CEIBA INVESTMENTS Ltd

INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS (UNAUDITED)

For the Six-Month Period Ended 30 June 2022

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TABLE OF CONTENTS

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THIS DOCUMENT IS IMPORTANT AND REQUIRES YOUR IMMEDIATE ATTENTION.

If you are in any doubt about the action you should take, you are recommended to seek your own independent financial advice from your stockbroker, bank manager, solicitor, accountant or other financial adviser authorised under the Financial Services and Markets Act 2000 (as amended by the Financial Services Act 2012) if you are in the United Kingdom or, if not, from another appropriately authorised financial adviser. If you have sold or otherwise transferred all your Ordinary Shares in CEIBA Investments Limited, please forward this document, together with the accompanying documents immediately to the purchaser or transferee, or to the stockbroker, bank or agent through whom the sale or transfer was effected for transmission to the purchaser or transfer.

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GENERAL

CEIBA Investments Limited ("**CEIBA**" or the "**Company**") is a Guernsey-incorporated, closed-ended investment company, with registered number 30083. The Ordinary Shares of the Company are listed on the Specialist Fund Segment ("**SFS**") of the London Stock Exchange's Main Market under the symbol CBA (ISIN: GG00BFMDJH11). The Bonds are listed on The International Stock Exchange, Guernsey under the symbol CEIB1026 (ISIN: GG00BMV37C27). The Company is governed by a Board of Directors, the majority of whom are independent. Like many other investment companies, it outsources its investment management, administration and other services to third party providers. Through its consolidated subsidiaries (together with the Company, the "**Group**"), the Company invests in Cuban real estate and other assets by acquiring shares in Cuban joint venture companies or other entities that own the underlying properties. The Company also arranges and invests in financial instruments granted in favour of Cuban borrowers.

FINANCIAL HIGHLIGHTS AS AT 30 JUNE 2022 IN £ AND US$ (FOREX: £/US$ = 1.2143)

The Company's Net Asset Value ("**NAV**") and share price are quoted in Sterling (£) but the functional currency of the Company is the U.S. Dollar (US$). As such, the financial highlights of the Company set out below are being provided in both currencies, applying the applicable exchange rate as at 30 June 2022 of £1:US$1.2143. The Company has 137,671,576 shares in issue, as well as €25 million outstanding in 10.00% senior unsecured convertible bonds 2026.

USD	30 Jun 2022	31 Dec 2021	% Change
Equity attributable to the shareholders of the parent	$154.7	$160.3	(3.5)%
NAV per Share [1]	$1.12	$1.16	(3.5)%
	30 Jun 2022	30 Jun 2021	
Net Loss to shareholders (m)	($0.4)	($12.1)	
Loss per share	($0.003)	($0.088)	

GBP	30 Jun 2022	31 Dec 2021	% Change
Equity attributable to the shareholders of the parent	£127.4	£119.0	7.1%
NAV per Share (p) [1]	92.5	86.4	7.1%
Market Capitalisation (m)	£66.8	£88.1	(24.2)%
Share price (p)	48.5	64	(24.2)%
Discount [1]	(47.6)%	(25.9)%	
Ongoing charges [1]	2.76%	2.80%	

1. These are considered Alternative Performance Measures. See glossary on page 61 for more information.

MANAGEMENT

The Company has appointed Aberdeen Fund Managers Limited ("**AFML**" or the "**AIFM**") as the Company's alternative investment fund manager to provide portfolio and risk management services to the Company. The AIFM has delegated portfolio management to Aberdeen Asset Investments Limited ("**AAIL**" or the "**Investment Manager**"). Both AFML and the Investment Manager are wholly-owned subsidiaries of abrdn plc ("**abrdn**"), a publicly-quoted company on the London Stock Exchange. References throughout this document to abrdn refer to both the AIFM and the Investment Manager.

FINANCIAL CALENDAR

30 September 2022	Announcement of half-yearly results for the six months ended 30 June 2022
31 December 2022	Financial year end
April 2023	Announcement of Annual Results for the year ended 31 December 2022
June 2023	Annual General Meeting 2023

Overview

The COVID-19 pandemic has unquestionably had a significant adverse impact on Cuba's tourist industry since early 2020. The tourism industry is a cornerstone of Cuba's economy and while the pandemic is now very much under control in Cuba and the tourism sector is on the road to recovery, the sector remains below 2019 levels and is taking somewhat longer than anticipated to return to full health. It is now expected that a full recovery in tourism will not be achieved until the 2022-2023 high season, which will run from December 2022 until April 2023.

Alongside a lack of hard currency generated through tourism, until recently, Cuba's economy has also suffered from a lack of any easing of the U.S. Cuban embargo restrictions, as promised during President Biden's Presidential campaign. However, in May 2022 an announcement by the Biden administration was made which indicated that certain U.S. travel restrictions would be lifted, together with the $1,000 quarterly limit on family remittances. While it is still early to judge the impact of these changes, we can expect that they will increase the number of U.S. travellers to the island and also the inflow of much needed hard currency into the economy.

In 2020 Cuba announced significant monetary reforms which were fully implemented in 2021. While your Board considers the reforms to be positive overall, in hindsight the timing has proved to be very unfortunate. The long delay in easing any of the U.S. Cuban embargo rules under the Biden administration and the slow resumption of international travel have severely impaired the foreign exchange reserves and the general liquidity position of the Cuban economy. It is certainly hoped that the travel and other restrictions caused by the embargo will continue to ease, and it would be most helpful if Cuba were to be removed from the U.S. list of state sponsors of terrorism, a highly punitive and controversial designation made by the Trump administration in the final days of its mandate – without citing any new instances of such support for terrorism – only a few years after the Obama administration had cancelled the sponsor of terrorism designation as unfounded in 2015 as part of its historic normalization policy. So far, the Biden administration has remained silent on the terrorism designation, which of course has a profound negative impact on the ability of the Cuban government (as well as foreign investors on the island such as the Company) to receive basic international banking and other financial services.

As a result of the above matters, the liquidity position of Cuba remains extremely tight and the banking system is very limited in its ability to execute hard currency payments internationally. In addition, there has been a high level of inflation across the economy and a significant devaluation of the Cuban peso at street level.

Given this challenging economic backdrop, CEIBA's assets have traded remarkably well. At the Miramar Trade Centre, occupancy has fallen very modestly but remains well above 90% and profitability remains near the record levels achieved in 2020 and 2021. The present challenge, and the main uncertainty for the Company, is the difficulty of

Inmobiliaria Monte Barreto S.A. (which owns the Miramar Trade Centre) to distribute the income generated from the property in the form of hard currency dividend payments to the Company. Although consistently profitable, between the interpretation being given to the Cuban reform measures which have so far given Monte Barreto a small portion of the hard currency it needs, and the present liquidity crisis in the Cuban banking system, Monte Barreto has not been able to transfer significant dividends outside the country. Management continues to discuss solutions to this problem with its Cuban counterparts in order to alleviate this issue, but the valuation of the Company's participation in Monte Barreto has been reduced by 21.6% to US$53.1 million, from $67.7 million as at 31 December 2021, largely as a result of an increased discount rate to take into account the higher risk stemming from the present difficulties.

The recovery in the trading of the four hotels in which the Company has an interest is proceeding very well and better than we had anticipated at the start of the year. This good performance is partly due to the fact that the hotels continued to trade throughout the pandemic, albeit on a reduced and modified basis, and were therefore able to return to a higher level of activity relatively easily as demand recovered in 2022. Although the broader tourism sector has been adversely impacted by the Ukraine war, which has resulted in a steep decrease in the number of Russian and Ukrainian tourists visiting Cuba since the outbreak of the war, occupancy at our hotels was affected for only a short period and is holding up very well. The outlook is good for the remainder of this year and into 2023 when Cuba's tourism industry is expected to complete its full return to normal conditions. The valuation of the Company's participation in Miramar is up 0.3% to US$94.8 million, which compares to US$94.5 million as at 31 December 2021.

The Trinidad hotel construction project is now proceeding well, after some delays experienced over the past year, and is currently scheduled to open in early May 2023. The development is being carried out directly by TosCuba, in which the Company has a 40% interest, and Melia Hotels International, the Spanish hotel operator which will operate the hotel, has a 10% interest. The hotel is extremely well positioned close to the historic city of Trinidad and should prove to be a very attractive destination in an area where there is limited competition.

Results for the six months to 30 June 2022

The NAV per Share at 30 June 2022 was US$1.12 (92.5p) compared to US$1.16 (86.4p) at 31 December 2021 and the loss in the first six months of the financial year was US$0.0026 per share compared to a loss of US$0.0876 per share for the same period last year. The net loss attributable to the Shareholders was US$0.4 million, compared to a loss of US$12.1 million at 30 June 2021, the loss being largely attributable to continued difficulties in expatriating accumulated profits at the joint venture level through dividend income due to the liquidity challenges faced by the Cuban economy.

The valuation of the assets of the Company, the timing of the receipt of dividends from the joint venture companies, as well as earnings in respect of the six months ended 30 June 2022 continue to be negatively impacted by the factors described above, but the outlook is considerably more positive than it was a year ago.

Since its incorporation in 1995, the Company has remained with the same team of administrators, although the corporate form of the administrator has changed a number of times through acquisitions. Due to a change in JTC Fund Solutions (Guernsey) Limited's risk appetite and the desire of the Company to continue to deal with the long standing team of people who have been responsible for the Company since its incorporation, we have decided to transfer the administration of the Company to NSM Funds Limited. The transfer will take place in the next couple of months and in due course a further announcement will be made to confirm the effective date.

The Board extends its sincere thanks to the Investment Manager and to the entire management team based in Cuba for their commitment and efforts on behalf of the Company in these ongoing challenging and uncertain times.

John Herring
Chairman
27 September 2022

INVESTMENT MANAGER'S REVIEW

PERFORMANCE TO 30 JUNE 2022

As at 30 June 2022, the Net Asset Value of the Company was US$154.7 million (31 December 2021: US$160.3 million) and the NAV total return for the period was -3.5% (30 June 2021: -7.3%). The loss on the change in the fair value of the equity investments during the period was US$6.5 million (30 June 2021: US$11.0 million). The total dividend income from the Cuban joint venture companies recognised during the six months ended 30 June 2022 was US$11.4 million (30 June 2021: US$0.5 million). The net loss of the Company for the six months ended 30 June 2022 attributable to the shareholders was US$0.4 million (30 June 2021: loss of US$12.1 million). There was an exchange gain during the period of US$0.8 million (30 June 2021: loss of US$0.2 million) primarily due to the decrease in the U.S. Dollar value of the Euro-denominated Bonds payable, partially offset by the decrease in the U.S. Dollar value of the Euro denominated cash held by the Group.

The performance of the Company is largely dependent on the fair values of the properties in which it has an interest. As at 30 June 2022, the fair values of the assets in which CEIBA Investments has an interest decreased, principally as a result of increased discount rates reflecting Cuba's present economic and liquidity situation and the increased risk of inflation and currency devaluation.

Dividend income arising from the Group's equity investments is recognised when the Group's right to receive payment is established, which is typically when a dividend is declared by the relevant joint venture company. Due to the current liquidity constraints placed upon Monte Barreto as a result of the Cuban monetary reforms in 2021 and other factors, the timing of receipt of certain dividends declared and payable by Monte Barreto has been deemed uncertain. As a result, at 31 December 2021 an impairment was made for the full balance of the dividends receivable from Monte Barreto. At 30 June 2022, the balance of dividends receivable of Monte Barreto was reviewed and the amount of the existing impairment was determined to be sufficient and was not increased. In the case of Miramar, the same liquidity constraints did not apply under the monetary reforms due to a large portion of its income being earned in foreign currency. Therefore, Miramar had been assigned a higher credit rating and an impairment has not been made for its dividends receivable. The credit risk associated with dividends receivable is assessed at the end of each period.

Vintage car along Havana's Malecón

NO ES FÁCIL...

No es fácil (in English "it is not easy").

During the past two years during which the COVID-19 pandemic has ravaged health and economies around the world, Cuba's unique healthcare system has performed very well, simultaneously ensuring that almost 90% of Cuba's population is fully vaccinated with homegrown vaccines that have alleged efficacy rates in the nineties and bringing COVID related death rates to a minimum, while providing exemplary international medical services as well. That is all good news and with several countries now producing and distributing Cuban vaccines in their own countries and emergency approvals for some of these vaccines being sought from the World Health Organization, Cuba can be proud on its achievements.

The effects of the COVID-19 pandemic seriously affected Cuba's economy and liquidity position, which in turn has made the restart of its international tourism industry in the first half of this year a real challenge.

When you add to the above the sudden elimination of two important sources of tourists (Russia and Ukraine) as a result of the war in Ukraine, the resurgence of various COVID-19 variants, aviation difficulties, the increased cost of goods, commodities and transport, the continuation of the U.S. Cuban embargo, the need for additional liquidity necessary for the successful implementation of Cuba's monetary reforms and the fact that Cuba is not a member of the World Bank, the International Monetary Fund or the Inter-American Development Bank, you would be right to conclude that Cuba is presently struggling and would benefit from a little bit of help from outside.

Inflation, Increased Emigration and Catastrophes

2022 is definitely turning out to be a challenging year.

The lack of hard currency, both in cash (on the street) and in bank accounts, in combination with the scarcity of local and imported products, has triggered that the informal Cuban Peso to U.S. Dollar exchange rate has more than quadrupled since the start of Cuba's monetary reform and currency unification process in 2021. In turn, the substantial difference between the informal exchange rate on the street and the official (CUP 24 to USD 1) exchange rate that applies to companies operating in Cuba has opened the door to all sort of situations in which currency arbitrage plays a dominant role and in which hard currency cash remains on the street and is not deposited in bank accounts. This in turn made the Cuban authorities decide in August 2022 to allow private persons (both Cubans and foreigners) legally to exchange hard currency for Cuban Pesos at government outlets at rates which are closer to the informal street foreign exchange rates.

One of the results of Cuba's present economic and liquidity crisis, the slower than expected recovery of Cuba's tourism sector and the difficulties of day-to-day life has been that during the past months the number of Cuban nationals emigrating to the United States (by land via Mexico and by sea) has increased substantially. Cubans who intend to leave the island usually sell their belongings in order to earn hard currency to take with them, and these funds are therefore not recycled back into Cuban bank accounts and the official economy.

The fact that, in parallel, during the first months of the year Cuba was hit by a series of events that all severely impacted the country has been more than unfortunate. In August 2022, some three months after a gas leak explosion destroyed the famous Hotel Saratoga in Old Havana, injuring more than a hundred people, and one month after a large fire caused considerable damage to one of the boilers at the Lidio Ramon Perez power plant, Cuba's largest electricity plant located in Felton, an oil bunker located in Matanzas was hit by lightning and caught fire. The dramatic blaze subsequently spread over multiple oil bunkers, destroyed around 40% of the oil storage capacity at Matanzas, and forced the closure of the largest thermoelectric plant in the country. Considering Cuba's existing electricity network was already fragile, comprising an infrastructure that needs repair and a total installed capacity that is insufficient to cover the island's electricity needs, the events in Felton and Matanzas couldn't have come at a worse time and their effects, including rolling black outs, are likely be felt for some time to come.

Cuba's Economy – Slow Return to Growth

Notwithstanding all of the difficulties, Cuba's Minister of Economy, Alejandro Gil Fernández, recently announced that Cuba's GDP grew by over 10% during the first quarter of 2022 (compared to the prior year) and forecast a continued gradual recovery of the economy and growth for the full year of 4%. However, this would still leave the country well below its pre-pandemic position, having suffered a 10.9% decline in 2020, with only a slight recovery in 2021, and the lingering shortages of food, medicine, fuel, transportation, electrical capacity, etc. would indicate that Cuba still has a long way to go. Measures to stimulate foreign direct investment, private enterprises and the import of products and equipment are likely to continue to be the principal steps that the Cuban authorities will take in order to increase the production of food, renewable energy and accelerate recovery. The monetary reforms should be streamlined to enable these goals and create investor confidence, which in turn would attract new investors.

Re-Opening of Cuba's Tourism Sector

On 15 November 2021, Cuba re-opened its international borders to tourists. Notwithstanding events beyond its control that slowed the restart of the sector (arrival of the omicron variant in Canada as the high season was starting and the disappearance of Russian and Ukrainian tourists as a result of the war in Ukraine), in the second and third quarters of 2022 Cuba saw a steady increase in the number of tourist arrivals, with Canada as the principal supplier.

It is difficult to predict how long it will take before transatlantic tourism to Cuba will return to pre-pandemic levels and how long it will be before Cuba's tourism sector fully recovers from the devastating effects of the pandemic. Numerous Cuban tourism resort destinations are presently open, albeit not with all hotels operational. Hotel operators have tentative plans for a gradual reopening of all hotels in the final months of 2022, although the ability to implement such plans will depend on internal circumstances and the availability of working capital to begin operations.

President Biden Starts Making Good on his Campaign Promises re: Cuba

It is undoubtedly true that following his election in 2020, President Biden failed to make good on his campaign promises with respect to Cuba and did not *"... promptly reverse the failed Trump policies that have inflicted harm on the Cuban people and done nothing to advance democracy and human rights..."*.

Although proper explanations of the decision not to return to the Obama policy of normalisation have never been given, many people believe that Biden's change of strategy was driven by the fact that Donald Trump won the State of Florida in the 2020 Presidential election by depicting President Biden and the Democratic Party as communists and socialists.

In addition, it would appear that the Democratic candidates in Florida were able to convince Biden that a tough Cuba stance would improve their chances to gain extra seats during the upcoming midterm elections, in November 2022, where 28 U.S. Representatives from Florida will be elected and incumbent Republican Senator Marco Rubio might be defeated in the Florida U.S. Senate race.

It therefore came as somewhat of a surprise that on 16 May 2022 the Biden administration announced its first measures to ease the U.S. Cuban Embargo regulations and on 8 June 2022, amendments to the Cuban Assets Control Regulations were published in the U.S. Federal Register.

The changes announced permit group people-to-people educational travel to Cuba and remove certain restrictions on authorized academic educational activities, authorise travel to attend or organize professional meetings or conferences in Cuba, and remove the $1,000 quarterly limit on family remittances to Cuba.

The Investment Manager welcomes these measures and although these are only small steps they are definitely steps into the right direction. With respect to subsequent measures it seems likely that a further review of U.S. Cuba policy will be undertaken after the 2022 midterm elections.

7 February 1962 to 7 February 2022 – the 60th Anniversary of the U.S. Cuban Embargo

On 7 February 2022, Cuba marked the 60th anniversary of the U.S. Cuban embargo that was decreed by U.S. president John F. Kennedy by signing “Proclamation 3447”, which came into effect on 7 February 1962. According to the text of this Executive Order, the purpose of implementing the embargo was to reduce the threat posed by Cuba's alignment with communist powers (i.e. Russia). On the occasion of this 60th anniversary, several new historical documents were declassified and released by the U.S. National Security Archive (NSA) that provide new insights into the real motives, reasons and thoughts behind the embargo measures against Cuba.

In an article written by Mauricio Vincent and published in *El Pais* on 7 February 2022, a secret CIA Report of 1982 is mentioned that contains an analysis of the U.S. and Organization of American States (OAS) sanctions against Cuba. In the conclusions of the Report, the CIA confirmed that, although the embargo was *de facto* effective and significantly damaging to Cuba's growth and general development, the sanctions by themselves or in conjunction with other measures did not meet any of their objectives. In addition, the Report states that while the U.S. publicly promotes the goal of "a truly free and independent Cuba," the ultimate objective has always been to remove Fidel Castro from power and to make the Soviet support of Cuba as costly as possible.

In a 6 April 1960 memo titled "The decline and fall of Castro", written by (then) Deputy Assistant Secretary of State Lester D. Mallory, Mallory outlined the necessity of implementing a policy of "provoking disenchantment and disaffection based on economic dissatisfaction and hardship" in order to end Cuba's revolution and remove Fidel Castro from power.

60 years on and only small steps taken by the Biden administration "… to end the failed Trump policy…". The sheer length of duration of the embargo, combined with the evident failure to achieve the objectives outlined above, should perhaps be an incentive and justification for the U.S. legislators and government to ease and ultimately lift the U.S. Cuban embargo and that a policy of engagement is the right one.

Outlook for Cuban Economy 2022

The source of any sustained recovery in the Cuban economy will depend primarily on an increase in U.S. family remittances, increased airlift and the large-scale return of international tourism, an increase in the levels of agriculture and mining production and an acceleration of the commercial activities to be developed by Cuba's nascent private sector.

The monetary and other reform efforts initiated during the summer of 2020 and carried out throughout 2021 and the present year have proved to be extensive, including new liquidity rules, currency unification, labour reforms and the adoption and publication of new rules allowing for the formation of corporate entities for private businesses (micro, small and medium size enterprises).

But the implementation of reforms remains difficult and given the street level foreign exchange rates for cash transactions, a devaluation of the official exchange rate between the Cuban Peso and the U.S. Dollar remains a real risk going forward. In addition, it will be essential that the Cuban authorities and the Central Bank find a solution to the banking crisis that has resulted in significant delays in the execution of international bank transfers that have been properly instructed with the required "liquidity" in accordance with the applicable rules.

PORTFOLIO ACTIVITY

Introduction

For CEIBA Investments Limited ("**CEIBA**" or the "**Company**") the first six months of 2022 have not all been bad.

The Miramar Trade Centre / Monte Barreto

View of the Miramar Trade Center complex from the Meliã Habana Hotel

The largest real estate holding of the Company is its 49% interest in Inmobiliaria Monte Barreto S.A. ("**Monte Barreto**"), the Cuban joint venture company that owns and operates the Miramar Trade Centre, a six-building mixed-use commercial real estate complex comprising approximately 56,000 square metres (approximately 600,000 square feet) of net rentable area that constitutes the core of the new Miramar business district in Havana.

Overall, the performance of the Miramar Trade Centre during the first six months of 2022 was once again very strong. Occupancy rates remained in the nineties throughout the period, with only slight declines and subsequent recoveries relating to COVID-19 tenant departures. Although revenues increased slightly by 0.9% compared to the same period last year despite slightly lower occupancy rates, Monte Barreto registered net income of CUP181.2 million (US$7.5 million) during the six months ended 30 June 2022 (2021: US$8.1 million), representing a 7.2% decrease. The decrease was primarily the result of an increase in prescribed depreciation rates partially offset by reduced operational expenses resulting from the implementation of monetary reforms in the prior year.

Demand for international-standard office accommodation in Havana remains strong, predominantly from multi-national companies, NGOs and foreign diplomatic missions. Monte Barreto remains the dominant option in this market segment. As a consequence, and notwithstanding the COVID-19 pandemic, the outlook for Monte Barreto in the second half of 2022 remains encouraging, as we expect occupancy levels to remain in the mid to high nineties and loss of rental income as a result of the pandemic to be modest. However, in light of the present market conditions, the joint venture may review its general strategy of rental increases as leases are renewed.

In accordance with the new provisions of Resolution 115 dealing with financial autonomy and the allocation of hard currency resources, commercial real estate activities have been excluded from some of the general rules relating to "liquid" payments (the ability to transfer funds abroad on an autonomous basis, without foreign exchange controls), and consequently the local payments of many tenants of the joint venture are not received with liquidity and conversely most local payments to be made by the joint venture similarly do not require liquidity. As a result, the joint venture is presently operating under a mixed regime having reduced liquidity requirements, in which certain liquid resources of the joint venture will be generated internally, and certain resources will be allocated centrally.

Given the present limited financial autonomy of Monte Barreto, in combination with the current economic situation and liquidity difficulties faced by the country, we believe that only part of the total outstanding dividends receivable of US$20.0 million will be paid during the current year and as such a provision of US$12.3 million has been made against the balance. Nevertheless, we expect that the pace of distribution of dividends will pick up once again when the country re-emerges from the present difficulties, which is not likely to occur until the second half of 2023. Dividend income from Monte Barreto recognised by the Company during the first half of the year was US$8.2 million, compared to US$0.5 million in the first half of 2021.

The valuation of Monte Barreto has been adjusted downward at 30 June 2022 by US$14.6 million, representing a 21.6% decline as compared with the December 2021 valuation. This was driven mainly by a further increase of 3.5% in the pre-tax discount rate to 19.75% that is applied in the discounted cash flow model of Monte Barreto in order to take into account the present state of the Cuban economy and the increased transfer and currency risk faced by Monte Barreto and its shareholders.

The Hotels of Miramar

Through its indirect ownership of a 32.5% interest in Miramar, the Group has interests in the following hotels (collectively the "Hotels"):

- the Meliã Habana Hotel, a 397-room international-category 5-star business hotel located on prime ocean-front property in Havana (directly opposite the Miramar Trade Center);
- the Meliã Las Americas Hotel, a 340-room international-category 5-star beach resort hotel located in Varadero;
- the Meliã Varadero Hotel, a 490-room international-category 5-star beach resort hotel located in Varadero; and
- the Sol Palmeras Hotel, a 607-room international-category 4-star beach resort hotel located in Varadero.

Clockwise from top left: The Meliã Habana Hotel at dusk in Havana; the Meliã Las Américas Hotel as seen from the beach; central courtyard and pool at the Sol Palmeras Hotel; main entrance to the Meliã Varadero Hotel at Varadero.

The Hotels are operated by Meliã Hotels International S.A. ("**Meliã Hotels International**"), which also has a 17.5% equity interest in Miramar (and a 10% equity interest in TosCuba).

Performance of the Hotels

As a result of the COVID-19 pandemic and the resulting collapse of the worldwide travel industry, the Hotels faced an extremely challenging business environment during 2021, but they recovered extremely well during the first half of 2022. With all four hotels operational throughout the period and benefitting from reduced operational costs resulting from the monetary reforms implemented during the prior year, Miramar delivered substantially higher income and EBITDA than for the same period last year.

The net income after tax of Miramar was US$10.1 million (30 June 2021: US$ 0.7 million), resulting in higher dividend income earned by the Company from Miramar during the first six months of the year of US$3.2 million, compared to no dividends received during the same period in 2021.

We expect that operations will continue at these levels during the second half of 2022 and that Cuba's next high season (December 2022 to April 2023) will see a return to pre-COVID-19 levels of occupancy, income and profitability. As stated before, this assumes a return to a normal operating environment and will depend upon numerous factors such as the continued control of the COVID virus and success of vaccination campaigns in outbound markets and in Cuba, the availability of air lift and others. We expect the income directly generated by the operations of Miramar under the current liquidity rules, under which international tourism income is treated as direct export income (of which 80% of the liquidity can be retained by the joint venture) to be sufficient to allow Miramar to distribute all profits to be generated during the year. However, the need to increase the salaries of the employees of Miramar (as a result of local inflation) and a possible devaluation of the official foreign exchange rate of the Cuban Peso could both negatively affect the profitability of the Hotels.

The valuation of Miramar and its four hotels at 30 June 2022 is US$94.8 million representing a slight increase compared to the December 2021 valuation of US$94.5 million. This was driven mainly by an improvement in the operating results which was offset by an increase of 1.5% in the pre-tax discount rate applied in the discounted cash flow model of Miramar to 19.25%, principally to take into account the increased transfer and currency risk faced by Miramar and its shareholders.

The TosCuba Project

The Company has an 80% interest in Mosaico Hoteles S.A. ("**Mosaico Hoteles**"), representing a 40% indirect interest in TosCuba, the Cuban joint venture company that is constructing the 401 room Meliã Trinidad Península Hotel.

As at 30 June 2022, the construction of the hotel is approaching its final stage, with air-conditioning and electric installation works underway and the selection and contracting of furniture, fixtures and equipment reaching the execution stage. Progress on the project slowed down during the COVID-19 pandemic but has now returned to a normal rate of construction. TosCuba is completing the construction of the hotel on its own,

Clockwise from top left: Main lobby courtyard, gardens and fountains; main pool with swim-up bar; lodging block H6 and its gardens; installation of machinery in main technical room.

with technical assistance on pricing, tender procedures and product selection from International Hospitality Projects, a Spanish construction adviser in the hotel sector. It is now estimated that completion of construction and soft opening of the hotel will take place during the first quarter of 2023 with the hotel's official opening scheduled to take place during the Feria International del Turismo that will take place during the first week of May 2023.

In April 2018, the Company arranged and executed a US$45 million construction finance facility to be disbursed under two tranches of US$22.5 million each. The terms of the facility were amended in August 2021 to increase the amount of Tranche B to $29 million and to take into account new circumstances affecting the project. The amount disbursed under the Company's participation in Tranche A as at 30 June 2022 was US$18 million. At 30 June 2022, the amount of US$9.1 million was disbursed under the Company's participation in Tranche B.

The increased principal of Tranche B includes an amount that may be used for the purchase of equipment needed to ensure the provision of the required water and electrical services to the hotel. This may include the purchase and installation of solar panels to limit the hotel's dependence on electricity from the national grid and contribute to CEIBA's strategic ESG goals.

Repayment of the amended facility is secured by the future income of the hotel, and repayment of Tranche B has also been guaranteed by Cubanacán (the Cuban shareholder in the joint venture company) and is further secured by Cubanacán's dividend entitlements in Miramar.

The total cost of the project – including incorporation of the joint venture company, acquisition of surface rights, construction of the hotel, financing for the acquisition of equipment necessary to guarantee the proper functioning of public utilities – is presently estimated at US$78.7 million. Of this amount, US$16 million represents the share capital invested in TosCuba by the shareholders, of which the Company contributed US$6.4 million (40%), more than US$11 million represents grants received under the Spanish Cuban Debt Conversion Programme, and US$2.0 million represents finance intended to be granted to third parties (which will be repaid). The remaining funds necessary to complete the project will be disbursed under the construction finance facility.

GBM Interinvest Technologies Mariel S.L.

The Company holds a 50% interest in GBM Interinvest Technologies Mariel S.L., a Spanish company that is developing a new multi-phase industrial park real estate project in the Special Development Zone of Mariel, Cuba.

Groundworks on the 11.3-hectare site for the construction of the first four warehouses of the project began in the first quarter of 2021 and were completed in June 2021. Discussions with potential tenants are currently being pursued with a view to coordinating the start of construction works with the existence of real demand.

The Company paid an initial amount of US$303,175 for its 50% interest and subsequently executed a convertible loan agreement and disbursed the principal amount of €500 thousand (US$519 thousand). The full investment of the Company in this project is expected to be approximately US$1.5 million.

GBM Mariel groundworks being executed

FINTUR Facility

Since 2002, the Company has arranged and participated in numerous secured finance facilities extended to Casa Financiera FINTUR S.A. ("**FINTUR**"), the Cuban government financial institution for the tourism sector. Under the most recent FINTUR Facility, originally executed in 2016 in the principal amount of €24 million and subsequently amended in 2019 through the addition of a second tranche in the principal amount of €12 million, the Company initially held a €4 million participation under Tranche A and a €2 million participation under Tranche B.

This facility generates an 8.00% interest rate and operated successfully without delay or default until the closure of all Cuban hotels in March 2020 as a result of the COVID-19 pandemic. At that time, the income from the hotels that serve as the basis for payments under the FINTUR facility ceased and such income is not expected to resume until Cuba's international tourism operations recover in earnest.

Only one of the hotels granted as security for the repayment of the FINTUR facility is open at the present time, although FINTUR has transferred funds from other sources to pay all outstanding interest on a current basis throughout the pandemic and for the principal payment made on 31 March 2022. The Investment Manager meets regularly with FINTUR in order to gauge the speed with which the cash flows are likely to return to acceptable levels and to determine whether any additional hotel security should be received.

With effect from 1 April 2020, the Company and FINTUR agreed to revise the remaining outstanding payments under the FINTUR facility (combining the two tranches into a new single tranche C) and to provide a one-year period of grace on the payment of principal, with a two-year principal payment period thereafter. Numerous principal payments under the new Tranche C were subsequently waived by the lenders as a result of the continued closure of the hotels serving as security for payment of the facility, but interest has been paid and is current. Principal payments are expected to resume in December 2022. The term of the facility has been extended until September 2023.

As at 30 June 2022, the principal amount of US$1.3 million was outstanding under the Company's participation in Tranche C of the Facility.

OUTLOOK

We expect that the very difficult economic circumstances faced by Cuba during the first half of 2022 will continue at least until the end of the year, and that the local market conditions in which the Company and its subsidiaries operate will remain very challenging. Liquidity and cash flow are closely monitored in order to ensure full compliance with operational expenses while in parallel finalising construction of the Meliá Trinidad Península Hotel so as to bring it online as an income-generating asset as soon as possible.

The very tight hard currency position of the Cuban economy resulting from the disruption caused by the COVID-19 pandemic, the continued high level of U.S. sanctions against Cuba, increased transport and other import costs, inflation and the ongoing transitional effects of monetary and economic reforms adopted by the Cuban government may also negatively impact the timing of dividend and other payments to the Company in the short term.

However, as the world economies recover from the pandemic and Cuba's liquidity position improves, we expect that the office complex of Monte Barreto, all four hotels from Miramar, and the TosCuba hotel in Trinidad (as of 2023) will generate substantial positive income.

We do not expect that Cuba's financial position will improve in the short term, but we do anticipate that over the medium term the recovery of Cuba's liquidity position in combination with the eventual impact of present and future monetary reforms and liquidity rules adopted by the Cuban government will have a positive effect on the Cuban economy as well as on the operations of the joint venture companies of the Company. As a result of these new measures, and in particular the de-centralisation of decision-making that they mandate, management of the joint ventures is expected to have a much greater degree of control over the financial resources generated by their operations, which we expect to be largely beneficial for new investments, ongoing operations, performance and the ability to make timely distributions to shareholders.

The Guernsey administrator of the Company (JTC Fund Solutions (Guernsey) Limited) will soon be replaced by NSM Funds Limited. The change is expected to become effective as from 1 December 2022, subject to regulatory approval. A formal announcement will be made regarding this change at a later date.

Sebastiaan A.C. Berger
Aberdeen Asset Investments Limited
27 September 2022

DIRECTORS' RESPONSIBILITY STATEMENT

The Directors are responsible for preparing this Half-Yearly Report in accordance with applicable law and regulations.

The Directors confirm to the best of their knowledge that:

- the unaudited Interim Condensed Consolidated Financial Statements are prepared in accordance with the applicable accounting standards, give a true and fair view of the assets, liabilities, financial position and profit or loss of the Company, and all the undertakings included in the consolidation as a whole;

- this Interim Board Report includes a fair review of the information required by DTR 4.2.7R of the FCA's Disclosure Guidance and Transparency Rules, being an indication of important events that have occurred during the first six months of the financial year and their impact on the condensed set of financial statements, and a description of the principal risks and uncertainties for the remaining six months of the year; and

- the financial statements include a fair review of the information required by DTR 4.2.8R of the FCA's Disclosure Guidance and Transparency Rules, being related party transactions that have taken place in the first six months of the financial year and that have materially affected the financial position or performance of the Company during that period, and any changes in the related party transactions described in the last Annual Report that could do so.

PRINCIPAL RISKS AND UNCERTAINTIES

The Board regularly reviews the principal risks and uncertainties affecting the Company together with the mitigating actions it has established to manage these risks. These are set out in detail on pages 8 to 14 of the Company's Annual Report and Financial Statements for the year ended 31 December 2021 and can be summarised under the following headings:

- Emerging Risks relating to the Cuban Financial System

  - Cuban Financial Reforms – Financial Autonomy Rules
  - Currency Reform Risk
  - General Liquidity of the Cuban Financial System and Repatriation Risk
  - Risks relating to the War in Ukraine

- Public Health Risk

  - Global Pandemic Risk

- Risks Relating to the Company and its Investment Strategy
  - Investment Strategy and Objective
  - Investment Restrictions
- Portfolio and Operational Risks
  - Joint Venture Risk
  - Real Estate Risk
  - Construction Risk
  - Tourism Risk
  - Valuation Risk
  - Dependence on Third Party Service Providers
  - Loss of Key Fund Personnel
- Risks Relating to Investment in Cuba and the U.S. Embargo
  - General Economic, Political, Legal and Financial Environment within Cuba
  - U.S. Government Restrictions relating to Cuba
  - Helms-Burton Risk
  - Transfer Risk – U.S. Sanctions
  - Currency Risk
- Risks Relating to Regulatory and Tax framework
  - Tax Risk

The Company's principal risks and uncertainties have not materially changed since the date of the 2021 Annual Report.

GOING CONCERN

In accordance with the guidance of the Financial Reporting Council, the Directors have reviewed the Company's ability to continue as a going concern.

The Directors have reviewed cash flow projections that detail revenue and liabilities and will continue to receive cashflow projections as part of the Company's reporting and monitoring processes. After reviewing the cashflow projections and the significant capital commitments, as well as taking into account the principal risks and uncertainties, including the impact of COVID-19, the Directors believe that the Company has adequate financial resources to continue its operational existence for the foreseeable future and at least 12 months from the date of this Half-Yearly Report.

Accordingly, the Directors believe that it is appropriate to continue to adopt the going concern basis in preparing the unaudited Interim Condensed Consolidated Financial Statements.

For and on behalf of the Board

Peter Cornell
27 September 2022

Keith Corbin
27 September 2022

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

For the period ended 30 June 2022

Assets	Note	Unaudited as at 30 Jun 2022 US$	Audited as at 31 Dec 2021 US$
Current assets			
Cash and cash equivalents	4	17,157,249	26,228,072
Accounts receivable and accrued income	5	10,173,594	3,821,068
Loans and lending facilities	6	5,536,153	3,372,086
Total current assets		**32,866,996**	**33,421,226**
Non-current assets			
Accounts receivable and accrued income	5	4,041,014	3,146,333
Loans and lending facilities	6	27,371,424	19,185,524
Equity investments	7	161,531,831	175,828,034
Investment in associate	8	303,175	303,175
Property, plant and equipment		506,636	515,608
Total non-current assets		**193,754,080**	**198,978,674**
Total assets		**226,621,076**	**232,399,900**
Liabilities			
Current liabilities			
Accounts payable and accrued expenses	9	3,400,618	4,347,187
Short-term borrowings	10	3,494,577	1,004,673
Deferred liabilities		1,000,000	1,000,000
Total current liabilities		**7,895,195**	**6,351,860**
Non-current liabilities			
Convertible bonds	11	25,960,369	28,299,353
Deferred liabilities		333,333	833,333
Total non-current liabilities		**26,293,702**	**29,132,686**
Total liabilities		**34,188,897**	**35,484,546**
Equity			
Stated capital		106,638,023	106,638,023
Revaluation surplus		319,699	319,699
Retained earnings		46,440,103	46,801,482
Accumulated other comprehensive income		1,273,660	6,563,385
Equity attributable to the shareholders of the parent		**154,671,485**	**160,322,589**
Non-controlling interest		37,760,694	36,592,765
Total equity		**192,432,179**	**196,915,354**
Total liabilities and equity		**226,621,076**	**232,399,900**
NAV	12	154,671,485	160,322,589
NAV per share	12	1.12	1.16

See accompanying notes 1 to 19, which are an integral part of these consolidated financial statements. These unaudited condensed interim consolidated financial statements on pages 26 to 29 were approved by the Board of Directors and authorised for issue on 27 September 2022. They were signed on the Company's behalf.

Keith Corbin, Director

Peter Cornell, Director

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME
For the period ended 30 June 2022

	Note	Unaudited Six months ended 30 Jun 2022 US$	Unaudited Six months ended 30 Jun 2021 US$
Income			
Dividend income	7	11,384,494	513,673
Interest income		1,441,767	1,077,508
Travel agency commissions		4,516	1,054
Foreign exchange gain		834,325	-
		13,665,102	**1,592,235**
Expenses			
Foreign exchange loss		-	(188,017)
Interest expense on bonds	11	(1,346,875)	(743,820)
Loss on change in fair value of equity investments	7	(6,460,543)	(10,996,492)
Management fees		(915,830)	(1,221,711)
Other staff costs		(41,097)	(39,558)
Travel		(42,404)	(29,572)
Operational costs		(140,112)	(41,788)
Legal and professional fees		(481,619)	(605,241)
Administration fees and expenses		(153,667)	(155,499)
Audit fees		(124,786)	(97,723)
Miscellaneous expenses		(152,666)	(209,823)
Directors' fees and expenses		(138,578)	(124,085)
Depreciation		(12,062)	(16,481)
		(10,010,239)	**(14,469,810)**
Net profit/(loss) before taxation		**3,654,863**	**(12,877,575)**
Income taxes		-	-
Net profit/(loss) for the period		**3,654,863**	**(12,877,575)**
Other comprehensive income to be reclassified to profit or loss in subsequent periods			
Loss on exchange differences of translation of foreign operations		(8,138,038)	(3,346,195)
Total comprehensive loss		**(4,483,175)**	**(16,223,770)**
Net profit/ (loss) for the year attributable to:			
Shareholders of the parent		(361,379)	(12,056,422)
Non-controlling interest		4,016,242	(821,153)
Total comprehensive profit/(loss) attributable to:			
Shareholders of the parent		(5,651,104)	(14,231,447)
Non-controlling interest		1,167,929	(1,992,323)
Basic and diluted loss per share	15	(0.003)	(0.088)

See accompanying notes 1 to 19, which are an integral part of these consolidated financial statements.

CONSOLIDATED STATEMENT OF CASH FLOWS
For the period ended 30 June 2022

	Note	Unaudited Six months ended 30 Jun 2022 US$	Unaudited Six months ended 30 Jun 2021 US$
Operating activities			
Net income/(loss) for the year		3,654,863	(12,877,575)
Items not affecting cash:			
Depreciation		12,062	16,481
Change in fair value of equity investments	7	6,460,543	10,743,468
Dividend income		(11,384,494)	(513,673)
Interest income		(1,441,767)	(1,077,508)
Interest expense		1,346,875	-
Foreign exchange (gain)/loss		(834,325)	188,017
		(2,186,243)	(3,520,790)
Decrease in accounts receivable and accrued income		1,304,748	708,831
Increase/(decrease) in accounts payable and accrued expenses		(946,568)	2,102,664
Non-cash movement in amortisation of deferred liability		(500,000)	(500,000)
Dividend income received		3,714,884	-
Interest income received		559,421	361,617
Net cash flows from operating activities		**1,946,242**	**(847,678)**
Investing activities			
Purchase of property, plant & equipment		(3,090)	(525)
Loans and lending facilities disbursed		(10,349,967)	(3,032,541)
Net cash flows from investing activities		**(10,353,057)**	**(3,033,066)**
Financing activities			
Short-term borrowings received		2,489,904	1,838,771
Issue of convertible bonds		-	29,312,500
Interest paid on convertible bonds		(1,346,875)	-
Net cash flows from financing activities		**1,143,029**	**31,151,271**
Change in cash and cash equivalents		**(7,263,786)**	**27,270,527**
Cash and cash equivalents at beginning of the period		26,228,072	4,270,860
Foreign exchange on cash		(1,807,037)	481,051
Cash and cash equivalents at end of the period		**17,157,249**	**32,022,438**

See accompanying notes 1 to 19, which are an integral part of these consolidated financial statements.

UNAUDITED FOR THE SIX MONTHS ENDED 30 JUNE 2022	Notes	Stated Capital US$	Revaluation Surplus US$	Retained Earnings US$	Other comprehensive income US$	Total Equity attributable to the parent US$	Non-controlling interest US$	Total Equity US$
Balance at 1 January 2022		106,638,023	319,699	46,801,482	6,563,385	160,322,589	36,592,765	196,915,354
Revaluation of assets / Net other comprehensive loss to be reclassified to profit or loss in subsequent periods	7, 11	-	-	-	(5,289,725)	(5,289,725)	(2,848,313)	(8,138,038)
Net loss for the period	11	-	-	(361,379)	-	(361,379)	4,016,242	3,654,863
Balance at 30 June 2022		**106,638,023**	**319,699**	**46,440,103**	**1,273,660**	**154,671,485**	**37,760,694**	**192,432,179**

UNAUDITED FOR THE SIX MONTHS ENDED 30 JUNE 2021	Notes	Stated Capital US$	Revaluation Surplus US$	Retained Earnings US$	Other comprehensive income US$	Total Equity attributable to the parent US$	Non-controlling interest US$	Total Equity US$
Balance at 1 January 2021		106,638,023	319,699	75,613,383	11,854,509	194,425,614	39,823,748	234,249,362
Revaluation of assets / Net other comprehensive loss to be reclassified to profit or loss in subsequent periods	7, 11	-	-	-	(2,175,025)	(2,175,025)	(1,171,170)	(3,346,195)
Net loss for the period	11	-	-	(12,056,422)	-	(12,056,422)	(821,153)	(12,877,575)
Balance at 30 June 2021		**106,638,023**	**319,699**	**63,556,961**	**9,679,484**	**180,194,167**	**37,831,425**	**218,025,592**

See accompanying notes 1 to 19, which are an integral part of these consolidated financial statements.

NOTES TO THE INTERIM CONSOLIDATED FINANCIAL STATEMENTS FOR THE SIX MONTHS ENDED 30 JUNE 2022 (UNAUDITED)

1. CORPORATE INFORMATION

These unaudited interim condensed consolidated financial statements include the accounts of CEIBA Investments Limited and its subsidiaries, which are collectively referred to as the "Group" or "CEIBA".

CEIBA was incorporated in 1995 in Guernsey, Channel Islands as a registered closed-ended collective investment scheme with registered number 30083. In May 2013, the status of CEIBA changed to an unregulated investment company rather than a regulated investment fund. The status of CEIBA was changed back to a registered closed-ended collective investment scheme on 11 September 2018 under The Protection of Investors (Bailiwick of Guernsey) Law, 1987 as amended. The registered office of CEIBA is located at Dorey Court, Admiral Park, St. Peter Port, Guernsey, Channel Islands GY1 2HT.

The principal holding and operating subsidiary of the Group is CEIBA Property Corporation Limited ("**CPC**") which holds a license issued by the Cuban Chamber of Commerce and has offices in Cuba located at the Miramar Trade Centre, Edificio Barcelona, Suite 401, 5ta Avenida, esq. a 76, Miramar, Playa, La Habana, Cuba.

The principal investment objective of CEIBA is to achieve capital growth and dividend income from direct and indirect investment in or with Cuban businesses, primarily in the tourism and commercial real estate sectors, and other revenue-generating investments primarily related to Cuba.

The Group currently invests in Cuban joint venture companies that are active in two major segments of Cuba's real estate industry: (i) the development, ownership and management of revenue-producing commercial properties, and (ii) the development, ownership and management of hotel properties. In addition, the Group occasionally arranges and participates in secured finance facilities and other interest-bearing financial instruments granted in favour of Cuban borrowers, primarily in the tourism sector. The Group's asset base is primarily made up of equity investments in Cuban joint venture companies that operate in the real estate segments mentioned above.

The officers are contracted through third party entities or consultancy agreements. CEIBA and its subsidiaries do not have any obligations in relation to future employee benefits.

On 22 October 2018, CEIBA completed an initial public offering and listed its ordinary shares on the Specialist Fund Segment of the London Stock Exchange, where it trades under the symbol "**CBA**". The Group also entered into a management agreement, with effect from 1 November 2018, under which the Group has appointed abrdn Fund Managers Limited ("**AFML**" or the "**AIFM**") as the Group's alternative investment fund manager to provide portfolio and risk management services to the Group. The AIFM has delegated portfolio management to Aberdeen Assets Investments Limited (the "**Investment Manager**"). Both the AIFM and the Investment Manager are wholly-owned subsidiaries of abrdn plc.

2. BASIS OF PREPARATION

2.1 Statement of compliance and basis of measurement

These unaudited interim condensed consolidated financial statements have been prepared in accordance with International Financial Reporting Standard ('IFRS') IAS 34 'Interim Financial Reporting' under the historical cost convention, except for certain financial instruments as disclosed in note 3.9 of the Company's 31 December 2021 financial statements and certain property, plant and equipment as disclosed in note 3.12 of the Company's 31 December 2021 financial statements which are measured at fair value, in accordance with International Financial Reporting Standards ("**IFRS**") as issued by the International Accounting Standards Board ("**IASB**").

The unaudited interim condensed consolidated financial statements do not include all of the information required for a complete set of IFRS financial statements and should be read in conjunction with the consolidated financial statements of the Group for the year ended 31 December 2021, which were prepared under full IFRS requirements.

The accounting policies have been applied consistently by the Group and are consistent with those used in the previous year ended 31 December 2021. Major accounting policies are described below.

2.2 Functional and presentation currency

These unaudited interim condensed consolidated financial statements are presented in United States Dollars ("**US$**"), which is the Company's functional currency. The majority of the Group's income, equity investments and transactions are denominated in US$, subsidiaries are re-translated to US$ to be aligned with the reporting currency of the Group.

2.3 Use of estimates and judgments

The preparation of the Group's consolidated financial statements, in conformity with IFRS, requires management to make judgments, estimates, and assumptions that affect the application of accounting policies and the reported amounts of assets and liabilities, disclosure of contingent assets and liabilities at the date of the consolidated financial statements, and the reported amounts of revenues and expenses during the reporting period.

Management judgements

The key management judgements made by management in relation to the unaudited interim condensed consolidated financial statements are:

a) That the Group is not an Investment Entity (see note 3.15 of the Company's 31 December 2021 financial statements);
b) That the Group is a Venture Capital Organisation (see note 3.16 of the Company's 31 December 2021 financial statements).
c) That the functional currency of the parent company (CEIBA Investments Limited) is US$ (see note 3.18 of the Company's 31 December 2021 financial statements)

Management estimates – valuation of equity investments

Significant areas requiring the use of estimates also include the valuation of equity investments. Actual results could differ from those estimates.

Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimates are revised and in any future period affected.

In determining estimates of recoverable amounts and fair values for its equity investments, the Group relies on independent valuations, historical experience, and assumptions regarding applicable industry performance and prospects, as well as general business and economic conditions that prevail and are expected to prevail. Assumptions underlying asset valuations are limited by the availability of reliable comparable data and the uncertainty of predictions concerning future events (see note 7).

By their nature, asset valuations are subjective and do not necessarily result in precise determinations. Should the underlying assumptions change, the carrying amounts could change and, potentially, by a material amount.

The determination of the fair values of the equity investments may include independent valuations of the underlying properties owned by the joint venture companies. These valuations assume a level of working capital required for day-to-day operations of the properties. Management estimates the amount of cash required for these working capital needs to determine if the joint venture companies hold any excess cash that should be added as a component of the fair value of the equity investments.

In regards to the 30 June 2022 valuations of the properties held by Monte Barreto and Miramar performed by the independent valuers, the valuers have noted in their reports that their valuations have been prepared in a period of ongoing market instability as a result of the COVID-19 pandemic and the current liquidity crisis. The impact on the Cuban tourism sector and the economy in general has been dramatic. Cuba is still in the process of recovering from significantly lower numbers of international tourists arriving since April 2020, which has had a negative impact on the Cuban economy. As it is not possible to ascertain with any certainty when the tourism sector and the economy will recover, there is a material uncertainty as to the valuation of the subject properties.

Expected credit losses in respect of dividends receivable

As explained in note 5, due to the current liquidity constraints placed upon Monte Barreto as a result of the recent Cuban monetary reforms and other factors, the timing of receipt of the historical dividends receivable is uncertain. Therefore some of the dividends receivable from Monte Barreto at period end are impaired. However, in the case of Miramar, the same liquidity constraints are not applicable under the monetary reforms, due to a large portion of its income being earned in foreign currency and therefore Miramar has been assigned a higher credit rating. Management expects to receive the full amount of dividends receivable from Miramar in due course.

The total amount of credit impaired receivables at period end is $12,281,408 (31 December 2021: $12,281,408) and is related to the balance of dividends receivable due from Monte Barreto at 31 December 2021.

2.4 Reportable operating segments

An operating segment is a distinguishable component of the Group that is engaged in the provision of products or services (business segment). The primary segment reporting format of the Group is determined to be business segments as the Group's business segments are distinguishable by distinct financial information provided to and reviewed by the chief operating decision maker in allocating resources arising from the products or services engaged by the Group.

2.5 New standards, amendments and interpretations issued but not effective for the financial year beginning 1 January 2022 and not early adopted that are relevant to the Group

IAS 1 'Presentation of financial statements' Classification of Liabilities as Current or Non-current. The IASB issued amendments to paragraphs 69 to 76 of IAS 1 to specify the requirements for classifying liabilities as current or non-current. If the entity has the right at the end of the reporting period to defer settlement of a liability for at least twelve months after the reporting period, then the liability is classified as non-current. The classification is not affected by the likelihood that the entity will exercise its right to defer settlement. Therefore, if the right exists, the liability is classified as non-current even if management intends or expects to settle the liability within twelve months of the reporting period. The effective date is for annual periods beginning on or after 1 January 2023 deferred until accounting periods starting not earlier than 1 January 2024. The amendments to the standard are not expected to have a material impact on the financial statements or performance of the Group.

Disclosure of Accounting Policies – Amendments to IAS 1 and IFRS Practice Statement 2. In February 2021, the IASB issued amendments to IAS 1 and IFRS Practice Statement 2 Making Materiality Judgements, in which it provides guidance and examples to help entities apply materiality judgements to accounting policy disclosures. The amendments aim to help entities provide accounting policy disclosures that are more useful by: replacing the requirement for entities to disclose their 'significant' accounting policies with a requirement to disclose their 'material' accounting policies; and adding guidance on how entities apply the concept of materiality in making decisions about accounting policy disclosures. The effective date is for annual periods beginning on or after 1 January 2023. The Group is in the process of assessing the amendments to the standard but it is not expected to have a material impact on the financial statements or performance of the Group.

Definition of Accounting Estimates – Amendments to IAS 8. In February 2021, the IASB issued amendments to IAS 8, in which it introduces a new definition of 'accounting estimates'. The amendments clarify the distinction between changes in accounting estimates and changes in accounting policies and the correction of errors. Also, they clarify how entities use measurement techniques and inputs to develop accounting estimates. The amended standard clarifies that the effects on an accounting estimate of a change in an input or a change in a measurement technique are changes in accounting estimates if they do not result from the correction of prior period errors. The previous definition of a change in accounting estimate specified that changes in accounting estimates may result from new information or new developments. Therefore, such changes are not corrections of errors. This aspect of the definition was retained by the IASB. The effective date is for annual periods beginning on or after 1 January 2023. The standard is not expected to have a material impact on the financial statements or performance of the Group as the amendment is in line with the current treatment by the Group.

2.6 Changes in accounting policies

Standards and interpretations applicable this period

There are no standards, amendments to standards or interpretations that are effective for periods beginning on 1 January 2022 that have a material effect on the financial statements of the Group.

2.7 Going concern

The Directors have a reasonable expectation that the Company has adequate resources to continue in operational existence for the foreseeable future and has significant liquid funds to do so. Accordingly, the Directors have adopted the going concern basis in preparing the financial statements.

3. CONSOLIDATION

The Group had direct and indirect equity interests in the following entities as at 30 June 2022 and 31 December 2021:

Entity Name	Country of Registration	Equity interest held indirectly by the Group or holding entity	
		30 Jun 2022	31 Dec 2020
1. CEIBA Property Corporation Limited (a) (i)	Guernsey	100%	100%
1.1. GrandSlam Limited (a) (ii)	Guernsey	100%	100%
1.2. CEIBA MTC Properties Inc. (a) (iii)	Panama	100%	100%
1.2.1 Inmobiliaria Monte Barreto S.A. (b) (iv)	Cuba	49%	49%
1.3. CEIBA Tourism B.V. (a) (viii)	Netherlands	100%	100%
1.3.1. HOMASI S.A. (a) (iii)	Spain	65%	65%
1.3.1.1. Miramar S.A. (b) (v)	Cuba	50%	50%
1.3.2. Mosaico Hoteles S.A. (a) (iii)	Spain	80%	80%
1.3.2.1 TosCuba S.A. (b) (vi)	Cuba	50%	50%
1.3.3 Grupo BM Interinvest Technologies Mariel S.L. (c) (vii)	Spain	50%	50%

(a) Company consolidated at 30 June 2022 and 31 December 2021.
(b) Company accounted at fair value at 30 June 2022 and 31 December 2021.
(c) Company accounted for as an investment in associate at 30 June 2022 and 31 December 2021.

(i) Holding company for the Group's interests in real estate investments in Cuba that are facilitated by a representative office in Havana.
(ii) Operates a travel agency that provides services to international clients for travel to Cuba.
(iii) Holding company for underlying investments with no other significant assets.
(iv) Joint venture company that holds the Miramar Trade Centre as its principal asset.
(v) Joint venture that holds the Meliã Habana Hotel, Meliã Las Americas Hotel, Meliã Varadero Hotel and Sol Palmeras Hotel as its principal assets.
(vi) Joint venture company incorporated to build a beach hotel in Trinidad, Cuba.
(vii) A Spanish company that is developing an industrial logistics warehouse project in the Special Development Zone of Mariel, Cuba.

All inter-company transactions, balances, income, expenses and realised surpluses and deficits on transactions between CEIBA Investments Limited and its subsidiaries have been eliminated on consolidation. Non-controlling interest represent the interests in the operating results and net assets of subsidiaries attributable to minority shareholders.

4. CASH AND CASH EQUIVALENTS

	30 Jun 2022 US$	31 Dec 2021 US$
Cash on hand	19,110	51,251
Bank current accounts	17,138,139	26,176,821
	17,157,249	**26,228,072**

5. ACCOUNTS RECEIVABLE AND ACCRUED INCOME

	30 Jun 2022 US$	31 Dec 2021 US$
Loan interest receivable	4,028,872	3,146,526
TosCuba deposit (i)	2,030,786	3,180,786
Other accounts receivable and deposits	174,744	329,493
Dividends receivable from Miramar S.A.	310,596	310,596
Dividends receivable from Inmobiliaria Monte Barreto S.A.	19,951,018	12,281,408
	26,496,016	19,248,809
Expected credit loss (refer to note 2.3)	(12,281,408)	(12,281,408)
	14,214,608	**6,967,401**
Current portion	**10,173,594**	**3,821,068**
Non-current portion	**4,041,014**	**3,146,333**

(i) TosCuba deposit relates to the amount held in the bank account of TosCuba on behalf of CEIBA that will be applied against the TosCuba Construction Facility for the construction of the hotel.

Presented below is the ageing of receivables and accrued income based on their contractual terms of repayment:

	30 Jun 2022 US$	31 Dec 2021 US$
Up to 30 days	7,764,890	106,235
Between 31 and 90 days	323,871	390,797
Between 91 and 180 days	46,035	92,810
Between 181 and 365 days	2,038,798	3,231,226
Over 365 days	4,041,014	3,146,333
	14,214,608	**6,967,401**

At 30 June 2022, $20,261,614 (31 December 2021: $12,592,004) of the accounts receivable and accrued income balance is comprised of dividends receivable. The impairment on the dividends receivable has been assessed as low in the case of Miramar and high in the case of Monte Barreto in terms of the 3 stage model per IFRS 9 by assessing the credit risk of the counterparty who declared the dividend. The delay in payment of the dividends receivable from Monte Barreto is due in part to the current liquidity position of the Cuban financial system caused by the pandemic, increased U.S. sanctions and the transitional effects of the Cuban monetary reforms. For the current period and prior year end, the overall credit risk for Monte Barretto has been assessed as Stage 3 of the IFRS ECL impairment model which therefore requires management to assess the expected credit loss over time. Accordingly for the current period and prior year end, management has made an assessment of the expected credit loss over time taking into account all reasonable and supportable information that is available that included both internal and external information.

Due to the liquidity constraints placed upon Monte Barreto as a result of the Cuban monetary reforms in 2021 and other factors, the timing of receipt of dividends receivable at 31 December 2021 of US$12,281,408 was uncertain and therefore impaired in full in the Statement of Comprehensive Income. During the six month period ending 30 June 2022, dividend income related to Monte Barreto amounted to US$8,169,610, of which US$7,669,610 was receivable at the end of the period. An assessment was made of the expected credit loss over time of the total amount of dividends receivable from Monte Barreto outstanding at 30 June 2022 of US$19,951,018 and the existing impairment of US$12,281,408 has been determined to be adequate at the end of the period.

In the case of Miramar, the same liquidity constraints did not apply under the monetary reforms due to the majority of its income being earned in foreign currency outside Cuba and therefore Miramar had been assigned a higher credit rating. During the six month period ending 30 June 2022, dividend income declared and received by the Group amounted to US$3,214,884. Due to the ability of Miramar to pay its declared dividends within a reasonable amount of time, there is no impairment for the current period end and the prior year end and management expects to receive the full amount of dividends receivable from Miramar in due course.

For the current period end and the prior year end, the overall credit risk for TosCuba and therefore the receivable was assessed at Stage 2 of the IFRS ECL impairment model, which therefore requires management to assess the expected credit loss over the lifetime of the receivable. Management has made an assessment of the expected credit loss over the lifetime of the receivable taking into account all reasonable and supportable information that was available that included both internal and external information and this had resulted in an assessed expected credit loss that is immaterial to the Group. Management believed the probability of default is low (see note 6).

Other accounts receivable and deposits are assessed in terms of the simplified approach for expected credit losses per IFRS 9 due to the trade receivables not containing a significant financing component. These relate to the receivables of the travel agency activities of GrandSlam, a wholly owned subsidiary of the Group.

As noted above, the total amount of credit impaired receivables at period end is US$12,281,408 (31 December 2021: US$12,281,408) related to the dividends receivable of Monte Barreto.

6. LOANS AND LENDING FACILITIES

	30 Jun 2022 US$	31 Dec 2021 US$
TosCuba S.A. (i)	27,135,771	18,708,861
Casa Financiera FINTUR S.A. (ii)	1,345,836	1,943,760
Miramar Facility (iii)	3,906,620	1,338,673
Grupo B.M. Intervest Technologies Mariel S.L. (iv)	519,350	566,316
	32,907,577	**22,557,610**
Current portion	**5,536,153**	**3,372,086**
Non-current portion	**27,371,424**	**19,185,524**

(i) In April 2018, the Group entered into a construction finance facility agreement (the "**Construction Facility**") with TosCuba S.A. ("**TosCuba**") for the purpose of extending to TosCuba part of the funding necessary for the construction of the Meliã Trinidad Península Hotel. The Construction Facility was originally executed in the maximum principal amount of up to US$45,000,000, divided into two separate tranches of US$22,500,000 each. The terms of the facility were amended in August 2021 to take into account the new construction process and other circumstances and in particular the maximum principal amount of Tranche B thereof was increased to US$29,000,000. The increased principal of Tranche B includes an amount of up to US$4 million that may be used for the purchase of equipment needed by the relevant Cuban utility companies to ensure the provision of the required water and electrical services to the hotel. The Group has an 80% participation in Tranche A of the Construction Facility and a 100% participation in Tranche B. The Group has the right to syndicate Tranche B of the Construction Facility to other lenders.
The principal terms of the Construction Facility include, (i) a grace period for principal and interest during the construction period of the hotel, (ii) upon expiry of the grace period,

accumulated interest will be repaid, followed by a repayment period of eight years during which blended payments of principal and interest will be made, (iii) interest will accrue on amounts outstanding under the Construction Facility at the rate of 8 per cent.

The first disbursement under the Construction Facility was made on 23 November 2018. Repayment of the Construction Facility is secured by an assignment in favour of the lenders of all of the future income of the Meliã Trinidad Península Hotel following start-up of operations.

In addition, Tranche B of the Construction Facility is also secured by a guarantee provided by Cubanacán S.A., Corporaciön de Turismo y Comercio Internacional ("**Cubanacán**" - the Cuban shareholder of TosCuba) as well as by Cubanacán's dividend entitlements in Miramar.

The Construction Facility represents a financial asset, based on the terms of the loan the loan is not repayable on demand and there is no expectation to be repaid within 12 months since there is a grace period during the construction period of the hotel and a further 8 year payment period. The loan is assessed at Stage 2 (same as for the year ended 31 December 2021) of the IFRS ECL impairment model which therefore requires management to assess the expected credit loss over the lifetime of the loan. Accordingly, management has made an assessment of the expected credit loss over the lifetime of the loan taking into account all reasonable and supportable information that is available that includes both internal and external information and this has resulted in an assessed expected credit loss that is immaterial to the Group. Management believes the probability of default is low due to the fact that the repayment of the facility is secured by the future income of the hotel which will be in the form of Euro-denominated off-shore tourism proceeds payable to TosCuba. As well repayment of Tranche B has also been guaranteed by Cubanacán and is further secured by Cubanacán's dividend entitlements in Miramar. Payments of the facility are scheduled to begin once the hotel starts operations.

(ii) In July 2016, the Group arranged and participated in a €24,000,000 (US$24,928,800 equivalent at 30 June 2022) syndicated facility provided to Casa Financiera FINTUR S.A. ("**FINTUR**"). The facility was subsequently amended in May 2019 through the addition of a second tranche in the principal amount of €12,000,000 (US$12,464,399 equivalent at 30 June 2022). The Group had an initial participation of €4,000,000 (US$4,154,800 equivalent at 30 June 2022) under the first tranche and a €2,000,000 (US$2,077,400 equivalent at 30 June 2022) participation under the second tranche. The term of the facility was due to expire in June 2021 but, with the closure of nearly all Cuban hotels as a result of the COVID-19 pandemic, an additional grace period was granted and the term has been extended to September 2023 . Interest is payable quarterly on a current basis and the remaining outstanding principal is payable by way of quarterly payments to be made in the fourth quarter of 2022 and the first three quarters of 2023. The facility has a fixed interest rate of 8%. The payment of interest on the facility was current at 30 June 2022. This facility is secured by Euro-denominated off-shore tourism proceeds payable to FINTUR by certain international hotel operators managing hotels in Cuba. The loan to FINTUR represents a financial asset. The loan is not repayable on demand. The loan is assessed at Stage 2 (same as for the year ended 31 December 2021) of the IFRS ECL impairment model which therefore requires management to assess the expected credit loss over the lifetime of the loan. Accordingly, management has made an assessment of the expected credit loss over the lifetime of the loan taking into account all reasonable and supportable information that is available that includes both internal and external information and this has resulted in an assessed expected credit loss that is immaterial to the Group.

(iii) The Company's subsidiary HOMASI (the foreign shareholder of Miramar) executed a US$7 million confirming and discounting facility with Miramar for the purpose of confirming and discounting supplier invoices relating to the operations of the four Hotels owned by the joint venture company. The facility is financed in part by a €3.5 million credit line received by HOMASI from a Spanish bank for this purpose. The facility is secured by the offshore cash flows generated by the Hotels of Miramar. The loan is not repayable on demand. The loan is assessed at Stage 2 (same as for the year ended 31 December 2021) of the IFRS ECL impairment model which therefore requires management to assess the expected credit loss over the lifetime of the loan. Accordingly management has made an assessment of the expected credit loss over the lifetime of the loan taking into account all reasonable and supportable information that is available that includes both internal and external information and this has resulted in an assessed expected credit loss that is immaterial to the Group.

(iv) In May 2021, the Group entered into a Convertible Loan Agreement in the principal amount of €500,000 (US$519,350) with Grupo B.M. Interinvest Technologies Mariel S.L. ("**GBM Mariel**"). The loan has an annual interest rate of 5% and an original term of 6 months which was subsequently extended to 1 year in November 2021. The loan principal and accrued interest is convertible into common shares of GBM Mariel following the conversion of the company from an S.L. (limited liability company) to a S.A. (company limited by shares). No assessment of the **ECL** associated with the convertible loans was done by the Group as the balance is immaterial.

The following table details the expected maturities of the loans and lending facilities portfolio based on contractual terms:

	30 Jun 2022 US$	31 Dec 2021 US$
Up to 30 days	147,349	-
Between 31 and 90 days	551,111	817,597
Between 91 and 180 days	1,847,676	1,181,363
Between 181 and 365 days	2,990,017	1,373,126
Over 365 days	27,371,424	19,185,524
	32,907,577	**22,557,610**

7. EQUITY INVESTMENTS

	30 Jun 2022 US$	31 Dec 2021 US$
Miramar S.A.	94,840,733	94,511,908
Inmobiliaria Monte Barreto S.A.	53,067,434	67,692,462
TosCuba S.A.	13,623,664	13,623,664
	161,531,831	**175,828,034**

	Miramar (i) US$	Monte Barreto US$	TosCuba (ii) US$	Total US$
Balance at 31 December 2020	**103,184,163**	**81,433,887**	**13,000,000**	**197,921,225**
Foreign currency translation reserve	(3,254,199)	-	-	**(3,254,199)**
Change in fair value of equity investments	(2,254,828)	(8,741,664)	-	**(10,966,492)**
Balance at 30 June 2021	**97,675,136**	**72,692,223**	**13,000,000**	**186,670,534**
Foreign currency translation reserve	(4,692,100)	-	-	(4,692,100)
Change in fair value of equity investments	1,528,872	(4,999,761)	623,664	(2,847,225)
Share equity acquired	-	-	-	303,175
Balance at 31 December 2021	**94,511,908**	**67,692,462**	**13,623,664**	**175,828,034**
Foreign currency translation reserve	(7,835,660)	-	-	(7,835,660)
Change in fair value of equity investments	8,164,485	(14,625,028)	-	(6,460,543)
Balance at 30 June 2022	**94,840,733**	**53,067,434**	**13,623,664**	**161,531,831**

(i) The value of Miramar represents the 50% foreign equity interest in Miramar S.A. including non-controlling interests.
(ii) The value of TosCuba represents the 50% foreign equity interest in TosCuba S.A. including non-controlling interests.

Below is a description of the equity investments of the Group and the key assumptions used to estimate their fair values.

Monte Barreto

The Group holds the full foreign equity interest of 49% in the Cuban joint venture company Monte Barreto, incorporated in 1996 for the construction and subsequent operation of the Miramar Trade Centre. The Miramar Trade Centre is a six-building complex comprising approximately 80,000 square meters of constructed area of which approximately 56,000 square meters is net rentable area.

The Group is the sole foreign investor in Monte Barreto and holds its 49% interest in the joint venture company through its wholly-owned subsidiary CEIBA MTC Properties Inc. ("**CEIBA MTC**"), incorporated in Panama. The remaining 51% interest in Monte Barreto is held by the Cuban partner in the joint venture company.

The incorporation and operations of Monte Barreto are governed by a deed of incorporation (including an association agreement and corporate by-laws) dated 7 March 1996 between CEIBA MTC and the Cuban shareholder. Under the Monte Barreto deed of incorporation, Monte Barreto was incorporated for an initial term of 50 years expiring in 2046. All decisions at shareholder meetings require the unanimous agreement of the Cuban and foreign shareholders.

Key assumptions used in the estimated fair value of Monte Barreto:

The fair value of the equity investment in Monte Barreto is determined by the Directors of CEIBA taking into consideration various factors, including estimated future cash flows from the investment, estimated replacement costs, transactions in the private market and other available market evidence to arrive at an appropriate value. The Group also engages an independent valuation firm to perform an independent valuation of the property owned by the joint venture.

The Directors may also take into account additional relevant information that impacts the fair value of the equity investment that has not been considered in the valuation of the underlying property of the joint venture. One such fair value consideration is cash held by the joint venture in excess of its working capital needs ("**Excess Cash**"). As the valuation of the underlying property only assumes a level of working capital to allow for day-to-day operations, the existence of any Excess Cash needs to be included as an additional component of the fair value of the joint venture company.

Miramar

HOMASI is the foreign shareholder (incorporated in Spain) that owns a 50% share equity interest in the Cuban joint venture company Miramar, which owns the Meliã Habana Hotel in Havana, a 5-star hotel that has 397 rooms. Miramar also owns three beach resort hotels in Varadero known as the Meliã Las Americas, Meliã Varadero and Sol Palmeras Hotels, having an aggregate total of 1,437 rooms (the "**Varadero Hotels**"). The Meliã Las Americas Hotel and Bungalows is a 5-star luxury beach resort hotel with 340 rooms, including 90 bungalows and 14 suites and began operations in 1994. The 5-star Meliã Varadero Hotel is located next to the Meliã Las Americas Hotel and has 490 rooms, including 7 suites and began operations in 1992. The 4-star Sol Palmeras Hotel is located next to the Meliã Varadero Hotel and has 607 rooms, including 200 bungalows, of which 90 are of suite or deluxe standard and began operations 1990. The remaining share equity interest in Miramar is held by Cubanacán (as to 50%). All decisions at shareholder meetings require the unanimous agreement of the Cuban and foreign shareholders. In 2018, the surface rights for the four hotels of Miramar were extended / granted to 2042.

At 30 June 2022 the Group holds 65% of the share equity of HOMASI, representing a 32.5% interest in Miramar. The remaining 35% interest in HOMASI is held by Meliã Hotels International, representing a 17.5% interest in Miramar, and has been accounted for as a non-controlling interest in these consolidated financial statements.

Key assumptions used in the estimated fair value of Miramar:

The fair value of the equity investment in Miramar is determined by the Directors taking into consideration various factors, including estimated future cash flows from the investment in US$, estimated replacement costs, transactions in the private market and other available market evidence to arrive at an appropriate value. The Group also engages an independent valuation firm to perform independent valuations in US$ of the properties held by the joint venture.

The Directors may also take into account additional relevant information that impacts the fair value of the equity investment that has not been considered in the valuations of the underlying properties of the joint venture. One such fair value consideration is cash held by the joint venture in excess of its working capital needs. As the valuations of the underlying properties only assume a level of working capital to allow for day-to-day operations, the existence of any Excess Cash needs to be included as an additional component of the fair value of the joint venture company.

TosCuba

At 30 June 2022 the Group owned an indirect 80% interest in Mosaico Hoteles S.A. ("**Mosaico Hoteles**"), which in turn has a 50% share equity interest in TosCuba, a Cuban joint venture company that is developing a 401 room 4-star hotel at Playa Maria Aguilar near the city of Trinidad, Cuba. The Group has made capital contributions of US$8,000,000 (31 Dec 2021: US$8,000,000) to TosCuba.

In 2019, TosCuba was awarded a US$10 million grant under the Spanish Cuban Debt Conversion Programme, a Spanish-Cuba initiative aimed at promoting Spanish private sector investments in Cuba under which outstanding bilateral debts owed to Spain by Cuba may be settled through awards granted to investment projects in Cuba from a special countervalue fund created for this purpose. In 2021, TosCuba was awarded an additional US$1,247,328 under the programme. Under these awards, local currency invoices relating to services and materials received in Cuba in the course of constructing the projects are paid from the countervalue fund on behalf of the joint venture. As of 30 June 2022, TosCuba has received cash grants under the programme totalling US$11,247,328 (31 December 2021: US$11,247,328). The 50% interest of the Group in amounts received under the programme by TosCuba have been recorded as a change in the fair value in the investment in TosCuba.

The capital contributions made by the Company plus its share of the cash grants received by TosCuba under the Spanish Cuban Debt Conversion Programme have been determined to be the best observable measure of the Company's interest in the fair value of TosCuba. The construction progressed slowly during the COVID-19 pandemic. As from January 2022, the project returned to a normal rate of construction. As at the current period end, all structural works have been completed and it is estimated that the construction will be completed by the first quarter of 2023. Taking into consideration the estimated cost to completion, the projected value of the hotel upon completion and current debt level of TosCuba, the Directors determined that the cost to date on the project approximates the fair value of TosCuba.

Dividend income from equity investments

Dividend income from the equity investments above during the period is as follows:

	Six Months Ended 30 Jun 2022 US$	Six Months Ended 30 Jun 2021 US$
Monte Barreto	8,169,610	513,673
Miramar	3,214,884	-
	11,384,494	**513,673**

8. INVESTMENT IN ASSOCIATE

	30 Jun 2022 US$	31 Dec 2021 US$
Grupo B.M. Interinvest Technologies Mariel S.L.	303,175	303,175
	303,175	**303,175**

At 30 June 2022 and 31 December 2021 the Group owned an indirect 50% share equity interest in Grupo BM Interinvest Technologies Mariel S.L. ("**GBM Mariel**"), a Spanish company that is developing a new multi-phase industrial and logistics park real estate project in the Special Development Zone of Mariel, Cuba. The Group has made capital contributions of US$303,175 (31 December 2021: US$303,175) to GBM Mariel. The Company does not control GBM Mariel and has therefore accounted for its interest as an investment in associate. This is evidenced by the fact that only two of the five directors of GBM Mariel are represented by the Company and all major decisions require approval of 51% of the shareholders of GBM Mariel.

9. ACCOUNTS PAYABLE AND ACCRUED EXPENSES

	30 Jun 2022 US$	31 Dec 2021 US$
Due to shareholders	5,006	5,457
Due to Meliã Hotels International	10,878	10,878
Due to Miramar	307,943	801,426
Accrued professional fees	265,113	312,921
Management fees payable	2,693,199	2,978,727
Other accrued expenses	91,780	221,877
Other accounts payable	26,699	15,901
	3,400,618	**4,347,187**
Current portion	**3,400,618**	**4,347,187**

(i) Amounts due to Meliã Hotels International S.A. represent funds held for disbursement under the TosCuba Construction Facility.

The future maturity profile of accounts payable and accrued expenses based on undiscounted contractual payments:

	30 Jun 2022 US$	31 Dec 2021 US$
Up to 30 days	607,747	1,124,902
Between 31 and 90 days	1,549,681	1,540,653
Between 91 and 180 days	1,154,396	521,779
Between 181 and 365 days	88,794	1,159,853
Greater than 365 days	-	-
	3,400,618	**4,347,187**

10. SHORT-TERM BORROWINGS

	30 Jun 2022 US$	31 Dec 2021 US$
Short-term finance facility (i)	3,494,577	1,004,673
	3,494,577	**1,004,673**

(i) The amount represents the balance outstanding of a €3.5 million credit line received by HOMASI from a Spanish bank for the purpose of financing the Miramar confirming and discounting facility (see note 6).

11. CONVERTIBLE BONDS

	30 Jun 2021 US$	31 Dec 2020 US$
Convertible bonds (i)	29,312,500	29,312,500
Foreign exchange movements	(3,352,131)	(1,013,147)
	25,960,369	**28,299,353**
Current portion	-	-
Non-current portion	**25,960,369**	**28,299,353**

(i) On 31 March 2021, the Company completed the issue of €25,000,000 (US$29,312,500 equivalent at date of issue) 10.00% senior unsecured convertible bonds ("**Bonds**"). The Bonds were listed on The International Stock Exchange (Channel Islands) on 13 April 2021. The Bonds have a term of 5 years expiring on 31 March 2026, an interest rate of 10.00%, payable quarterly, and are convertible at the option of the Bondholders to Ordinary Shares of the Company, at any time, at a conversion price equal to the Euro equivalent of £1.043 (at the time of conversion, subject to adjustments).

The future maturity profile of accounts payable and accrued expenses based on undiscounted contractual payments:

	30 Jun 2022 US$	31 Dec 2021 US$
Greater than 365 days	25,960,369	28,299,353
	25,960,369	**28,299,353**

12. NET ASSET VALUE

The net asset value attributable to the shareholders of the Group ("**NAV**") is calculated as follows:

	30 Jun 2022 US$	31 Dec 2021 US$
Total assets	226,621,076	232,399,900
Total liabilities	(34,188,897)	(35,484,546)
Less: non-controlling interests	(37,760,694)	(36,592,765)
NAV	**154,671,485**	**160,322,589**
Number of ordinary shares issued	137,671,576	137,671,576
NAV per share	**1.12**	**1.16**

13. REPORTABLE OPERATING SEGMENTS

IFRS 8 requires the Group to report on where primary business activities are engaged and where the Group earns revenue, incurs expenses and where operating results are reviewed by the chief operating decision maker about resources allocated to the segment and assess its performance and for which discrete financial information is available. The primary segment reporting format of the Group is determined to be business segments as the Group's business segments are distinguishable by distinct financial information provided to and reviewed by the chief operating decision maker in allocating resources arising from the products or services engaged by the Group. No geographical information is reported since all investment activities are located in Cuba. The operating businesses are organised and managed separately through different companies. For management purposes, the Group is currently organised into three business segments:

- *Commercial property:* Activities concerning the Group's interests in commercial real estate investments in Cuba.

- *Tourism / Leisure:* Activities concerning the Group's interests in hotel investments in Cuba and operations of a travel agency that provides services to international clients for travel to Cuba.

- *Other:* Includes interest from loans and lending facilities, the Group entered into the Construction Facility with TosCuba for the purpose of extending to TosCuba part of the funding necessary for the construction of the Meliã Trinidad Playa Hotel and also includes a facility provided to FINTUR (see note 6). Other also includes the convertible bonds.

Management monitors the operating results of its business units separately for the purpose of making decisions about resource allocation and performance assessment. Segment performance is evaluated based on operating income or loss and is measured consistently with operating income or loss in the consolidated financial statements. The Group has applied judgment by aggregating its operating segments according to the nature of the underlying investments. Such judgment considers the nature of operations, types of customers and an expectation that operating segments within a reportable segment have similar long-term economic characteristics.

	30 June 2022 US$			
	Commercial property	Tourism / Leisure	Other	Total
Total assets	68,660,962	129,478,507	28,481,607	**226,621,076**
Total liabilities	(1,583,373)	(6,645,155)	(25,960,369)	**(34,188,897)**
Total net assets	67,077,589	122,833,352	2,521,239	**192,432,179**
Dividend income	8,169,610	3,214,884	-	**11,384,494**
Interest income	-	480,974	960,793	**1,441,767**
Other income	-	4,516	-	**4,516**
Change in fair value of equity investments	(14,625,028)	8,164,485	-	**(6,460,543)**
Interest expense	-	-	(1,346,875)	**(1,346,875)**
Allocated expenses	(1,127,182)	(961,353)	(114,286)	**(2,202,821)**
Foreign exchange gain	-	-	834,325	**834,325**
Net (loss)/gain	(7,582,600)	10,903,506	333,957	**3,654,863**
Other comprehensive loss	-	(8,138,038)	-	**(8,138,038)**
Total comprehensive loss	**(7,582,600)**	**2,765,468**	**333,957**	**(4,483,175)**

	31 December 2021 US$			
	Commercial property	Tourism / Leisure	Other	Total
Total assets	80,622,834	131,124,444	20,652,622	**232,399,900**
Total liabilities	(2,042,488)	(5,142,705)	(28,299,353)	**(35,484,546)**
Total net assets	78,580,346	125,981,739	(7,646,731)	**196,915,354**

	6 Months Ended 30 June 2021 US$			
Dividend income	513,673	-	-	**513,673**
Interest income	-	-	1,077,508	**1,077,508**
Other income	-	1,054	-	**1,054**
Change in fair value of equity investments	(8,741,664)	(2,254,828)	-	**(10,996,492)**
Interest expense	-	-	(743,820)	**(743,820)**
Allocated expenses	(1,029,590)	(1,092,649)	(419,242)	**(2,541,481)**
Foreign exchange loss	-	-	(188,017)	**(188,017)**
Net loss	(9,257,581)	(3,347,477)	(272,517)	**(12,877,575)**
Other comprehensive loss	-	(3,346,195)	-	**(3,346,195)**
Total comprehensive loss	**(9,257,581)**	**(6,693,672)**	**(272,517)**	**(16,223,770)**

14. RELATED PARTY DISCLOSURES

Compensation of Directors

Each Director receives a fee of £35,000 (US$36,355) per annum with the Chairman receiving £40,000 (US$41,548). The Chairman of the Audit Committee also receives an annual fee of £40,000 (US$41,548). The Chairman and Directors are also reimbursed for other expenses properly incurred by them in attending meetings and other business of the Group. No other compensation or post-employment benefits are provided to Directors. Total Directors' fees including the fees of the Chairman, for the period ended 30 June 2022 were US$138,578 (six months ended 30 June 2021: US$124,085).

Transactions with other related parties

Transactions and balances between the Group and the joint venture companies included within the equity investments of the Group are detailed in notes 5, 6, 7 and 8.

CPC and GrandSlam Limited, wholly-owned subsidiaries of the Group, lease office space totalling 319 square meters from Monte Barreto, a commercial property investment in which the Group holds a 49% interest. The rental charges paid under these leases are accounted for in operational costs and for the period ended 30 June 2022 amounted to US$6,277 (30 June 2021: US$6,277) with an average rental charge per square meter at 30 June 2022 of US$18.84 (30 June 2021: US$18.84) plus an administration fee of US$6.07 per square meter. The Group has elected to use the recognition exemption for lease contracts that, at the commencement date, have a lease term of 12 months or less and do not contain a purchase option.

Transactions with Investment Manager

AFML is a wholly-owned subsidiary of abrdn plc which has an interest at 30 June 2022 in 9,747,852 shares of the stated capital (31 December 2021: 9,747,852).

Interests of Directors and Executives in the stated capital

At 30 June 2022 John Herring, a Director of CEIBA, had an indirect interest in 40,000 shares (31 December 2021: 40,000 shares).

At 30 June 2022 Peter Cornell, a Director of CEIBA, has an indirect interest in 100,000 shares (31 December 2021: 100,000 shares).

At 30 June 2022 Trevor Bowen a Director of CEIBA, has an indirect interest in 43,600 shares (31 December 2021: 43,600 shares).

At 30 June 2022 Colin Kingsnorth, a Director of CEIBA, is a director and shareholder of Ursus Capital Limited, which holds 12,252,338 shares (31 December 2021: 12,252,338 shares).

At 30 June 2022 Sebastiaan A.C. Berger, the Investment Manager's fund manager and Chief Executive Officer of CEIBA, has an interest in 3,273,081 shares (31 December 2021: 3,273,081 shares)

At 30 June 2022 Cameron Young, Chief Operating Officer of CEIBA, has an indirect interest in 4,129,672 shares (31 December 2021: 4,129,672 shares).

At 30 June 2022 Paul S. Austin, Chief Financial Officer of CEIBA, has an interest in 144,000 shares (31 December 31 December 2021: 144,000).

Interests of Directors and Executives in the Convertible Bonds

At 30 June 2022 and 31 December 2021, the Directors and Executives had no interest in the Convertible Bonds (see note 11).

15. BASIC AND DILUTED LOSS PER SHARE

Basic loss per share

The loss per share has been calculated on a weighted-average basis and is arrived at by dividing the net income for the year attributable to shareholders by the weighted-average number of shares in issue.

	30 Jun 2022 US$	30 Jun 2021 US$
Weighted average of ordinary shares in issue	137,671,576	137,671,576
Net loss for the period attributable to the shareholders	(361,379)	(12,056,422)
Basic loss per share	(0.003)	(0.088)

Diluted loss per share

The diluted loss per share is considered to be equal to the basic loss per share, as the impact of senior unsecured convertible bonds on loss per share is not dilutive for the period(s) presented. The convertible bonds could potentially dilute basis earning per share in the future.

16. COMMITMENTS AND CONTINGENCIES

Operating lease commitments

The rental charges paid under operating leases accounted for in operational costs of the statement of comprehensive income for the period ended 30 June 2022 amounted to US$6,277 (30 June 2021: US$6,277).

TosCuba Construction Facility

In April 2018, the Group entered into the TosCuba Construction Facility for the purpose of extending to TosCuba part of the funding necessary for the construction of the Meliã Trinidad Península Hotel. The Construction Facility is in the maximum principal amount of US$51,500,000, divided into two separate tranches: Tranche A of US$22,500,000 and Tranche B of US$29,000,000. As at 30 June 2022, the full US$22,500,000 of Tranche A has been disbursed (31 December 2021: US$22,500,000) and US$9,135,769 of Tranche B has been disbursed (31 December 2021: US$708,860). The Group has the right to syndicate Tranche B of the Construction Facility to other lenders (see note 6).

In August 2021 the TosCuba Construction Facility was amended for the purpose, amongst others, of (i) increasing the principal amount of Tranche B to US$29,000,000, (ii) providing that an amount of up to US$4,000,000 may be on lent by the borrower (TosCuba) to Cuban utility companies for investments in the infrastructure that will serve the hotel, and (iii) modifying the security received by the Group. The prior security assignment relating to the Meliã Santiago de Cuba Hotel was released and a new secondary guarantee was received from Miramar in support of the primary guarantee received from Cubanacán (see note 6).

FINTUR Facility

Since 2002, the Company has arranged and participated in numerous secured finance facilities extended to FINTUR, the Cuban government financial institution for Cuba's tourism sector. The rights of the Company under these facilities are limited to receiving principal and interest payments (SPPI model). The facilities are fully secured by offshore tourism proceeds from numerous internationally managed hotels.

The Group has a successful 19-year track record of arranging and participating in over €150 million of facilities extended to FINTUR, with no defaults occurring during this period.

The Company had a €4,000,000 participation in Tranche A as well as a €2,000,000 participation in Tranche B of the most recent facility executed in March 2016 and amended in 2019. The total four-year facility had a full principal amount of €36,000,000 with an 8% interest rate. The facility was operating successfully without delay or default until March 2020, at which time all Cuban hotels were ordered to be closed as a result of the COVID-19 pandemic. The Company subsequently granted a further grace period to FINTUR and consolidated all amounts then outstanding under the two existing tranches into a new Tranche C. As at 30 June 2022 the principal amount of €1,295,693 (US$1,345,836) (31 December 2021: €1,716,667 (US$1,943,760)) was outstanding under the Company's participation in Tranche C of the facility.

17. FINANCIAL RISK MANAGEMENT

Introduction

The Group is exposed to financial risks that are managed through a process of identification, measurement and monitoring and subject to risk limits and other controls. The objective of the Group is, consequently, to achieve an appropriate balance between risk and benefits, and to minimise potential adverse effects arising from its financial activity.

The main risks arising from the Group's financial instruments are market risk, credit risk and liquidity risks. Management reviews policies for managing each of these risks and they are summarised below. These policies have remained unchanged since the beginning of the period to which these consolidated financial statements relate.

Market risk

Market risk is the risk that the fair value of future cash flows of financial instruments will fluctuate due to changes in market variables. Market price risk comprises two types of risks: foreign currency risk and interest rate risk. The Group is not materially exposed to market price risk.

(i) Foreign currency risk

Currency risk is the risk that the value of a financial instrument denominated in a currency other than the functional currency will fluctuate due to changes in foreign exchange rates.

The statement of comprehensive income and the net value of assets can be affected by currency translation movements as certain assets and income are denominated in currencies other than US$.

Management has identified the following three main areas of foreign currency risk:

- Movements in rates affecting the value of loans and advances denominated in Euros;
- Movements in rates affecting the value of cash and cash equivalents denominated in Euros; and
- Movements in rates affecting any interest income received from loans and advances denominated in Euros.
- Movements in rates affecting any interest paid on convertible bonds denominated in Euros.

(ii) Interest rate risk

Interest rate risk is the risk that the fair value of future cash flows may fluctuate due to changes in market interest rates.

At any time that it is not fully invested in equities, surplus funds may be invested in fixed-rate and floating-rate securities both in Euro and in currencies other than Euro. Although these are generally short-term in nature, any change to the interest rates relevant for particular securities may result in either income increasing or decreasing, or management being unable to secure similar returns on the expiry of contracts or the sale of securities. In addition, changes to prevailing rates or changes in expectations of future rates may result in an increase or decrease in the value of securities held. In general, if interest rates rise, income potential also rises but the value of fixed rate securities may decline. A decline in interest rates will in general have the opposite effect.

As the only interest-bearing financial instruments held by the Group are fixed rate assets measured at amortised cost, the Group has no material interest rate risk.

Credit risk

Credit risk is the risk that one party to a financial instrument will cause a financial loss for the other party by failing to discharge an obligation, expected credit losses are measured using probability of default, exposure at default and loss given default. Management considers both historical analysis and forward-looking information in determining an expected credit loss. Refer to note 6 for the assessment of the expected credit loss for loans and lending facilities.

Maximum exposure to credit risk

The table below shows the maximum exposure to credit risk for each component of the consolidated statement of financial position as well as future loan commitments, irrespective of guarantees received:

	30 Jun 2022 US$	31 Dec 2021 US$
Loans and lending facilities	32,907,577	22,557,610
Future loan commitments (TosCuba Construction Facility) (i)	19,864,231	28,291,140
Accounts receivable and accrued income (ii)*	26,496,016	19,248,809
Cash and cash equivalents	17,157,249	26,228,072
Total maximum exposure to credit risk	**96,425,073**	**96,325,631**

* Accounts receivable and accrued income after ECL is US$14,214,608 at the period end (31 December 2021: US$6,967,401) (see note 5).

(i) The TosCuba Construction Facility is secured by future income of the hotel under construction and Tranche B of the Construction Facility is further secured by a guarantee given by Cubanacán, the Cuban shareholder of TosCuba, backed by a new secondary guarantee received from Miramar in support of the primary guarantee received from Cubanacán. The facilities are assessed at stage 2 of the IFRS ECL impairment model, management has assessed the expected credit loss over the lifetime of the future loan commitments to be immaterial to the Group. Management believes the probability of default is low due to the fact that the Group is a 50% shareholder of TosCuba and has a 50% representation on the Board of Directors. Repayment of the facility is secured by the future income of the hotel and repayment of Tranche B has also been guaranteed by Cubanacán and is further secured by Cubanacán's dividend entitlements in Miramar. Payments of the facility are scheduled to begin once the hotel starts operations.

(ii) At 30 June 2022, $20,261,614 (31 December 2021: $12,592,004) of the accounts receivable and accrued income balance is comprised of dividends receivable. The impairment on the dividends receivable has been assessed as low in the case of Miramar and high in the case of Monte Barreto in terms of the 3 stage model per IFRS 9 by assessing the credit risk of the counterparty who declared the dividend. The delay in payment of the dividends receivable from Monte Barreto is due in part to the current liquidity position of the Cuban financial system caused by the pandemic, increased U.S. sanctions and the transitional effects of the Cuban monetary reforms. The Monte Barreto receivable is assessed at Stage 3 of the IFRS ECL impairment model (consistent with the prior year), which therefore requires management to assess the expected credit loss over time. Accordingly, in the current period and prior year, management made an assessment of the expected credit loss over time taking into account all reasonable and supportable information that was available that included both internal and external information. As a result, the total amount of credit impaired receivables at the 30 June 2022 period end is $12,281,408 (31 December 2021: $12,281,408) related to the balance of the dividends receivable due from Monte Barreto.

Therefore, the dividends receivable from Monte Barreto at the December 2021 year end were impaired in full in the Statement of Comprehensive Income. However, in the case of Miramar in the prior year, the same liquidity constraints did not apply under the monetary reforms due to a large portion of its income being earned in foreign currency and therefore Miramar had been assigned a higher credit rating. For the current period end and the prior year end, management expects to receive the full amount of dividends receivable from Miramar in due course.

At 30 June 2022 and 31 December 2021, all cash and short-term deposits that are held with counter-parties have been assessed for probability of default; as a result no loss allowance has been recognised based on 12-month expected credit losses as any such impairment would be wholly insignificant to the Group.

Guarantees received

The amount and type of guarantees required depends on an assessment of the credit risk of the counter-party. The Group has neither financial nor non-financial assets obtained as property on executed guarantees. See note 6 regarding guarantees obtained for loans and lending facilities.

Liquidity risk

Liquidity risk is the risk that the Group will encounter in realising its non-cash assets or otherwise raising funds to meet financial commitments. Assets principally consist of unlisted securities and loans, which are not readily realisable. If the Group, for whatever reason, wished to dispose of these assets quickly, the realisation values may be lower than those at which the relevant assets are held in the consolidated statement of financial position. (For maturities of financial assets and liabilities refer to note 5, 6, 9 and 10).

Although the Group has a number of liabilities (see note 9 - Accounts payable and accrued expenses, note 10 - Short-term borrowings, note 11 – Convertible bonds and note 16 - commitments and contingencies), Management assesses the liquidity risk of the Group to be low because the Group has a sufficient amount of cash and cash equivalents.

The Group also has entered into the Construction Facility for the purpose of extending to TosCuba part of the funding necessary for the construction of the Meliã Trinidad Península Hotel (see note 6). The Construction Facility is in the maximum principal amount of US$51,500,000, divided into two separate tranches: Tranche A of US$22,500,000 and Tranche B of US$29,000,000. As at 30 June 2022, the full US$22,500,000 of Tranche A has been disbursed (31 December 2021: US$22,500,000) and US$9,135,769 of Tranche B has been disbursed (31 December 2021: $708,860). The Group has the right to syndicate Tranche B of the Construction Facility to other lenders.

The principal of the Construction Facility is to be disbursed gradually in accordance with the construction schedule and the supply of materials and equipment for the hotel. Prior to the COVID-19 pandemic, it was anticipated that the full amount of the Construction Facility would be disbursed by the end of 2020. However, the timing of construction has been affected by the pandemic and consequently the disbursement of the principal under the Construction Facility has been delayed and it is now anticipated that the Construction Facility will be substantially disbursed by the end of the first semester of 2023. The Group currently has sufficient cash and cash equivalents to cover the full disbursement of the Construction Facility (see note 11 concerning the Bond Issue).

Capital management

The Group maintains an actively managed capital base to cover risks inherent in the business. The Group manages its capital structure and makes adjustments in the light of changes in economic conditions and the risk characteristics of its activities. In order to maintain or adjust the capital structure, the Group may adjust the amount of dividend payment to shareholders. No changes were made in the objectives, policies, and processes from the previous year.

18. FAIR VALUE DISCLOSURES

Key sources of estimation uncertainty

Determining fair values

The determination of fair values for investment and financial assets and liabilities for which there is no observable market price requires the use of valuation techniques. For financial instruments that trade infrequently and have little price transparency, fair value is less objective, and requires varying degrees of judgement depending on liquidity, concentration, uncertainty of market factors, pricing assumptions and other risks affecting the specific instrument.

Critical accounting judgements in applying the Group's accounting estimates

Valuation of financial instruments

The Group measures fair values using the following fair value hierarchy that reflects the significance of the inputs used in making the measurements:

- Level 1: Quoted price (unadjusted) in an active market for an identical instrument.

- Level 2: Valuation techniques based on observable inputs, either directly (i.e. as prices) or indirectly (i.e. derived from prices). This category includes instruments valued using: quoted prices in active markets for similar instruments; quoted prices for identical or similar instruments in markets that are considered less than active; or other valuation techniques for which all significant inputs are directly or indirectly observable from market data.

- Level 3: Valuation techniques using significant unobservable inputs. This category includes all instruments for which the valuation technique includes inputs not based on observable data and the unobservable inputs have a significant effect on the instrument's valuation. This category includes instruments that are valued based on quoted prices for similar instruments for which significant unobservable adjustments or assumptions are required to reflect differences between the instruments.

Fair values of financial assets and financial liabilities that are traded in active markets are based on quoted prices or dealer price quotations. The Group does not currently have any financial assets or financial liabilities trading in active markets.

For all other financial instruments, the Group determines fair values using valuation techniques. Valuation techniques include net present value and discounted cash flow models, comparison to similar instruments for which market observable prices exist and other valuation models. Assumptions and inputs used in valuation techniques include risk-free and benchmark interest rates and foreign currency exchange rates. The objective of valuation techniques is to arrive at a fair value determination that reflects the price of the financial instrument at the reporting date that would have been determined by market participants acting at arm's length.

For certain instruments, the Group uses proprietary valuation models, which usually are developed from recognised valuation models. Some or all of the significant inputs into these models may not be observable in the market, and are derived from market prices or rates or are estimated based on assumptions. Examples of instruments involving significant unobservable inputs include the equity investments of the Group in Cuban joint venture companies. Valuation models that employ significant unobservable inputs require a higher degree of management judgement and estimation in the determination of fair value. Management judgement and estimation are usually required for selection of the appropriate valuation model to be used, determination of expected future cash flows on the financial instrument being valued, selection of appropriate discount rates and an estimate of the amount of cash required for working capital needs of the joint ventures in order to determine if they hold any Excess Cash.

The table below analyses financial instruments measured at fair value at the end of the reporting period by the level in the fair value hierarchy into which the fair value measurement is categorised:

	30 June 2022 US$			
	Level 1	Level 2	Level 3	Total
Financial assets at fair value through profit or loss				
Equity investments	-	-	161,531,831	161,531,831
	-	-	161,531,831	**161,531,831**

	31 December 2021 US$			
	Level 1	Level 2	Level 3	Total
Financial assets at fair value through profit or loss				
Equity investments	-	-	175,828,034	175,828,034
	-	-	175,828,034	**175,828,034**

The following table shows a reconciliation from the beginning balances to the ending balances for fair value measurements in Level 3 of the fair value hierarchy:

	30 Jun 2022 US$	31 Dec 2021 US$
Unlisted private equity investments		
Initial balance	175,828,034	197,618,050
Total loss recognised in income or loss	(6,460,543)	(13,843,717)
Foreign currency translation reserve	(7,835,660)	(7,946,299)
Final balance	**161,531,831**	**175,828,034**
Total losses for the period/year included in income or loss relating to assets and liabilities held at the end of the reporting period/year	(6,460,543)	(13,843,717)
	(6,460,643)	**(13,843,717)**

19. EVENTS AFTER THE REPORTING PERIOD

Participation of HOMASI in Tranche B of the TosCuba Construction Facility

On 5 August 2022, the Company assigned to HOMASI, a subsidiary in which the Company has a 65% equity interest, a participation in Tranche B of the TosCuba Construction Facility in the principal amount of US$5,220,000, representing an 18% participation therein. Future disbursements under the TosCuba Construction Facility will be made by HOMASI on a priority basis until its *pro rata* share of Tranche B will have been disbursed, following which disbursements will be made on a *pro rata* basis going forward.

Sale of interests in Mosaico Hoteles and Tranche A of the TosCuba Construction Facility

On 19 September 2022, in related transactions, (i) the Company's subsidiary CEIBA Tourism agreed to sell to Meliã Hotels International a 15% equity interest in Mosaico Hoteles, representing a 7% equity interest in the underlying TosCuba joint venture, for a purchase price of €1,962,956 (US$1,960,993), and (ii) the Company agreed to transfer to Meliã Hotels International a 15% participation in the outstanding principal of Tranche A of the TosCuba Construction Facility for consideration of US$3,375,000. The purpose of these transactions was to rebalance the interests in the foreign shareholdings and finance arrangements relating to TosCuba to be in line with the holdings between the Company and Meliã Hotels International in relation to Miramar, so that the holdings and operations of the two joint venture companies may be consolidated in the future.

INVESTOR INFORMATION

COMPANY BACKGROUND / HISTORY

The Company was incorporated in 1995 in Guernsey as a closed-ended investment company for the purpose of investing in Cuba. The Company made its first Cuban investment in 1996 and its portfolio subsequently included interests in a variety of Cuban assets and businesses, including biotechnology ventures, mining, residential real estate, consumer/industrial ventures and trade finance.

In 2002 a new external investment manager was appointed to manage the Company. The founders of this external manager included Sebastiaan A.C. Berger and Cameron Young. Paul Austin subsequently joined the Company's management team in 2005.

Under this new external investment manager, the Company began to focus its investment activities on the Cuban real estate and tourism sectors and disposed of its interests in non-complementary assets and businesses. In repositioning the business of the Company during this period, the Company developed a new investment strategy with the following main features:

- to acquire ownership interests in Cuban joint venture companies that own high-quality Cuban commercial real estate and hotel assets;
- to pursue investments in development projects through the entering into of new joint ventures with the Cuban government or other investments, or the acquisition of interests in existing joint ventures or other investments;
- to arrange secured financing for Cuban borrowers, primarily in the tourism sector;
- to establish a professional "on-the-ground" management team with experience in negotiating, managing and exiting investments in Cuba; and
- to pay a regular annual dividend to Shareholders.

The Company was listed on the Irish Stock Exchange from 1996 to 2002 and subsequently on the Channel Islands Stock Exchange from 2004 until the end of 2010. During the period from 2011 to 2018 the Company was unlisted and internally-managed.

The Company is regulated by the Guernsey Financial Services Commission as a Registered Closed-Ended Collective Investment Scheme with effect from 11 September 2018 under The Protection of Investors (Bailiwick of Guernsey) Law, 2020 as amended. The Ordinary Shares of the Company are listed on the Specialist Fund Segment of the London Stock Exchange's Main Market under the symbol CBA (ISIN: GG00BFMDJH11). The Company's Bonds are listed on the International Stock Exchange, Guernsey under the symbol CEIB1026 (ISIN: GG00BMV37C27). The Ordinary Shares and Bonds of the Company should only be considered appropriate for professional investors.

WEBSITE

Further information on the Company can be found on its own dedicated website: www.ceibalimited.co.uk. This allows web users to access information on the Company's share price performance, capital structure, stock exchange announcements and reports.

INVESTOR WARNING

The Board has been made aware by AFML that some investors have received telephone calls from people purporting to work for AFML, or third parties, who have offered to buy their investment company shares. These may be scams which attempt to gain personal information with which to commit identity fraud or could be 'boiler room' scams where a payment from an investor is required to release the supposed payment for their shares.

These callers do not work for AFML and any third party making such offers has no link with AFML. AFML never makes these types of offers and does not 'cold-call' investors in this way. If investors have any doubt over the veracity of a caller, they should not offer any personal information, end the call and contact AFML's investor services centre using the details provided below.

DIRECT

Investors can buy and sell shares in the Company directly through a stockbroker or indirectly through a lawyer, accountant or other professional adviser.

SHAREHOLDER ENQUIRIES

For internet users, detailed data on the Company, including price, performance information and a monthly fact sheet is available from the Company's website (www.ceibalimited.co.uk).

In the event of queries regarding their holdings of shares, lost certificates, dividend payments, registered details, etc., Shareholders holding their shares in the Company directly should contact the registrars, Link Asset Services at The Registry, 34 Beckenham Road, Beckenham, Kent BR3 4TU or Tel: 0371 664 0321 Lines are open 9.00 a.m. to 5.30 p.m. (London Time) Monday to Friday. Calls may be recorded and monitored randomly for security and training purposes. Changes of address must be notified to the registrars in writing.

Any general enquiries about the Company should be directed to the Company Secretary, JTC Fund Solutions (Guernsey) Limited or by email to fundservicesGSY@jtcgroup.com.

LITERATURE REQUEST SERVICE

For literature and application forms for the Company and the ASI range of investment trust products, please contact:

Telephone: 0808 500 4000
Email: inv.trusts@aberdeen-asset.com

KEY INFORMATION DOCUMENT ("KID")

The KID relating to the Company and published by AFML can be found on AFML's website: www.invtrusts.co.uk/en/investmenttrusts/literature-library.

DISCRETIONARY PRIVATE CLIENT STOCKBROKERS

If you have a large sum to invest, you may wish to contact a discretionary private client stockbroker. They can manage your entire portfolio of shares and will advise you on your investments. To find a private client stockbroker visit the Wealth Management Association at www.pimfa.co.uk.

INDEPENDENT FINANCIAL ADVISERS

To find an adviser who recommends on investment trusts, visit www.unbiased.co.uk.

REGULATION OF STOCKBROKERS

Before approaching a stockbroker, always check that they are regulated by the Financial Conduct Authority: Tel: 0800 111 6768 or at www.fca.org.uk/firms/systemsreporting/register/search or email: register@fca.org.uk

NOTE

Please remember that past performance is not a guide to the future. Stock market and currency movements may cause the value of shares and the income from them to fall as well as rise and investors may not get back the amount they originally invested.

As with all equity investments, the value of investment trusts purchased will immediately be reduced by the difference between the buying and selling prices of the shares, the market maker's spread.

Investors should further bear in mind that the value of any tax relief will depend on the individual circumstances of the investor and that tax rates and reliefs, as well as the tax treatment of ISAs may be changed by future legislation.

GLOSSARY OF TERMS AND DEFINITIONS AND ALTERNATIVE PERFORMANCE MEASURES

TERMS AND DEFINITIONS

Abacus	Arlington Consulting – Consultadoria Imobiliaria Limitada, trading under the name Abacus.
abrdn	abrdn plc.
AIC	The Association of Investment Companies - the AIC is the trade body for closed-ended investment companies (www.theaic.co.uk).
AIFMD	The Alternative Investment Fund Managers Directive - The AIFMD is European legislation which created a European-wide framework for regulating managers of 'alternative investment funds' (AIFs). It is designed to regulate any fund which is not a UCITS (Undertakings for Collective Investments in Transferable Securities) fund and which is managed/marketed in the EU. The Company has been designated as an AIF.
Alternative Performance Measure or APM	An alternative performance measure is a financial measure of historical or future financial performance, financial position, or cash flows, other than a financial measure defined or specified in the applicable financial reporting framework.
AFML or the AIFM	abrdn Fund Managers Limited is a wholly owned subsidiary of abrdn plc and acts as the Alternative Investment Fund Manager for the Group. AFML is authorised and regulated by the Financial Conduct Authority.
Bondholders	Registered holders of the Bonds.
Bonds	€25 million 10.00% senior unsecured convertible bonds due 2026.
CEIBA or the Company	CEIBA Investments Limited.
CEIBA MTC Properties	CEIBA MTC Properties Inc., a subsidiary of the Company.
CEIBA Tourism	CEIBA Tourism B.V., a subsidiary of the Company.
Construction Facility	The construction finance agreement entered into by the Group on 30 April 2018 in connection with the construction of the Meliã Trinidad Península Hotel.
CPC	CEIBA Property Corporation Limited, a subsidiary of the Company.
Cubanacán	Cubanacán S.A., Corporación de Turismo y Comercio Internacional, a Cuban company.
CUP	Cuban Pesos, the lawful currency of Cuba.

Debt Conversion Programme	The Spanish Cuban Debt Conversion Programme created by agreements between Spain and Cuba dated 2 November 2015 and 4 May 2016.
Depositary	JTC Global AIFM Solutions Limited, a wholly owned subsidiary of JTC Plc, is regulated by the Guernsey Financial Services Commission to provide Independent Depositary services for the Company and AFML.
Discount	The amount by which the market price per share of an investment trust is lower than the NAV per share. The discount is normally expressed as a percentage of the NAV per share.
Dividend	Income from an investment in shares.
Dividend yield	The annual dividends expressed as a percentage of the current share price.
EBITDA	Earnings Before Interest, Tax, Depreciation & Amortisation, a measure of the overall financial performance.
ECL	Expected credit loss.
Excess Cash	Cash held by a joint venture company in excess of its working capital needs.
Financial Conduct Authority or FCA	The FCA issues the Listing Rules and is responsible for the regulation of AFML.
GBM Mariel	Grupo B.M. Interinvest Technologies Mariel S.L., a Spanish company in which the Group has a 50% interest.
Gearing	Investment Trusts can 'gear' or borrow money to invest but unit trusts are limited in this respect. Gearing can magnify a fund's return, however, a geared investment is riskier because of the borrowed money.
GrandSlam	GrandSlam Limited, a subsidiary of the Company.
Gross Asset Value	The aggregate value of the total assets of the Company as determined in accordance with the accounting principles adopted by the Company from time to time.
Group	CEIBA and its consolidated subsidiaries.
HOMASI	HOMASI S.A., a subsidiary of the Company.
Hotels or Hotel Assets	The Meliã Habana Hotel and the Varadero Hotels.
IFRS	International Financial Reporting Standards as issued by the International Accounting Standards Board.
Investment Manager	The Group's Alternative Investment Fund Manager is abrdn Fund Managers Limited (AFML) which is authorised and regulated by the Financial Conduct Authority. Day to day management of the portfolio has been delegated to Aberdeen Asset Investments Limited. Aberdeen Asset Investments Limited and AFML are collectively referred to as the Investment Manager.

Key Performance Indicator or KPI	Key Performance Indicators are factors by reference to which the development, performance or position of the business of the Company can be measured effectively.
Management Agreement	The management agreement executed between the Company and AFML on 31 May 2018.
Market Capitalisation	A measure of the size of an investment Group calculated by multiplying the number of shares in issue by the price of the shares.
Meliã Habana Hotel	The Meliã Habana Hotel located in Havana, Cuba.
Meliã Hotels International	Meliã Hotels International S.A.
Meliã Las Américas Hotel	The Meliã Las Américas Hotel located in Varadero, Cuba.
Meliã Trinidad Península Hotel	The Meliã Trinidad Playa Hotel development project located near Trinidad, Cuba.
Meliã Varadero Hotel	The Meliã Varadero Hotel located in Varadero, Cuba.
Miramar	Miramar S.A., a Cuban joint venture company in which the Group has an equity interest.
Monte Barreto	Inmobiliaria Monte Barreto S.A., a Cuban joint venture company in which the Group has an equity interest.
Mosaico B.V.	Mosaico B.V., a subsidiary of the Company.
Mosaico Hoteles	Mosaico Hoteles S.A., a subsidiary of the Company.
Net Asset Value or NAV	The value of total assets less liabilities attributable to the shareholders of the Company (excluding non-controlling interests). Liabilities for this purpose includes current and long term liabilities. The NAV divided by the number of shares in issue produces the NAV per share.
NAV Total Return	A measure showing how the NAV per share has performed over a period of time, taking into account both capital returns and dividends paid to shareholders. The AIC shows NAV total return as a percentage change from the start of the period. It assumes that dividends paid to shareholders are reinvested at NAV at the time the shares are quoted ex-dividend. NAV total return shows performance which is not affected by movements in discounts and premiums. It also takes into account the fact that different investment companies pay out different levels of dividends.
Ongoing Charges	Ratio of expenses as percentage of average daily shareholders' funds calculated as per the AIC's industry standard method.
Ordinary Shares or Shares	Ordinary shares of the Company.

Other Cuban Assets	Other Cuba-related businesses in which the Company may invest in accordance with its Investment Policy.
Premium	The amount by which the market price per share of an investment trust exceeds the NAV per share. The premium is normally expressed as a percentage of the NAV per share.
Prior Charges	The name given to all borrowings including debentures, long term loans and short term loans and overdrafts used for investment purposes, reciprocal foreign currency loans, currency facilities to the extent that they are drawn down, index-linked securities, and all types of preference or preferred capital and the income shares of split capital trusts, irrespective of the time until repayment.
Prospectus	A formal document that provides details about an investment offering for sale to the public. A prospectus is used to help investors make a more informed investment decision. The Company's prospectus is available on the Company's website at www.ceibalimited.co.uk
RevPAR	Revenue per available room.
SFS	The Specialist Fund Segment of the Main Market of the London Stock Exchange.
Sol Palmeras Hotel	The Sol Palmeras Hotel located in Varadero, Cuba.
TosCuba	TosCuba S.A., a Cuban joint venture company in which the Group has an equity interest.
TosCuba Project	The Meliã Trinidad Peninsula Hotel development project located near Trinidad, Cuba, presently under construction and being carried out by Tosuba.
Total assets	The total assets less current liabilities as shown on the Balance Sheet with the addition of Prior Charges (as defined above).
Total Return	Total Return involves reinvesting the net dividend in the month that the share price goes xd. The NAV Total Return involves investing the same net dividend in the NAV of the Company on the date to which that dividend was earned, eg quarter end, half year or year end date.

ALTERNATIVE PERFORMANCE MEASURES

Alternative performance measures are numerical measures of the Company's current, historical or future performance, financial position or cash flows, other than financial measures defined or specified in the applicable financial framework. The Directors assess the Company's performance against a range of criteria which are viewed as particularly relevant for closed-end investment companies.

Discount to NAV

The discount reflects the amount by which the share price of the Company is below the NAV per share expressed as a percentage of the NAV per share. As at 30 June 2022, the share price was 48.5p and the net asset value per share was 92.5p, and the discount was therefore 47.6%.

NAV Per Share

The net asset value ("**NAV**") is the value of the investment company's assets, less any

	Six Months Ended 30 Jun 2022 US$	Year Ended 31 Dec 2021 US$
Opening NAV at 1 January	160,322,589	194,425,614
Net comprehensive loss for the period	(5,651,104)	(14,231,447)
Closing NAV	**154,671,485**	**180,194,167**

liabilities it has. The NAV per share is the NAV divided by the number of shares in issue.

The NAV per share was US$1.12 / 92.5p as at 30 June 2022.

NAV

The table below provides information relating to the NAV of the Company for the six months ending 30 June 2022 and the year ending 31 December 2021.

Ongoing charges

The ongoing charges are based on actual costs incurred in the year excluding any non-recurring fees in accordance with the AIC methodology. Expense items have been excluded in the calculation of the ongoing charges figure when they are not deemed to meet the following AIC definition: "Ongoing charges are those expenses of a type which are likely to recur in the foreseeable future, whether charged to capital or revenue, and which relate to the operation of the investment company as a collective fund, excluding the costs of acquisition/disposal of investments, financing charges and gains/losses arising on investments. Ongoing charges are based on costs incurred in the year as being the best estimate of future costs." The ratio reported for 30 June 2022 is based on forecast ongoing charges for the year ending 31 December 2022.

The table below provides information relating to the ongoing charges of the Company for the six months ending 30 June 2022 and the year ending 31 December 2021.

	Six Months Ended 30 Jun 2022 US$	Year to 31 Dec 2021 US$
Total Expenses per statement of comprehensive income	10,010,239	33,917,912
Adjustments (items to exclude)		
Foreign exchange loss	-	(130,918)
Interest expense on bonds	(1,346,875)	(2,176,931)
Loss on change in fair value of equity investments	(6,460,543)	(13,843,717)
Expected credit losses	-	(12,281.408)
Non-recurring bond issuance costs	-	(395,228)
Total ongoing charges	**2,202,821**	**5,090,430**
Total annualised ongoing charges	**4,405,642**	**5,090,430**
Average undiluted net asset value in the period	**159,440,006**	**181,554,628**
Ongoing charges (%)	**2.76%**	**2.80 %**

Meliã Las Américas Hotel, Varadero, Cuba