All intercompany transactions and balances are eliminated upon consolidation.

4. SIGNIFICANT ACCOUNTING POLICIES

The accounting policies applied by the Company in these condensed consolidated interim financial statements are the same as those applied by the Company in its consolidated financial statements for the year ended December 31, 2015 and 2014, which were prepared in accordance with IFRS.

5. CRITICAL ACCOUNTING ESTIMATES, ASSUMPTIONS AND JUDGMENTS

The preparation of these condensed consolidated interim financial statements in accordance with IAS 34 requires the use of certain critical accounting estimates. It also requires management to exercise judgment in applying the Company's accounting policies and the reported amounts of assets, liabilities, income and expenses. There have been no changes in the critical accounting estimates and judgments which were set out in detail in note 2 of the Company's consolidated financial statements for the year ended December 31, 2015 and 2014.

6. MORTGAGE INVESTMENTS, INCLUDING MORTGAGE SYNDICATIONS

March 31, 2016	Gross mortgage investments	Mortgage syndication liabilities	Net
Mortgage investments, including mortgage syndications (notes 6(a) and (b))	$ 487,727,307	$ (24,723,415)	$ 463,003,892
Interest receivable	4,240,314	(104,535)	4,135,779
	491,967,621	(24,827,950)	467,139,671
Unamortized lender fees	(1,960,239)	139,746	(1,820,493)
Allowance for mortgage investments loss (note 6(c))	(175,000)	–	(175,000)
	$ 489,832,382	**$ (24,688,204)**	**$ 465,144,178**

December 31, 2015	Gross mortgage investments	Mortgage syndication liabilities	Net
Mortgage investments, including mortgage syndications (notes 6(a) and (b))	$ 479,781,320	$ (27,177,373)	$ 452,603,947
Interest receivable	3,784,574	(100,186)	3,684,388
	483,565,894	(27,277,559)	456,288,335
Unamortized lender fees	(2,129,110)	169,757	(1,959,353)
Allowance for mortgage investments loss (note 6(c))	(175,000)	–	(175,000)
	$ 481,261,784	**$ (27,107,802)**	**$ 454,153,982**

As at March 31, 2016, unadvanced mortgage commitments under the existing gross mortgage investments amounted to $94,242,789 (December 31, 2015 – $102,181,625).

(a) Net mortgage investments

As at March 31, 2016, the net mortgage investments are secured by a first priority charge, bearing interest at a weighted average interest rate of 6.0% (December 31, 2015 – 6.1%) and mature between 2016 and 2021 (December 31, 2015 – 2016 and 2021).

A majority of the mortgage investments contain a prepayment option, whereby the borrower may repay the principal at any time prior to maturity without penalty or yield maintenance.

For the three months ended March 31, 2016 ("Q1 2016"), the Company received total lender fees, net of fees relating to mortgage syndication liabilities, of $329,541 (three months ended March 31, 2015 ("Q1 2015") – $743,124), respectively, which are amortized to interest income over the term of the related mortgage investments using the effective interest rate method.

Principal repayments, net of mortgage syndications, based on contractual maturity dates are as follows:

2016, balance of year	$	170,078,363
2017		215,916,253
2018		24,894,907
2019		9,238,464
2020		15,875,905
2021		27,000,000
Total	**$**	**463,003,892**

(b) Mortgage syndication liabilities

The Company has entered into certain mortgage participation agreements with mainly third party lenders, using senior and subordinated participation, whereby the third party lenders take the senior position and the Company retains the subordinated position, all of which is secured by first mortgage positions. The Company generally retains an option to repurchase the senior position, but not the obligation, at a purchase price equal to the outstanding principal amount of the lender's proportionate share together with all accrued interest. Under certain participation agreements, the Company has retained a residual portion of the credit and/or default risk as it is holding the residual interest in the mortgage investment and therefore has not met the de-recognition criteria. As a result, the lender's portion of the mortgage is recorded as a mortgage investment with the transferred position recorded as a non-recourse mortgage syndication liability. The interest and fees earned on the transferred participation interests and the related interest expense is recognized in profit and loss. In addition, the Company may sell pari-pasu interests in certain mortgage investments which meet the criteria for de-recognition under IFRS. The difference between the carrying value of such interest sold and the proceeds on sale are recognized as a gain or loss in profit and loss.

As at March 31, 2016, the carrying value of the transferred assets in gross mortgage investments, including related interest receivable and unearned lender fees, and corresponding mortgage syndication liabilities is $24,688,204 (December 31, 2015 – $27,107,802). For Q1 2016, the Company has also recognized interest income of $285,701 (Q1 2015 – $612,572) and fee income of $29,231 (Q1 2015 – $21,444) and a corresponding interest and fee expense of $314,932 (Q1 2015 – $634,016) in the statements of net income and comprehensive income. The fair value of the transferred assets and non-recourse mortgage syndicated liabilities approximate their carrying values (see note 13).

(c) Allowance for mortgage investments loss

As at March 31, 2016, the Company has concluded that there is no objective evidence of impairment on any individual mortgage investment. At a collective level, the Company assesses for impairment to identify losses that have been incurred, but not yet identified, on an individual basis. As part of the Company's analysis, it has grouped mortgage investments with similar risk characteristics, including geographical exposure, collateral type, loan-to-value, counterparty and other relevant groupings and assesses them for impairment using statistical data. Based on the amounts determined by the analysis, the Company uses judgement to determine whether or not the actual future losses are expected to be greater or less than the amounts calculated.

As at March 31, 2016, the Company has a collective impairment allowance of $175,000 (March 31, 2015 – $175,000).

7. CREDIT FACILITY

		March 31, 2016		December 31, 2015
Credit facility balance	$	175,185,718	$	164,366,496
Unamortized financing costs		(129,385)		(269,845)
Total credit facility	**$**	**175,056,333**	**$**	**164,096,651**

The Company has a credit facility with a syndicate of lenders with an available limit of $190,000,000 (December 31, 2015 – $190,000,000) bearing interest at either the prime rate of interest plus 1% or bankers' acceptances ("BA") with a stamping fee of 2% of the face amount of such BA. The company's maximum credit facility limit is subject to its borrowing base as set out in the credit agreement. The leverage of the Company in aggregate cannot exceed 40% of the aggregate value of the assets of the Company at any time. The credit facility is secured by a general security agreement over the Company's assets. The credit facility matures on June 23, 2016. In conjunction with the Arrangement, TFC would enter into a new credit facility as outlined in note 2.

Interest on the credit facility is recorded in financing costs using the effective interest rate method. For Q1 2016, included in financing costs is interest on the credit facility of $1,241,068 (Q1 2015 – $1,222,777) and amortization of $140,460 (Q1 2015 – $142,736).

8. COMMON SHARES

The Company is authorized to issue an unlimited number of common shares. The holders of common shares are entitled to receive notice of and to attend and vote at all shareholder meetings. The holders of the common shares are entitled to receive dividends as and when declared by the Board of Directors.

The changes in the number of common shares were as follows:

	Three months ended March 31,	
	2016	2015
Balance outstanding, beginning of period	31,451,154	31,556,608
Repurchased under dividend reinvestment plan	(37,601)	(33,742)
Issued under dividend reinvestment plan	37,601	33,742
Balance outstanding, end of period	**31,451,154**	**31,556,608**

(a) Dividend reinvestment plan

The dividend reinvestment plan ("DRIP") provides eligible beneficial and registered holders of common shares of the Company with a means to reinvest dividends declared and payable on such common shares in additional common shares.

Under the DRIP, shareholders may enroll to have their cash dividends reinvested to purchase additional common shares. The Manager can elect to purchase common shares on the open market or issue common shares from treasury. During Q1 2016, 37,601 (Q1 2015 – 33,742) common shares were purchased on the open market under the DRIP.

(b) Dividends

The Company intends to pay dividends on a monthly basis within 15 days following the end of each month. During Q1 2016, the Board of Directors declared dividends of $4,717,673 or $0.15 per share (Q1 2015 – $4,733,493, or $0.15 per share). As at March 31, 2016, $1,572,558 (December 31, 2015 – $1,572,558) was payable to the holders of common shares. Subsequent to March 31, 2016, the Board of Directors declared a dividend of $0.05 per common share, payable on May 13, 2016 to holders of record on April 29, 2016.

(c) Normal course issuer bid

On January 4, 2016, the Company received TSX approval to reinstate a normal course issuer bid (the "Bid") to purchase for cancellation up to a maximum of 3,116,479 common shares, representing approximately 10% of the public float of common shares as of December 22, 2015. The Bid commenced on January 6, 2016 and provides the Company with the flexibility to repurchase common shares for cancellation until its expiration on January 5, 2017, or such earlier date as the Bid is complete. During Q1 2016, the Company did not acquire any common shares for cancellation.

9. NON-EXECUTIVE DIRECTOR DEFERRED SHARE UNIT PLAN

During Q1 2016, 5,898 (Q1 2015 – nil) deferred share units ("DSU") were issued and no DSUs were exercised or cancelled. As at March 31, 2016, total DSUs issued and outstanding were 23,455 resulting in total DSU liability of $191,624 based on a fair market value of $8.17 per common share. As at March 31, 2016, $39,358 (March 31, 2015 – $35,000) was in accrued expenses for DSUs relating to Q1 2016, which will be in issued subsequent to quarter-end.

10. MANAGEMENT FEES

The Manager is responsible for the day-to-day operations of the Company, including administration of the Company's mortgage investments. In accordance with the management agreement, the Company shall pay to the Manager a management fee equal to 0.85% per annum of the gross assets of the Company, calculated and paid monthly in arrears, plus applicable taxes. Gross assets are defined as the total assets of the Company before deducting any liabilities, less any amounts that are reflected as mortgage syndication liabilities related to syndicated mortgage investments that are held by third parties. The initial term of the management agreement is 10 years from September 13, 2013 and is automatically renewed for successive five year terms at the expiration of the initial term. During Q1 2016, the Company incurred management fees of $1,103,444 (Q1 2015 – $1,065,904).

11. EARNINGS PER SHARE

Basic and diluted earnings per share are calculated by dividing net income by the weighted average number of common shares outstanding during the period.

	Three months ended March 31,			
		2016		2015
Numerator for earnings per share:				
Net income and comprehensive income	$	4,678,009	$	4,645,594
Denominator for earnings per share:				
Weighted average number of common shares (basic and diluted)		31,451,154		31,556,608
Earnings per share – basic and diluted	$	0.15	$	0.15

12. RELATED PARTY TRANSACTIONS

(a) As at March 31, 2016, due to Manager includes $39,562 (December 31, 2015 – $31,958) relating to management fees payable and $2,571 (December 31, 2015 – $8,890) relating to costs incurred by the Manager on behalf of the Company.

(b) The Manager is responsible for the general management and day to day operations of the Company and, Timbercreek Mortgage Servicing Inc. ("TMSI"), a company controlled by the Manager, is the Company's mortgage servicer and administrator. As at March 31, 2016, included in other assets is $395,242 (December 31, 2015 – $482,673), of cash held in trust for the Company by TMSI, the balance of which related to mortgage funding holdbacks, prepaid mortgage interest and other receivables from various borrowers.

(c) As at March 31, 2016, the Company remains co-invested in a mortgage investment with a total gross commitment of $76,097,424 (December 31, 2015 – $76,097,424) where the president of one of the co-investors in the financing is also an independent director of the Company. The Company's share of the commitment is $48,594,072 (December 31, 2015 – $48,594,072), of which $35,886,649 (December 31, 2015 – $28,325,811) has been funded at March 31, 2016.

(d) As at March 31, 2016, the Company has a mortgage investment with a total gross commitment of $84,108,000 (December 31, 2015 – $84,108,000) where one independent director of the Company is an officer of an indirect investor in the borrower. Another independent director is an officer and a part-owner of another co-investor in the borrower. The Company's share of the commitment is $14,190,000 (December 31, 2015 – $14,190,000), of which $2,148,283 (December 31, 2015 – $1,611,196) has been funded as at March 31, 2016.

(e) As at March 31, 2016, the Company has co-invested in a mortgage investment with a total gross commitment of $55,000,000 (December 31, 2015 - $55,000,000), where one independent director of the Company holds a minority interest in the borrower. The Company's share of the commitment is $27,000,000 (December 31, 2015 - $27,000,000) and was fully advanced in 2015. Subsequent to the quarter-end, the Company received a partial repayment of $22,408,906 from the borrower.

(f) As at March 31, 2016, the Company has co-invested a mortgage investment with a total gross commitment of $6,000,000, where one independent director of the Company is an officer of an indirect investor in the borrower. The Company's share of the commitment is $5,100,000, of which $1,757,446 has been funded.

(g) In addition to the above related party transactions, the Company has transacted with other entities managed by the Manager, or one of its subsidiaries. As at March 31, 2016, the Company, TMIC, Timbercreek Four Quadrant Global Real Estate Partners ("T4Q") and Timbercreek Canadian Direct LP, related parties by virtue of common management, have co-invested in several gross mortgage investments, totalling $560,395,200 (December 31, 2015 – $570,341,211). During the three months ended March 31, 2016, the Company, along with its related parties, funded $47,929,852 in co-invested gross mortgage investments and received repayments of $60,283,069. As at March 31, 2016, the Company's share in these gross mortgage investments is $401,985,558 (December 31, 2015 – $401,757,519). Included in these amounts are two (December 31, 2015 – one) net mortgage investments of $14,736,308 (December 31, 2015 – $9,788,542) loaned to a limited partnerships in which T4Q is invested.

The above related party transactions are in the normal course of business and are recorded at the exchange amount, which is the amount of consideration established and agreed to by the related parties.

13. FAIR VALUES MEASUREMENTS

The following table shows the carrying amounts and fair values of assets and liabilities.

	Carrying Value		
March 31, 2016	Loans and receivables	Other financial liabilities	Fair value
Financial assets not measured at fair value			
Other assets	$ 596,098	$ –	$ 596,098
Mortgage investments, including mortgage syndications	489,832,382	–	489,832,382
Financial liabilities not measured at fair value			
Accounts payable and accrued expenses	–	586,309	586,309
Dividends payable	–	1,572,558	1,572,558
Due to Manager	–	42,133	42,133
Mortgage funding holdbacks	–	265,708	265,708
Prepaid mortgage interest	–	129,534	129,534
Credit facility	–	175,056,333	175,056,333
Mortgage syndication liabilities	–	24,688,204	24,688,204

The fair value hierarchy, valuation techniques and the inputs used for the Company's assets and liabilities are as follows:

(a) Mortgage investments and mortgage syndication liabilities

There is no quoted price in an active market for the mortgage investments or mortgage syndication liabilities. The Manager makes its determination of fair value based on its assessment of the current lending market for mortgage investments of same or similar terms. Typically, the fair value of these mortgage investments and mortgage syndication liabilities approximate their carrying values given the amounts consist of short-term loans that are repayable at the option of the borrower without yield maintenance or penalties. As a result, the fair value of mortgage investments is based on level 3 inputs.

(b) Other financial assets and liabilities

The fair values of other assets, accounts payable and accrued expenses, dividends payable, due to manager, mortgage funding holdbacks, prepaid mortgage interest and credit facility approximate their carrying amounts due to their short-term maturities.

There were no transfers between level 1, level 2 and level 3 of the fair value hierarchy during Q1 2016.

14. COMMITMENTS AND CONTINGENCIES

In the ordinary course of business activities, the Company may be contingently liable for litigation and claims arising from investing in mortgages and loans. Where required, management records adequate provisions in the accounts.

Although it is not possible to accurately estimate the extent of potential costs and losses, if any, management believes that the ultimate resolution of such contingencies would not have a material adverse effect on the Company’s financial position.