



CEIBA INVESTMENTS Ltd

**INTERIM CONDENSED CONSOLIDATED
FINANCIAL STATEMENTS (UNAUDITED)**

For the Six-Month Period Ended 30 June 2023

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Visit our website at ceibainvest.com to find out more about CEIBA Investments Limited.

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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 and/or Bonds 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 carried out for transmission to the purchaser or transfer.

DIRECTORS, MANAGEMENT AND ADVISERS

DIRECTORS (ALL NON-EXECUTIVE)

John Herring (*Chairman*)
Trevor Bowen
Keith Corbin
Peter Cornell (*Senior Independent Director*)
Colin Kingsnorth
Jemma Freeman
all of the registered office

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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.

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 property rights with respect to the underlying properties. The Company also arranges and invests in financial instruments granted in favour of Cuban borrowers.

FINANCIAL HIGHLIGHTS AS AT 30 JUNE 2023 IN £ AND US\$ (FOREX: £/US\$ = 1.2714)

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 provided in both currencies, applying the applicable exchange rate as at 30 June 2023 of £1:US\$1.2714. The Company has 137,671,576 shares (each an “**Ordinary Share**”) in issue, as well as €25 million outstanding in 10% senior unsecured convertible bonds having a nominal value of €100,000 each, due 31 March 2026 (the “**Bonds**”).

US\$	30 Jun 2023	31 Dec 2022	% Change
Total Net Assets (m)	\$150.5	\$142.1	5.9%
NAV per Share ¹	\$1.09	\$1.03	5.9%
	30 Jun 2023	30 Jun 2022	
Net Profit/(Loss) to Shareholders of the Parent (m)	\$7.3	(\$0.4)	
Basic and Diluted Profit/(Loss) per Share	\$0.05	(\$0.003)	
GBP	30 Jun 2023	31 Dec 2022	% Change
Market Capitalisation (m)	£45.4	£55.8	(18.6%)
Share price	33.0p	40.5p	(18.6%)
Total Net Assets (m)	£118.4	£118.0	0.3%
NAV per Share ¹	86.0p	85.7p	0.3%
Discount ¹	(61.6%)	(52.7%)	(8.9%)
Ongoing charges ¹	2.29% ²	3.04%	

1. These are considered Alternative Performance Measures. See glossary on page 61 for more information.
2. The ongoing charges ratio for the six months ended 30 June 2023 has been annualised for comparison purposes.

MANAGEMENT

During the six months under review, the Company announced, on 27 April 2023, that the Board had agreed to internalise the Company's investment management arrangements. The Company became a self-managed alternative investment fund on 1 July 2023. Up to 30 June 2023, abrtn Fund Managers Limited ("**AFML**") was the Company's alternative investment fund manager providing portfolio and risk management services to the Company. AFML delegated portfolio management to abrtn Alternative Investments Limited ("**AAIL**"). Both AFML and the AAIL are wholly-owned subsidiaries of abrtn plc ("**abrtn**"), a publicly-quoted company on the London Stock Exchange.

Effective from 1 July 2023, the Company is operating as a self-managed alternative investment fund. Like many other investment companies, its administration and certain other services have been delegated to third party providers.

FINANCIAL CALENDAR

31 December 2023	Financial year end
30 April 2024	Announcement of Annual Results for the year ended 31 December 2023
June 2024	Annual General Meeting 2024

Overview

During the first half of 2023, the many economic and other challenges that Cuba has faced over the past few years have continued. While the Covid 19 pandemic is now effectively over, unfortunately its impact continues to be felt, particularly in the tourism sector, which is one of Cuba's main sources of foreign currency and which has taken longer to recover than would be hoped for. In addition to this slow recovery, the economy is further challenged by the adoption of complex monetary reforms, the lack of any meaningful relaxation of the stringent U.S. embargo and the continued mass emigration from the country, with estimates of over 300,000 persons leaving in 2022 alone. The overall impact of these issues has seen the value of the Company's assets fall significantly in recent years. While the uncertain outlook continues to have a negative impact on the values of the assets of the Company, the Board is pleased to announce that the overall results of the Company for the period to 30 June 2023 show a profit in U.S. Dollars compared to a loss at 31 December 2022.

Tourism

The tourism sector has shown a slower than expected recovery. While the number of tourists from Canada is now nearly back to 2019 levels, there has been a slower increase in the number of long-haul flights from Europe. Further recovery in tourism numbers very much depends upon a continued increase in the number of flights into the country. It is anticipated that the return to normal levels of tourism will be achieved during 2024 - 2025, but in general Cuba needs to make significant investments in the industry to support such a recovery and the questionable designation by the U.S. of Cuba as a State Sponsor of Terrorism also impedes the effort.

U.S. relations

The harsh sanctions enacted against Cuba by the Trump administration in 2020 have largely remained in place during the present Biden administration, although there has been a relaxation in the rules relating to U.S. travel to Cuba and there are now over 70 flights per week. Limits on the amount of family remittances to Cuba have also been withdrawn. To date, the Biden administration has done nothing to remove the designation of Cuba as a State Sponsor of Terrorism and this represents a significant challenge for Cuban entities and foreign investors in obtaining standard banking, insurance and other international financial services necessary for regular operations. Given the rapid approach of the 2024 elections in the U.S., it appears unlikely that new positive steps will be undertaken by the Biden administration over the near term.

Monetary reforms

The monetary reforms that Cuba put in place in 2021-2022 continue to cause a high degree of uncertainty and disruption in the economy. There are now three effective exchange rates - the official rate of exchange of US\$1 : CUP24, a second official exchange rate of US\$1 : CUP120 applicable to individuals and the tourism sector, and a

third informal exchange rate ranging from US\$1 : CUP220-240. The tourism exchange rate has begun to be rolled out to the new private sector entities in the economy, giving rise to speculation that this rate may be extended to other sectors in the future. Meanwhile inflation has recently been reported as running at approximately 45% year-on-year, which also presents a significant challenge for operating businesses. There continue to be shortages of critical products, including food, electricity and fuel, and the country regularly suffers from rolling power cuts, transport problems, and agriculture production levels at their lowest levels in many years.

On a more positive note, the recently-allowed privately-owned small and medium-sized entities (SMEs) have been developing rapidly and the supply of food, electricity and fuel is becoming more steady.

Results to 30 June 2023

In spite of the above challenges, the underlying businesses making up the Company's assets have traded well in the first six months of 2023. The occupancy at the Miramar Trade Center, the office complex situated in the Miramar neighbourhood of Havana, in which the Company holds an interest of 49%, increased slightly to the current level of 95.4%, while the net profit before tax for the six months ended 30 June 2023, translated from CUP into U.S. Dollars at US\$8.7 million, was some 3.0% lower than the same period in 2022, due to a 24.1% increase in operational costs. This increase in costs reflects the difference between the official exchange rate that Monte Barreto must use and the informal rate used by the private sector in setting prices for their services. With continued strong profitability, the prime challenge remains the fact that Monte Barreto continues to have difficulty in transferring its dividends to the Company in hard currency because of the monetary constraints of the Cuban economy. Discussions are ongoing with our Cuban counterparties and good progress has been made on this front in the first half of the year. The Board is hopeful that ongoing initiatives and discussions dealing with this will continue to bear fruit over the coming months.

The results of Miramar, in which the Company holds an interest of 32.5% and which owns four operating hotels, show a material increase of some 48%, at the pre-tax level, over the same period in 2022. This is primarily a result of an occupancy level which is 12% above that of the previous period in 2022.

The hotels continue to trade well despite the ongoing challenges outlined above and the Board is confident that the operating results for the whole of 2023 will continue to show solid improvement.

The development of the new 401-room Melia Trinidad Península Hotel owned by TosCuba, which is located just outside of the historic town of Trinidad on the south coast of Cuba, is in the final phase of completion and will officially open in advance of the Cuban high tourism season that begins in December 2023. This is a very exciting development and the hotel, in which the Company holds a 32.5% interest, will be the only international-standard luxury beach resort hotel in the area.

The NAV per Share at 30 June 2023 was US\$1.09 (86.0p) compared to US\$1.03 (85.7p) at 31 December 2022 and the profit in the first six months of the financial year was US\$0.05 per share, compared to a loss of US\$0.0026 per share for the same period last

year. The net profit attributable to the shareholders was US\$7.3 million, compared to a loss of US\$0.4 million at 30 June 2022, the result being largely attributable, as in the prior two years, to continued difficulties in expatriating accumulated Monte Barreto profits from the joint venture due to the liquidity challenges faced by the Cuban economy.

The ongoing difficulties being faced by the Cuban economy, as outlined above, and the ability to receive dividends in hard currency from Monte Barreto have a negative impact on the valuation of the assets of the Company. Moreover, the Board is very conscious of the performance of the share price since the Company was listed in 2018 and the deep discount to the underlying asset value at which the shares are presently traded, which at 30 June 2023 was 61.6%.

Internalisation of Management

The proposed internalisation of management which was announced in April 2023 has now become fully effective and the transition has been smooth and seamless. As of 1 July 2023, the Company operates as a self-managed alternative investment fund, with Sebastiaan Berger and the other members of the Management Team moving to the Company to ensure continuity of service. There has been no change in the composition of the operational team nor the Board. The Board is grateful for abrdn's support over the years and in assisting in the completion of the internalisation.

In financial terms, the internalisation is expected to result in an annual cost saving of US\$1.2 million per year. Under the terms of the termination agreement reached with abrdn, the management fees relating to the second quarter of 2023 were waived (approximately US\$470,000) as was the repayment of US\$333,333 related to the unamortized portion of the US\$5 million in consideration paid by abrdn in October 2018 to acquire the management of the Company. The cost saving during the present financial year is expected to amount to approximately US\$1.25 million. 4K Keys Limited, a company owned by the Management Team which previously provided consulting services to abrdn in connection with the management of the Company, has been appointed to provide strategic consulting services in respect of the real estate assets of the Company's subsidiaries aimed at generating positive cash flow for such subsidiaries and cash distributions to CEIBA and its shareholders.

Looking forward, the ongoing focus of the Board and of Management will be on improving the profitability of the Company, which should become more achievable as tourism continues its recovery and the hotel at Trinidad commences trade, and on working with its Cuban partners to release the accumulated and future dividends from Monte Barreto.

John Herring
Chairman
28 September 2023

MANAGEMENT REVIEW

PERFORMANCE TO 30 JUNE 2023

As at 30 June 2023, the total Net Asset Value of CEIBA Investments Limited (“**CEIBA Investments**” or the “**Company**”) was US\$150.5 million (31 December 2022: US\$142.1 million) and the NAV Total Return for the first six months of the year was 5.9% (30 June 2022: -3.5%).

The total income of the Company during the first six months of 2023 was US\$13.5 million (compared to US\$13.7 million during the first six months of 2022). Dividend income from the Cuban joint venture companies during the first six months of 2023 was US\$3.7 million (compared to US\$11.4 million during the first six months of the prior year). The lower dividend income is a result of Monte Barreto not declaring any dividends during the period whereas it declared US\$11.4 million in dividends in the first half of 2022 (that were provisioned in December 2022). This has been offset by an increase in the change in the fair value of the equity investments by US\$6.3 million (compared to a decrease in the same period of 2022 of US\$6.5 million). The net profit of the Company attributable to the shareholders for the first six months of 2023 was US\$7.3 million (compared to a loss of US\$0.4 million during the first six months of 2022).

During the first six months of the year, the NAV per Ordinary Share of CEIBA Investments increased from 85.7 pence to 86.0 pence. In contrast, the share price of the Ordinary Shares of the Company decreased from 40.5 pence to 33.0 pence, increasing the discount from 52.7% to 61.6%.

As at 30 June 2023, as a result of the continued recovery in tourism and the resulting improvements in performance, the valuations of the Havana and Varadero hotels in which the Company has an interest increased despite an increase in the discount and capitalization rates applied to these assets. The fair value of the Miramar Trade Center, the principal commercial real estate asset in which CEIBA Investments has a holding, also increased primarily as a result of an increase in its cash reserves. The investment in the new hotel construction project in Trinidad showed a slight decrease which is expected to revert following the opening of the hotel.

The increase in the discount rates used to value the underlying properties reflect a further rise in the perceived risks of investing in Cuba due to the ongoing impact of U.S. sanctions and the continued designation of Cuba as a State Sponsor of Terrorism, the continuing economic and overall liquidity issues faced by the country, the increased threat of a substantial devaluation of Cuba’s official currency, the unpredictability and ineffectiveness of monetary reforms adopted by the government to combat the present difficulties and the ongoing inability of Cuba to honour its financial obligations and to execute international bank transfers.

OVERVIEW

Between a rock and a hard place

It seems undisputable that Cuba needs change. Change on the inside but also change from the outside, especially from the United States where the Biden administration has so far left in place nearly all of the harsh Trump sanctions which are isolating Cuba from the world and imposing real economic hardship on the population, and yet still seems surprised to see Cuba strengthening ties with other nations that are not aligned with its international influence and political reach.

Most significantly, the in my view unwarranted continuation of Cuba's designation as a State Sponsor of Terrorism, at a time when Cuba plays an admirable role supporting negotiations between the government of Colombia and the National Liberation Army (ELN), unjustly separates Cuba from the rest of the world, slows down substantially the recovery of its tourism sector, decimates Cuba's economy and perhaps most importantly triggers a sense of desperation on the part of the population.

But there is hope...

What clearly gives us hope are Cuba's efforts to allow and encourage the creation of thousands of privately owned small and medium-sized enterprises (SMEs), indicating a major shift from a highly centralised command economy to a more mixed market-oriented economy (somewhat similar to what happened in Vietnam during the mid-1980s). But with the U.S. embargo still in place and Cuba's liquidity situation being as precarious as it is, the country is unable to count on the finance and funding necessary to support the new SMEs and foreign direct investment, which together should play an important role in developing sustainable economic growth.

Under these circumstances, it is clearly very difficult for the Cuban government to successfully adopt and implement new reforms, which appear fairly chaotic. And with a level of inflation that continues to rise the occurrence of a substantial devaluation of the Cuban Peso seems inevitable.

Faced with these challenging times, we believe the assets of the Company are doing remarkably well and our expectations, both for Cuba and for CEIBA, for the short, medium and longer term, are positive. The operational results of the hotels owned by Miramar S.A. are all above projections, the new hotel of TosCuba S.A. is about to begin operations, and negotiations to find solutions to deal with the payment of past and future dividends of Inmobiliaria Monte Barreto S.A. are starting to bear fruit.

Once the hotel investment of TosCuba S.A. is completed (start-up of operations is expected during the month of December 2023), the principal task of Management will be to intensify its focus on generating positive cash flow, increasing the value of the assets of the Company and finding ways to start closing the significant discount at which shares presently trade as compared with the Company's net asset value. The first significant step into this direction was made when Management was internalized and CEIBA became a self-managed alternative investment fund.

Cuba – Recent Developments

General Economy

In a July 2023 speech to Parliament, Economy Minister Alejandro Gil painted a bleak picture of the Cuban economy. Economic growth in 2022 was confirmed to have been only 1.8% (against an original forecast of 4.0%).

Throughout the first half of 2023, the hard currency shortage has remained acute, resulting from (i) lower tourist arrivals and tourist income in the first half of the year, and (ii) lower than projected export income. The tourism, transportation, communications and social sectors are generally recovering steadily, albeit at a slower than expected pace, but agriculture, livestock production, manufacturing, commerce and energy generation are not recovering well, resulting in a production and wealth generation deficit, and this is linked to inflation, which was stated to be 45%. External finance remains generally difficult to obtain and very expensive. Other economic matters that were confirmed include:

- Nickel, sugar, honey and charcoal results were below expectation, but those for tobacco, rum and seafood were positive.
- With 1.3 million tourist arrivals to 30 June 2023, the tourism sector is running at approximately 80% of the 2023 plan (50% of 2019 figures). Canada remains the primary outbound market with nearly 0.6 million visitors and Cubans living abroad was the second most important outbound market with 0.2 million arrivals. U.S. travellers arriving under the 12 authorised categories of licensed travel and Russians were other important categories. All markets show significant growth as compared with 2022 but it seems unlikely that Cuba will reach the 2023 official forecast of 3.5 million tourist arrivals.
- The government continues to place much importance on export targets and national production of goods and services as the keys to recovery.
- Inflation is running year-on-year at 45%.
- The agricultural sector continues to suffer from serious mismanagement.
- The island suffered through serious energy, fuel and water shortages during the first half of the year, but the situation has now been stabilised thanks to significant efforts to repair and maintain the electrical infrastructure, including the restart of refining operations at the Cienfuegos refinery, as well as new commercial agreements with Russia and other partners regarding the supply of fuel.

During the first half of the year, 15 new foreign investments were approved, representing US\$437 million in new capital to be invested. The new investments announced were mainly in the tourism, food production, wholesale and biotech sectors. In addition, a new banking license was granted to Alto Cedro, Banco Corporativo, a Spanish owned finance company. It will act primarily as a corporate bank aimed at providing finance and will need to obtain Central Bank authorisation for services to the new private sector.

The private sector continues to show significant growth, with over 8,500 small and medium sized enterprises (SMEs) incorporated under the new rules permitting their formation adopted two years ago, but their activities are mainly focused on the import and resale of consumer goods and finished products rather than on national production activities, and their efforts are hindered by serious banking, finance and working capital constraints. Monetary issues force many SMEs to participate in informal currency exchange markets which in turn negatively affects the ability of the administration to collect hard currency and further depresses the value of the CUP on the informal market, which is now trading at around 220-240 CUP to the U.S. Dollar. The dire economic conditions and absence of signs of relaxation of the U.S. Cuban embargo have motivated more than an estimated 300,000 people to emigrate in 2022, mostly to the United States. New measures aimed at combatting inflation, increasing exports and accelerating market-oriented reforms have been imposed chaotically, with little positive impact.

Cuba remains harshly penalised by U.S. foreign policy

No new measures were announced by the Biden administration in the first half of the year to reverse any of the strict new sanctions adopted by the Trump administration. In May 2022, the Biden administration began easing certain rules that restricted travel from the U.S. to Cuba and removed limits on the sending of family remittances. As announced when these initial steps were taken, follow on measures relating to use by the Cuban private sector of U.S. internet and electronic payment systems were expected, but these have not materialised. In addition, in March 2023, Secretary of State Blinken confirmed that there were no plans to remove Cuba from the U.S. list of State Sponsors of Terrorism, a highly punitive designation that makes it very difficult for any Cuban entity (or foreign investor in the country) to receive basic banking and other financial services in international markets.

With the ramping up of the 2024 presidential election cycle over the coming months, it seems doubtful that any further softening of the punitive U.S. sanctions or other overtures to Cuba will take place prior to the elections to be held in November 2024.

Outlook 2023-2024 – No fast fix

Any sustained recovery of the Cuban economy will surely depend, on the one hand, on increased access to hard currency income, whether through an increase in family remittances to the island, increased airlift and continued growth in the number of international tourists travelling to Cuba, and internal factors such as an increase in the levels of agricultural and mining production and manufacturing, rapid acceleration of commercial activities by Cuba's nascent SME sector and the successful adoption of new reforms on the other.

Although each of these factors appear to be moving in the right direction, none of them are moving very quickly. Management therefore expects that the existing difficult circumstances will gradually improve, but at a slow and steady, rather than rapid, rate.

In the meantime, the liquidity position of the country remains extremely fragile and the risk of further devaluation of the Cuban Peso remains very high. The Cuban banking system, the electrical grid and other key infrastructure are extremely feeble and may easily fall into further crisis if the above positive forces do not successfully move the country forward, which may compound existing problems.

PORTFOLIO ACTIVITY

The Miramar Trade Centre / Monte Barreto



View of the Miramar Trade Center complex from Third Avenue

The largest real estate holding of the Company is its 49% interest in 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 of net rentable area that constitutes the core of the new Miramar business district in Havana.

The value of Monte Barreto increased at 30 June 2023 by US\$2.4 million or 4.7% compared to the valuation as at 31 December 2022. This was despite an increase of 1.2% in the discount rate applied in the discounted cash flow model of Monte Barreto due to the present state of the Cuban economy and the increased transfer and currency risk faced by Monte Barreto and its shareholders. The increase is due primarily to an increase in the cash reserves of Monte Barreto, which are taken into consideration when determining its value.

Overall, the performance of the Miramar Trade Centre during the first half of 2023 was once again strong. Income and occupancy are slightly higher than the prior year period (which is positive considering the economic climate). Monte Barreto registered net income after tax in Cuban Pesos equivalent to US\$7.3 million using the official forex rate of CUP24.00 : US\$1.00 during the period, representing a 3% decrease as compared to the same period in the prior year. The decrease was a result of an increase in costs. Costs increased by approximately 24% compared to June 2022, primarily due to an increase in consumables and services. These cost increases are a result of the monetary reforms, the difference between the official forex rate that Monte Barreto uses for accounting purposes and the “street forex” which dictates many costs, which at the date of writing this update is above CUP230 : US\$1.00.

Demand for international-standard office accommodation in Havana remains strong, predominantly from multinational companies, joint ventures, NGOs and foreign diplomatic missions. Monte Barreto remains the dominant option in this market segment. As a consequence, the outlook for Monte Barreto in the second half of 2023 remains encouraging, as we expect occupancy levels to remain in the mid to high

nineties throughout the remainder of the year.

A series of financial reforms have been adopted by the Cuban government in recent years with the stated purpose of increasing the financial autonomy of various economic actors, including joint venture companies. Under these rules, commercial real estate activities were partially 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 currency payments of many tenants of the joint venture are not easily converted into foreign currency for payment abroad.

Given the present limited financial autonomy of Monte Barreto, in combination with the current economic situation and liquidity difficulties faced by the country, we expect that only a modest amount of the presently outstanding dividends will be paid to the Company during the current year. 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 2024 or 2025, and as new reforms are adopted aimed at generating financial autonomy and that the backlog of dividends will eventually be paid. In addition, a structure has recently been set up that allows certain tenants of the Miramar Trade Centre to make their rental payments to international banks outside Cuba, which is expected to facilitate the payment of part of the outstanding dividends owed to the Company. At 30 June 2023, US\$18,795,041 (31 December 2022: US\$19,045,041) of the accounts receivable and accrued income balance is comprised of dividends receivable from Monte Barreto with respect to dividends declared in prior periods. This receivable has been impaired by the Company in full. During the first half of 2023, the Company received payments of previously declared dividends from Monte Barreto of US\$250,000, compared to US\$500,000 for the same period in 2022.

Over the course of the year Management held numerous discussions with the Cuban shareholder in the joint venture company in order to find alternative ways to unlock payments of past dividends due to the Company. To date these discussions are positive but ongoing.

The Hotels of Miramar



Clockwise from top left: The Meliá Habana Hotel in Havana; the Meliá Las Américas Hotel; Main entrance at the Sol Palmeras Hotel; main entrance to the Meliá Varadero Hotel at Varadero.

Through its indirect ownership of a 65% interest in HOMASI S.A. ("**HOMASI**"), which in turns has a 50% interest in Miramar S.A. ("**Miramar**"), the Group has a 32.5% interest in the following hotels (collectively the "**Hotels**"):

- the Meliá 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 Meliá Las Americas Hotel, a 340-room international-category 5-star beach resort hotel located in Varadero;
- the Meliá 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.

The Hotels are operated by the Company's strategic partner Meliá Hotels International S.A. ("**Meliá Hotels International**"), which also has a 35% equity interest in HOMASI (which translates to a 17.5% interest in Miramar).

Performance of the Hotels

The valuation of Miramar and its four hotels has been adjusted upwards at 30 June 2023 by US\$6.8 million, representing a 6.9% increase as compared with the 31 December 2022 valuation. This was driven mainly by increased cash flow projections, partially offset by an average 0.9% increase in the discount rate applied in the discounted cash flow model of Miramar.

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 2020 and 2021, but they recovered well in 2022. This strong performance has continued in the first half of 2023. With certain reduced operational costs and other transitional financial and foreign exchange advantages resulting from the monetary reforms implemented during the preceding years, and with occupancy levels well on the road to recovery from pandemic lows, Miramar continued to deliver strong levels of income and EBITDA in the first half of the year.

To 30 June 2023, the net income after tax of Miramar was US\$15.6 million (compared US\$10.1 million during the period up to 30 June 2022), resulting in dividend income earned by the Company from Miramar during the period of US\$3.7 million, compared to US\$3.2 million in the prior year period. HOMASI received the US\$3.7 million in dividends from Miramar during the first half of 2023 in cash outside Cuba. Although the timing of dividend payments varies and does not exactly coincide with the hotel results during the financial year, the dividends received in 2022 in relation to the present holding value of the Hotels translates to a profitability ratio of 7.0%.

Notwithstanding the fact that there are numerous new hotels opening, especially in Havana, and others that were closed as a result of the Covid-19 pandemic reopening, we expect that performance will continue at these positive levels throughout the remaining months of 2023, subject to the possibility that some of the monetary reform benefits presently favouring the operations of Miramar may be scaled back by the Cuban authorities, in which case the present levels of profitability may be lower in the future.

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 70% 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 to keep up with inflation and a possible devaluation of the official foreign exchange rate of the Cuban Peso, as well as possible changes to some of the monetary reform measures could negatively affect the profitability of the Hotels going forward.

The TosCuba Project



Clockwise from top left: Main entrance, gardens and fountains; main pool with swim-up bar; buffet restaurant; chill-out beach areas.

The Company owns a 65% interest in Mosaico Hoteles S.A. (“Mosaico Hoteles”), representing a 32.5% indirect interest in TosCuba, the Cuban joint venture company that is constructing the 401 room Meliá Trinidad Península Hotel.

As at 30 June 2023, the project was nearly complete. Present works are now focused on the completion of mechanical systems and interior finishing works, as well as the supply of start-up consumables and the training of staff, etc. The Cuban government is in the process of contracting companies to carry out beach improvement works in front of the

hotel, and these are expected to be carried out in the coming months. It is now estimated that completion of construction and opening of the hotel will coincide with the start of the 2023-2024 high season beginning in December 2023.

The Company arranged and executed a US\$51.5 million construction finance facility to be disbursed under two tranches of US\$22.5 million and US\$29 million, respectively. At 30 June 2023, the amount disbursed under the Company's participation in Tranche A was US\$14.625 million. The amount disbursed under the Company's participation in Tranche B of the facility was US\$25.3 million, of which US\$21.5 million was a direct participation by the Company and US\$3.8 million represents the Company's share of the participation by HOMASI, in which the Company has an indirect 65% participation.

Part of the increased principal of Tranche B is being used for the purchase and installation of solar panels to limit the hotel's dependence on electricity from the national grid. This investment clearly contributes to CEIBA's strategic ESG goals.

Repayment of the construction 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.

During the period, HOMASI took a further \$2.28 million participation in Tranche B of the construction facility, bringing its total participation in the Tranche to US\$7.5 million, representing an 25.9% interest therein.

The total cost of the project – including incorporation of the joint venture company, acquisition of surface rights, construction of the hotel and the finance of start-up activities – is currently 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 has an interest of US\$5.2 million (32.5%), and more than US\$11 million represents grants received under the Spanish Cuban Debt Conversion Programme. The remaining funds necessary to complete the project will be disbursed under the construction finance facility.

Given that construction works are nearing completion and the start-up of operations of the hotel during the current year is highly probable, on 31 December 2022 the Board changed the methodology for valuing the equity interest of the Company in this asset from cost to fair value, resulting in the valuation falling below the prior construction cost-based value (this is primarily a result of the time necessary for cash flows to gradually build from start up to mature operation).

At 30 June 2023, the valuation of the equity interest of the Company in the Trinidad hotel has been adjusted downwards by US\$1 million, representing a 19.6% decrease as compared with the December 2022 valuation. This was driven mainly by a 1.5% increase in the discount rate applied in the discounted cash flow model of TosCuba.

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. 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 €500,000 (US\$600,950). The full investment of the Company in this project is projected to be approximately US\$1.5 million. Groundworks on the 11.3-hectare site for the construction of the first four warehouses of the project were completed in June 2021. This project remains on hold, awaiting the completion of discussions with potential tenants with a view to coordinating the start of construction works with the existence of real demand.

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 (Tranches A and B were subsequently combined into a single Tranche C).

This facility generated an 8.00% interest rate and operated successfully without delay or default until the closure of all Cuban hotels in March 2020 following the outbreak of the Covid-19 pandemic. At that time, the income from the hotels that served as the basis for payments under the FINTUR facility ceased. In the face of the difficulties caused by the pandemic, the payment schedule was amended and the borrower was granted certain grace periods affecting principal and interest pending recovery of the hotel payment streams.

By 31 December 2022, operations under the facility had returned to normal. At 30 June 2023, the principal and interest outstanding related to the Company's participation in the facility was US\$718,186 (31 December 2022: US\$1.4 million). In August 2023, FINTUR prepaid the remaining balance outstanding that was due in September 2023.

OUTLOOK

We expect that the very difficult economic circumstances faced by Cuba during 2022 and the first half of 2023 will continue throughout the remainder of the year and into 2024, and that the local market conditions in which the Company and its subsidiaries operate will remain very challenging.

Liquidity and cash flows of the Company and its subsidiaries are closely monitored in order to ensure full compliance with operational obligations while in parallel finalising the construction of the Meliá Trinidad Península Hotel so that this hotel becomes an additional income-generating asset before the end of the current year.

The very tight liquidity position of the Cuban economy resulting from the disruption caused by the Covid-19 pandemic, the continued high level of U.S. sanctions aimed at the country, increased transport and other import costs, widespread inflation and the ongoing transitional effects of monetary and economic reforms being adopted by the Cuban government will likely continue to impact negatively on the timing of dividend and other payments to the Company in the short term.

However, as Cuba's liquidity position improves, we expect that the office complex of Monte Barreto, all four of the Miramar hotels, and the TosCuba hotel in Trinidad will benefit from the improved market conditions, both in terms of revenue generation and valuations.

Sebastiaan A.C. Berger
28 September 2023

INTERIM BOARD REPORT

DIRECTORS' RESPONSIBILITY STATEMENT

The Directors are responsible for preparing this Interim Board 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 9 to 16 of the Company's Annual Report and Financial Statements for the year ended 31 December 2022 and can be summarised under the following headings:

- Emerging Risks relating to the Cuban Financial System
 - Cuban Financial Reforms – Financial Autonomy Rules
 - Currency Devaluation 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
 - Insurance 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
 - State Sponsor of Terrorism Designation
 - 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 2022 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. 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 Interim 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

Keith Corbin

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

As at 30 June 2023

		Unaudited as at 30 Jun 2023 US\$	Audited as at 31 Dec 2022 US\$
Assets	Note		
Current assets			
Cash and cash equivalents	4	12,588,110	8,454,247
Accounts receivable and accrued income	5	1,610,768	3,400,612
Loans and lending facilities	6	10,677,059	8,971,160
Total current assets		24,875,937	20,826,019
Non-current assets			
Accounts receivable and accrued income	5	162,325	223,721
Loans and lending facilities	6	48,891,180	44,268,916
Equity investments	7	162,360,393	154,221,877
Investment in associate	8	113,507	113,507
Property, plant and equipment		494,270	497,062
Total non-current assets		212,021,675	199,325,083
Total assets		236,897,612	220,151,102
Liabilities			
Current liabilities			
Accounts payable and accrued expenses	9	9,484,188	7,185,742
Short-term borrowings	10	4,492,508	3,946,551
Deferred liabilities		-	833,333
Total current liabilities		13,976,696	11,965,626
Non-current liabilities			
Accounts payable and accrued expenses	9	2,183,188	-
Convertible bonds	11	27,165,000	26,665,000
Total non-current liabilities		29,348,188	26,665,000
Total liabilities		43,324,884	38,630,626
Equity			
Stated capital		106,638,023	106,638,023
Revaluation surplus		319,699	319,699
Retained earnings		39,771,068	32,518,443
Accumulated other comprehensive income		3,732,522	2,602,340
Equity attributable to the shareholders of the parent		150,461,312	142,078,505
Non-controlling interest		43,111,416	39,441,971
Total equity		193,572,728	181,520,476
Total liabilities and equity		236,897,612	220,151,102
NAV	12	150,461,312	142,078,505
NAV per share	12	1.09	1.03

See accompanying notes 1 to 20, which are an integral part of these unaudited condensed interim consolidated financial statements. These unaudited condensed interim consolidated financial statements on pages 24 to 27 were approved by the Board of Directors and authorised for issue on 28 September 2023. 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 2023

	Note	Unaudited Six months ended 30 Jun 2023 US\$	Unaudited Six months ended 30 Jun 2022 US\$
Income			
Dividend income	7	3,668,716	11,384,494
Interest income		2,757,205	1,441,767
Other Income		583,333	-
Gain on change in fair value of equity investments		6,288,955	-
Travel agency commissions		8,484	4,516
Foreign exchange gain		172,592	834,325
		<u>13,479,285</u>	<u>13,665,102</u>
Expenses			
Interest expense on bonds	11	(1,353,412)	(1,346,875)
Loss on change in fair value of equity investments	7	-	(6,460,543)
Reversal of expected credit losses		250,000	-
Management fees		(386,804)	(915,830)
Other staff costs		(169,812)	(41,097)
Travel		(41,288)	(42,404)
Operational costs		(147,749)	(140,112)
Legal and professional fees		(740,928)	(481,619)
Administration fees and expenses		(147,818)	(153,667)
Audit fees		(150,345)	(124,786)
Miscellaneous expenses		(104,734)	(152,666)
Directors' fees and expenses		(161,920)	(138,578)
Depreciation		(10,963)	(12,062)
		<u>(3,165,773)</u>	<u>(10,010,239)</u>
Net profit before taxation		10,313,512	3,654,863
Income taxes		-	-
Net profit for the period		10,313,512	3,654,863
Other comprehensive income to be reclassified to profit or loss in subsequent periods			
Profit/(loss) on exchange differences of translation of foreign operations		1,738,740	(8,138,038)
Total comprehensive profit/(loss)		12,052,252	(4,483,175)
Net profit/(loss) for the period attributable to:			
Shareholders of the parent		7,252,625	(361,379)
Non-controlling interest		3,060,887	4,016,242
Total comprehensive profit/(loss) attributable to:			
Shareholders of the parent		8,382,808	(5,651,104)
Non-controlling interest		3,669,446	1,167,929
Basic and diluted profit/(loss) per share	15	0.05	(0.003)

See accompanying notes 1 to 20, which are an integral part of these consolidated financial statements.

CONSOLIDATED STATEMENT OF CASH FLOWS

For the period ended 30 June 2023

	Note	Unaudited Six months ended 30 Jun 2023 US\$	Unaudited Six months ended 30 Jun 2022 US\$
Operating activities			
Net profit for the period		10,313,512	3,654,863
<i>Items not affecting cash:</i>			
Depreciation		10,963	12,062
Change in fair value of equity investments	7	(6,288,955)	6,460,543
Dividend income		(3,668,716)	(11,384,494)
Interest income		(2,757,205)	(1,441,767)
Interest expense		1,353,412	1,346,875
Foreign exchange gain		(172,592)	(834,325)
		(1,209,581)	(2,186,243)
Decrease in accounts receivable and accrued income		3,478,216	1,304,748
Increase/(decrease)			
in accounts payable and accrued expenses		4,481,634	(946,568)
Non-cash movement			
in amortisation of deferred liability		(833,333)	(500,000)
Dividend income received		3,918,716	3,714,884
Interest income received		1,130,229	559,421
Net cash flows from operating activities		10,965,881	1,946,242
Investing activities			
Purchase of property, plant & equipment		(8,171)	(3,090)
Loans and lending facilities disbursed		(7,023,875)	(10,349,967)
Loans and lending facilities recovered		695,712	-
Net cash flows from investing activities		(6,336,334)	(10,353,057)
Financing activities			
Short-term borrowings received		545,957	2,489,904
Interest paid on convertible bonds		(1,353,412)	(1,346,875)
Net cash flows from financing activities		(807,455)	1,143,029
Change in cash and cash equivalents		3,572,092	(7,263,786)
Cash and cash equivalents at beginning of the period		8,454,247	26,228,072
Foreign exchange on cash		561,771	(1,807,037)
Cash and cash equivalents at end of the period		12,588,110	17,157,249

See accompanying notes 1 to 20, which are an integral part of these consolidated financial statements.

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

For the period ended 30 June 2023

UNAUDITED FOR THE SIX MONTHS ENDED 30 JUNE 2023	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 2023		106,638,023	319,699	32,518,443	2,602,340	142,078,505	39,441,971	181,520,476
Revaluation of assets / Net other comprehensive loss to be reclassified to profit or loss in subsequent periods	7, 11	-	-	-	1,130,182	1,130,182	608,558	1,738,740
Net profit for the period	11	-	-	7,252,625	-	7,252,625	3,060,887	10,313,512
Balance at 30 June 2023		106,638,023	319,699	39,771,068	3,732,522	150,461,312	43,111,416	193,572,728
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

See accompanying notes 1 to 20, which are an integral part of these unaudited interim condensed consolidated financial statements.

NOTES TO THE INTERIM CONSOLIDATED FINANCIAL STATEMENTS FOR THE SIX MONTHS ENDED 30 JUNE 2023 (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, 2020 as amended. The registered office of CEIBA is located at Les Echelons Court, Les Echelons, St Peter Port, Guernsey, GY1 1AR.

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, 5^{ta} 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 entered into a management agreement, with effect from 1 November 2018, under which the Group appointed abrdn Fund Managers Limited (“**AFML**”) as the Group’s alternative investment fund manager to provide portfolio and risk management services to the Group. AFML delegated portfolio management to abrdn Alternative Investments Limited. Both the AFML and the AAIL are wholly-owned subsidiaries of

abrdn plc. On 27 April 2023 the Company announced that it had agreed to internalise the investment management arrangements, effective 30 June 2023. From 1 July 2023, the Company is no longer managed by AFML as the Company's Alternative Investment Fund Manager and is operating as a self-managed alternative investment fund.

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 the Company's 31 December 2022 financial statements in note 3.8 and certain property, plant and equipment as disclosed in note 3.11, 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 2022, 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 2022. 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\$, with some of the subsidiaries being 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 2022 financial statements);
- b) That the Group is a Venture Capital Organisation (see note 3.16 of the Company's 31 December 2022 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 2022 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 regard to the 30 June 2023 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 fully 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 and paid 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 US\$18,795,041 (31 December 2022: US\$19,045,041) and is related to the balance of dividends receivable due from Monte Barreto at 30 June 2023..

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 2023 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.

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 2023 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 2023 and 31 December 2022:

Entity Name	Country of Registration	Equity interest held indirectly by the Group or holding entity	
		30 Jun 2023	31 Dec 2022
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) (vii)	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	65%	65%
1.3.2.1 TosCuba S.A. (b) (vi)	Cuba	50%	50%
1.3.3 Grupo BM Interinvest Technologies Mariel S.L. (c) (viii)	Spain	50%	50%

(a) Company consolidated at 30 June 2023 and 31 December 2022.

(b) Company accounted at fair value at 30 June 2023 and 31 December 2022.

(c) Company accounted for as an investment in associate at 30 June 2023 and 31 December 2022.

(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) Netherlands company responsible for the holding and management of the Group's investments in tourism.

(viii) 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 2023 US\$	31 Dec 2022 US\$
Cash on hand	24,775	15,654
Bank current accounts	12,563,335	8,438,593
	12,588,110	8,454,247

5. ACCOUNTS RECEIVABLE AND ACCRUED INCOME

	30 Jun 2023 US\$	31 Dec 2022 US\$
Due from TosCuba S.A.	1,030,786	1,030,786
Other accounts receivable and deposits	742,307	499,858
Dividends receivable from Inmobiliaria Monte Barreto S.A.	18,795,041	19,045,041
Sale proceeds receivable from Meliã Hotels International S.A.	-	2,093,689
	20,568,134	22,669,374
Expected credit loss (refer to note 2.3)	(18,795,041)	(19,045,041)
	1,773,093	3,624,333
Current portion	1,610,768	3,400,612
Non-current portion	162,325	223,721

Accounts receivable and accrued income have the following future expected maturities:

	30 Jun 2023 US\$	31 Dec 2022 US\$
Up to 30 days	563,582	289,418
Between 31 and 90 days	490,082	445,768
Between 91 and 180 days	487,979	2,592,288
Between 181 and 365 days	69,125	73,138
Greater than 365 days	162,325	223,721
	1,773,093	3,624,333

At 30 June 2023, US\$18,795,041 (31 December 2022: US\$19,045,041) of the accounts receivable and accrued income balance is comprised of dividends receivable. The impairment on the dividend's receivable has been assessed as low in the case of Miramar and high in the case of Monte Barreto under 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 weakness of the liquidity position of the Cuban financial system caused by the combined effects of 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 Barreto 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, 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 and other factors, the timing of receipt of dividends receivable at 31 December 2022 of US\$19,045,041 was uncertain and therefore impaired in full in the Statement of Comprehensive Income. During the six-month period ending 30 June 2023, dividend income related to Monte Barreto amounted to US\$ Nil. 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 2023 of US\$18,795,041 and the existing impairment of US\$18,795,041 has been determined to be adequate at the end of the period.

The overall credit risk for TosCuba has been 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. Accordingly, in the current period 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 is available, which 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 (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\$18,795,041 (31 December 2022: US\$19,045,041) related to the dividends receivable of Monte Barreto.

6. LOANS AND LENDING FACILITIES

	30 Jun 2023 US\$	31 Dec 2022 US\$
TosCuba S.A. (i)	48,891,180	44,268,916
Casa Financiera FINTUR S.A. (ii)	718,186	1,410,240
Miramar Facility (iii)	9,357,923	6,984,438
Grupo B.M. Intervest Technologies Mariel S.L. (iv)	600,950	576,482
	59,568,239	53,240,076
Current portion	10,677,059	8,971,160
Non-current portion	48,891,180	44,268,916

(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 a new construction process and other circumstances and in particular the maximum principal amount of Tranche B thereof was increased to US\$29,000,000, bringing the total principal amount of the Construction Facility to US\$51,500,000. The Group has a 65% participation in Tranche A of the Construction Facility and a 90.9% 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., Corporación 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 2022) 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 under the facility are scheduled to begin once the hotel starts operations.

In August 2022, the Company's subsidiary HOMASI took a US\$5,220,000 participation in Tranche B of the Construction Facility. In February and June 2023, HOMAS took additional participations in Tranche B of US\$580,000 and US\$1,700,000, respectively, bringing its total participation in Tranche B to US\$7,500,000, representing a 25.9% interest therein. At 30 June, US\$1,691,353 was remaining to be disbursed under the participation of HOMASI.

In September 2022, Meliá Hotels International S.A. agreed to acquire from the Company a US\$3,375,000 additional participation in Tranche A of the Construction Facility, representing a 15% interest therein, bringing the total participation of Meliá Hotels International in Tranche A of the Construction Facility to US\$7,875,000, representing 35% of the total Tranche.

As at 30 June 2023, the loan principal owing to the Group was US\$41,933,649 (31 December 2022: US\$38,937,911) and loan interest receivable was US\$6,957,531 (31 December 2022: US\$5,331,005).

- (ii) In July 2016, the Group arranged and participated in a €24,000,000 (US\$26,078,400 equivalent at 30 June 2023) 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\$13,039,200 equivalent at 30 June 2023). The Group had an initial participation of €4,000,000 (US\$4,346,400 equivalent at 30 June 2023) under the first tranche and a €2,000,000 (US\$2,173,200 equivalent at 30 June 2023) 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 was extended to September 2023. Interest is payable quarterly on a current basis and the remaining outstanding principal is payable by way of a quarterly payment to be made in the third quarter of 2023. The facility has a fixed interest rate of 8%. The payment of interest on the facility was current at 30 June 2023. 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 facility is not repayable on demand. The facility is assessed at Stage 2 (same as for the year ended 31 December 2022) 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.

As at 30 June 2023, the loan principal owing to the Group was €647,847 (US\$703,950) (31 December 2022: €1,295,693 (US\$1,381,986)) and loan interest receivable was €13,101 (US\$14,236) (31 December 2022: €26,490 (US\$28,254)).

- (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 €4.5 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 facility is not repayable on demand. The facility is assessed at Stage 2 (same as for the year ended 31 December 2022) 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 facility 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\$543,300 equivalent at 30 June 2023) 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 10 May 2024. 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 an 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.

As at 30 June 2023, the loan interest receivable was €53,055 (US\$57,650) (31 December 2022: €40,486 (US\$43,182)).

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

	30 Jun 2023 US\$	31 Dec 2022 US\$
Up to 30 days	2,237,595	1,043,423
Between 31 and 90 days	1,669,336	2,088,166
Between 91 and 180 days	3,652,128	2,832,449
Between 181 and 365 days	3,118,000	3,007,122
Greater than 365 days	48,891,180	44,268,916
	59,568,239	53,240,076

7. EQUITY INVESTMENTS

	30 Jun 2023 US\$	31 Dec 2022 US\$
Miramar S.A.	105,470,140	98,637,088
Inmobiliaria Monte Barreto S.A.	52,590,253	50,234,789
TosCuba S.A.	4,300,000	5,350,000
	162,360,393	154,221,877

	Miramar (i) US\$	Monte Barreto US\$	TosCuba (ii) US\$	Total US\$
Balance at 31 December 2021	94,511,908	67,692,462	13,623,644	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	13,623,644	161,531,831
Foreign currency translation reserve	2,328,167	-	-	2,328,167
Change in fair value of equity investments	1,468,188	(2,832,645)	(8,273,664)	(9,638,121)
Balance at 31 December 2022	98,637,088	50,234,789	5,350,000	154,221,877
Foreign currency translation reserve	1,849,561	-	-	1,849,561
Change in fair value of equity investments	4,983,491	2,355,464	(1,050,000)	6,288,955
Balance at 30 June 2023	105,470,140	52,590,253	4,300,000	162,360,393

(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 2023 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 2023 the Group owned an indirect 65% interest in Mosaico Hoteles, which in turn owns a 50% equity interest in TosCuba, a Cuban joint venture company that is developing a 401 room 5-star beach resort hotel at Playa Maria Aguilar near the city of Trinidad, Cuba. The Group has made capital contributions of US\$8,000,000 (31 Dec 2022: US\$8,000,000) to TosCuba.

On 19 September 2022, Ceiba Tourism agreed to sell to Meliã Hotels International a 15% equity interest in Mosaico Hoteles, representing a 7.5% equity interest in TosCuba for a purchase price of €1,962,956 (US\$ 2,069,689). The sale was completed on 24 October 2022 and the sale proceeds were received in May and June 2023.

As at 30 June 2023, all structural works had been completed and the focus is on completing mechanical installations and interior finishing works, with the start-up of hotel operations expected to coincide with the start of Cuba's 2023-2024 high tourism season in November 2023.

Key assumptions used in the estimated fair value of TosCuba:

The fair value of the equity investment in TosCuba 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 hotel held by the joint venture.

Dividend income from equity investments

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

	Six Months Ended 30 Jun 2023 US\$	Six Months Ended 30 Jun 2022 US\$
Inmobiliaria Monte Barreto S.A.	-	8,169,610
Miramar S.A.	3,668,716	3,214,884
	<u>3,668,716</u>	<u>11,384,494</u>

8. INVESTMENT IN ASSOCIATE

	30 Jun 2023 US\$	31 Dec 2022 US\$
Grupo B.M. Interinvest Technologies Mariel S.L.	113,507	113,507
	<u>113,507</u>	<u>113,507</u>

The movements of the investment in associate were the following:

	30 Jun 2023 US\$	31 Dec 2022 US\$
Balance at beginning of year	113,507	303,175
Share of net loss of associate	-	(189,668)
Balance at end of period	<u>113,507</u>	<u>113,507</u>

At 30 June 2023 and 31 December 2022 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 2022: 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 2023 US\$	31 Dec 2022 US\$
Due to shareholders	5,237	5,141
Due to Meliã Hotels International S.A.	10,878	10,878
Due to Miramar S.A.	8,133,738	3,112,511
Accrued professional fees	272,081	261,285
Management fees payable	3,129,937	3,193,984
Other accrued expenses	58,455	259,220
Deferred revenue	-	335,713
Other accounts payable	57,050	7,010
	11,667,376	7,185,742
Current portion	9,484,188	7,185,742
Non-current portion	2,183,188	-

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

	30 Jun 2023 US\$	31 Dec 2022 US\$
Up to 30 days	8,442,084	6,984,157
Between 31 and 90 days	-	90,293
Between 91 and 180 days	-	90,292
Between 181 and 365 days	1,042,104	21,000
Greater than 365 days	2,183,188	-
	11,667,376	7,185,742

10. SHORT-TERM BORROWINGS

	30 Jun 2023 US\$	31 Dec 2022 US\$
Short-term finance facility (i)	4,492,508	3,946,551
	4,492,508	3,946,551

(i) The amount represents the balance outstanding of a €4.5 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 2023 US\$	31 Dec 2022 US\$
Convertible bonds (i)	29,312,500	29,312,500
Foreign exchange movements	(2,147,500)	(2,647,500)
	<u>27,165,000</u>	<u>26,665,000</u>
Current portion	-	-
Non-current portion	<u>27,165,000</u>	<u>26,665,000</u>

- (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 Bondholder 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). All interest payments have been made as they fall due.

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

	30 Jun 2023 US\$	31 Dec 2022 US\$
Greater than 365 days	27,165,000	26,665,000
	<u>27,165,000</u>	<u>26,665,000</u>

12. NET ASSET VALUE

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

	30 Jun 2023 US\$	31 Dec 2022 US\$
Total assets	236,897,612	220,151,102
Total liabilities	(43,324,884)	(38,630,626)
Less: non-controlling interests	(43,111,416)	(39,441,971)
NAV	<u>150,461,312</u>	<u>142,078,505</u>
Number of ordinary shares issued	137,671,576	137,671,576
NAV per share	1.09	1.03

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 chief operating decision makers 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 makers 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 2023
US\$

	Commercial property	Tourism / Leisure	Other	Total
Total assets	53,907,278	138,337,780	44,652,554	236,897,612
Total liabilities	(93,772)	(12,735,358)	(30,495,754)	(43,324,884)
Total net assets	53,813,506	125,602,422	14,156,800	193,572,728
	6 Months Ended 30 June 2023			
	US\$			
Dividend income	-	3,668,716	-	3,668,716
Interest income	-	1,312,483	1,194,715	2,507,198
Other income	-	8,484	833,333	841,817
Change in fair value of equity investments	2,355,464	3,933,491	-	6,288,955
Interest expense	-	-	(1,353,412)	(1,353,412)
Allocated expenses	(157,763)	(916,382)	(738,209)	(1,812,354)
Foreign exchange gain	-	-	172,592	172,592
Net profit	2,197,701	8,006,792	109,019	10,313,512
Other comprehensive income	-	1,738,742	-	1,738,742
Total comprehensive profit	2,197,701	9,745,534	109,019	12,052,254

31 December 2022
US\$

	Commercial property	Tourism / Leisure	Other	Total
Total assets	53,985,920	122,549,914	43,615,268	220,151,102
Total liabilities	(127,485)	(7,547,510)	(30,955,631)	(38,630,626)
Total net assets	53,858,435	115,002,404	12,659,637	181,520,476

6 Months Ended 30 June 2022
US\$

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 profit/(loss)	(7,582,600)	10,903,506	333,957	3,654,863
Other comprehensive loss	-	(8,138,038)	-	(8,138,038)
Total comprehensive profit/(loss)	(7,582,600)	2,765,468	333,957	(4,483,175)

14. RELATED PARTY DISCLOSURES

Compensation of Directors

Each Director receives a fee of £35,000 (US\$38,031) per annum with the Chairman receiving £40,000 (US\$43,464). The Chairman of the Audit Committee also receives an annual fee of £40,000 (US\$43,464). 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 2023 were US\$161,920 (six months ended 30 June 2022: US\$138,578).

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, 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 2023 amounted to US\$40,926 (30 June 2022: US\$6,277) with an average rental charge per square meter at 30 June 2023 of US\$37.83 (30 June 2022: US\$18.84) plus an administration fee of US\$9.43 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, the Company's AIFM until 30 June 2023, is a wholly-owned subsidiary of abrdn plc, which has an interest at 30 June 2023 in 9,747,852 shares of the stated capital (31 December 2022: 9,747,852).

Following the internalisation of management, AFML ceased to manage the Company's assets effective 30 June 2023.

Interests of Directors and executives in the stated capital

At 30 June 2023 John Herring, a Director of CEIBA, had an indirect interest in 40,000 shares (31 December 2022: 40,000 shares).

At 30 June 2023 Peter Cornell, a Director of CEIBA, has an indirect interest in 100,000 shares (31 December 2022: 100,000 shares).

At 30 June 2023 Trevor Bowen a Director of CEIBA, has an indirect interest in 43,600 shares (31 December 2022: 43,600 shares).

At 30 June 2023 Colin Kingsnorth, a Director of CEIBA, is a director and shareholder of Ursus Capital Limited, which holds 12,252,338 shares (31 December 2022: 12,252,338 shares).

At 30 June 2023 Sebastiaan A.C. Berger, the Chief Executive Officer of CEIBA, has an interest in 3,317,081 shares (31 December 2022: 3,273,081 shares)

At 30 June 2023 Cameron Young, Chief Operating Officer of CEIBA, has an indirect interest in 4,129,672 shares (31 December 2022: 4,129,672 shares).

At 30 June 2023 Paul S. Austin, Chief Financial Officer of CEIBA, has an interest in 94,000 shares (31 December 2022: 144,000).

Interests of Directors and Executives in the Convertible Bonds

At 30 June 2023, Directors had an interest of €nil (US\$nil), executives had an interest of €400,000 (US\$434,640), and shareholders of CEIBA had an interest of €10,500,000 (US\$11,409,300) in the Bonds.

At 31 December 2022, Directors had an interest of €nil (US\$nil), executives had an interest of €400,000 (US\$426,640), and shareholders of CEIBA had an interest of €10,500,000 (US\$11,199,300) in the Bonds (see note 11).

15. BASIC AND DILUTED PROFIT/(LOSS) PER SHARE

Basic profit/(loss) per share

The profit/(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 2023 US\$	30 Jun 2022 US\$
Weighted average of ordinary shares in issue	137,671,576	137,671,576
Net profit/(loss) for the period attributable to the shareholders	7,252,625	(361,379)
Basic profit/(loss) per share	0.05	(0.003)

Diluted profit/(loss) per share

The diluted profit/(loss) per share is considered to be equal to the basic profit/(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 profit per share in the future.

16. MANAGEMENT

On 31 May 2018, the Group entered into a Management Agreement under which AFML was appointed as the Group's alternative investment fund manager to provide portfolio and risk management services to the Group. The Management Agreement took effect on 1 November 2018. AFML delegated portfolio management to the Investment Manager. Both AFML and the Investment Manager are wholly owned subsidiaries of abrdn plc.

Pursuant to the terms of the Management Agreement, AFML was responsible for portfolio and risk management on behalf of the Group and carried out on-going oversight functions and supervision to ensure compliance with the applicable requirements of the AIFM Rules. Under the terms of the Management Agreement, AFML was entitled to receive an annual management fee at the rate of 1.5 per cent of Total Assets. For this purpose, the term Total Assets meant the aggregate of the assets of the Company less liabilities on the last business day of the period to which the fee relates payable within 14 days (excluding from liabilities any proportion of principal borrowed for investment and treated in the accounts of the Company as current liabilities). The annual management fee payable by the Group to AFML was lowered by the annual running costs of the Havana operations of CEIBA Property Corporation Limited, a subsidiary of the Group. The management fees earned by the Investment Manager for the period ended 30 June 2023 were US\$636,804 (period ended 30 June 2022: US\$1,415,830). In order to assist the Group with its cash flow requirements, the Investment Manager agreed to defer payment of a portion of its fees earned totaling US\$3,129,937, to be paid gradually between January 2024 and April 2026.

There are no performance, acquisition, exit or property management fees payable to AFML or the Investment Manager.

The Management Agreement was terminated with effect from 1 July 2023.

As from 1 July 2023, the Company operates as a self-managed alternative investment fund. The Management Team is comprised of the same individuals as under the prior arrangements, with executives now being contracted directly by the Company.

In addition, the Company has appointed 4K Keys Limited, a company owned by the Management Team, to provide strategic consulting services in respect of the real estate assets of the Company's subsidiaries aimed at generating positive cash flow for such subsidiaries and cash distributions to CEIBA and its shareholders. 4K Keys has the right to receive remuneration in respect of certain cash distributions to shareholders and liquid assets at the rate of 5.0% thereof.

17. 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 2023 amounted to US\$40,926 (30 June 2022: 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 Meliá 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 2023, the full US\$22,500,000 of Tranche A has been disbursed (31 December 2022: US\$22,500,000) and US\$26,162,551 of Tranche B has been disbursed (31 December 2022: US\$20,937,910). The Group has the right to syndicate Tranche B of the Construction Facility to other lenders (see note 6).

HOMASI Confirming Facility

The Company's subsidiary HOMASI 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. HOMASI has guaranteed (confirmed) the timely payment of invoices of certain suppliers of Miramar. At 30 June 2023, invoices confirmed by HOMASI, but not yet due, totalled €1,977,445 (US\$2,148,692).

18. 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 four 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;
- Movements in rates affecting any interest income received from loans and advances denominated in Euros; and
- 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 2023 US\$	31 Dec 2022 US\$
Loans and lending facilities	59,568,239	53,240,076
Future loan commitments (TosCuba Construction Facility) (i)	2,837,449	8,062,090
Accounts receivable and accrued income (ii)*	20,568,134	22,669,374
Cash and cash equivalents	12,588,110	8,454,247
Total maximum exposure to credit risk	95,561,932	92,425,787

* Accounts receivable and accrued income after ECL is US\$1,773,093 at the period end (31 December 2022: US\$3,624,333) (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 further security over Cubanacán's dividend income from Miramar. 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 2023, US\$18,795,041 (31 December 2022: US\$19,045,041) of the accounts receivable and accrued income balance is comprised of dividends receivable. The impairment on the dividend's 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 2023 period end is US\$18,795,041 (31 December 2022: US\$19,045,041) related to the balance of the dividends receivable due from Monte Barreto.

Guarantees received

The amount and type of guarantees required depends on an assessment of the credit risk of the counterparty. 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.

On 31 March 2021, the Company completed the issue of €25,000,000 (US\$29,312,500 equivalent at date of issue) in Bonds (see note 11). 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. The Group currently has sufficient cash and cash equivalents to cover the quarterly interest payments.

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 2023, the full US\$22,500,000 of Tranche A has been disbursed (31 December 2022: US\$22,500,000) and US\$26,162,551 of Tranche B has been disbursed (31 December 2022: US\$20,937,910). The Group has the right to syndicate Tranche B of the Construction Facility to other lenders. It is expected that the Construction Facility will be fully disbursed prior to the end of the current financial year and the Group currently has sufficient cash and cash equivalents to cover the full disbursement of the Construction Facility.

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 period.

19. 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 2023 US\$			
	Level 1	Level 2	Level 3	Total
Financial assets at fair value through profit or loss				
Equity investments	-	-	162,360,393	162,360,393
	-	-	162,360,393	162,360,393
	31 December 2022 US\$			
	Level 1	Level 2	Level 3	Total
Financial assets at fair value through profit or loss				
Equity investments	-	-	154,221,877	154,221,877
	-	-	154,221,877	154,221,877

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 2023 US\$	31 Dec 2022 US\$
Unlisted private equity investments		
Initial balance	154,221,877	175,828,034
Total gain/(loss) recognised in income or loss	6,288,955	(16,098,664)
Foreign currency translation reserve	1,849,561	(5,507,493)
Final balance	162,360,393	154,221,877
Total gain/(loss) for the period/year included in income or loss relating to assets and liabilities held at the end of the reporting period/year	6,288,955	(16,098,664)
	6,288,955	(16,098,664)

20. EVENTS AFTER THE REPORTING PERIOD

Internalisation of Management

From 1 July 2023, the Company is no longer managed by abrdn Fund Managers Limited as the Company's Alternative Investment Fund Manager and will operate as a self-managed alternative investment fund.

Receipt of dividends

In September 2023, the shareholders of Monte Barreto approved the payment to the Group of US\$14.3 million in dividends that were previously declared but unpaid. In these unaudited interim condensed consolidated financial statements for the period ended 30 June 2023 this amount is included within the total amount of dividends receivable from Monte Barreto, which has been fully impaired. Upon receipt, the payment of this amount will be recognised as income in the statement of comprehensive income.

The Group will reinvest the US\$14.3 million in Miramar as part of a capital increase of US\$28.6 million to extend the term of the land rights of the hotel properties of Miramar, to support the investment programs of Miramar, and to extend the term of the joint venture company.

In order to enable HOMASI to make this capital contribution as foreign shareholder of Miramar, CEIBA Tourism and Melia Hotels International have agreed to make capital contributions of approximately €20.7 million to HOMASI.

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.

The Company entered into a management agreement, with effect from 1 November 2018, under which the Company appointed abrdn Fund Managers Limited (“**AFML**”) as the Group’s alternative investment fund manager to provide portfolio and risk management services to the Group. AFML delegated portfolio management to abrdn Alternative Investments Limited (“**AAIL**”). Both the AFML and the AAIL are wholly-owned subsidiaries of abrdn plc.

From 1 July 2023, the Company is no longer managed by AFML as the Company’s Alternative Investment Fund Manager and is operating as a self-managed alternative investment fund. The executive management team of Sebastiaan A.C. Berger, Cameron Young and Paul Austin remains in place under the new management arrangements

WEBSITE

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

SHAREHOLDER ENQUIRIES

For internet users, detailed data on the Company, including price, performance information and a variety of documents are available on the Company’s website (ceibainvest.com).

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 Group, at 10th Floor, Central Square, 29 Wellington Street, Leeds, LS1 4DL 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, NSM Funds Limited or by email to operations@nsmfunds.com.

LITERATURE REQUEST SERVICE

For literature and application forms for the Company please contact:

NSM Funds Limited or by email to operations@nsmfunds.com.

KEY INFORMATION DOCUMENT (“KID”)

The KID relating to the Company can be found on the Company’s website.

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

abrdrn	abrdrn plc.
AIC	The Association of Investment Companies - the AIC is the trade body for closed-ended investment companies (www.theaic.co.uk).
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.
abrdrn Fund Managers Limited, AFML	abrdrn Fund Managers Limited is a wholly owned subsidiary of abrdrn plc and acted as the Alternative Investment Fund Manager for the Group until 30 June 2023. 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 31 March 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 and amended on 19 August 2021 in connection with the construction of the Meliá 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.
Depository	NSM Funds Limited, an entity regulated by the Guernsey Financial Services Commission to provide Independent Depository services for the Company and AFML. Ended 30 June 2023.

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.
GrandSlam	GrandSlam Limited, a subsidiary of the Company.
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 was abrdn Fund Managers Limited which is authorised and regulated by the Financial Conduct Authority. Day to day management of the portfolio was delegated to abrdn Alternative Investments Limited until 30 June 2023. abrdn Alternative Investments Limited and AFML are collectively referred to as the Investment Manager.
Key Performance Indicators or KPIs	Key Performance Indicators are factors by reference to which the development, performance or position of the business of the Company can be measured effectively.
Listing	The Company's shares were listed on the Specialist Fund Segment of the London Stock Exchange on 22 October 2018.
Management Agreement	The management agreement executed between the Company and AFML on 31 May 2018. This ceased on 30 June 2023.

Management Team	The senior management team of the Company made up of Sebastiaan Berger, Cameron Young and Paul Austin.
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 Península 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 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 ceibainvest.com .
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 TosCuba.
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 ex-dividend. 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.
Varadero Hotels	The Meliã Las Américas Hotel, the Meliã Varadero Hotel and the Sol Palmeras Hotel.

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 2023, the share price was 33p / US\$0.42 and the net asset value per share was 86.0p / US\$1.09, and the discount was therefore 61.6%.

NAV Return

The table below provides information relating to the NAV of the Company for the six months ending 30 June 2023 and the year ending 31 December 2022.

	Six Months Ended 30 Jun 2023 US\$	Year Ended 31 Dec 2022 US\$
Opening NAV per share	1.03	1.16
Closing NAV per share	1.09	1.03
Capital return	5.9%	(11.4%)

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 2023 is based on forecast ongoing charges for the year ending 31 December 2023.

The table below provides information relating to the ongoing charges of the Company for the six months ending 30 June 2023 and the year ending 31 December 2022.

	Six Months Ended 30 Jun 2023 US\$	Year to 31 Dec 2022 US\$
Total Expenses per statement of comprehensive income	3,165,773	30,380,055
Adjustments (items to exclude):		
Realised loss on equity investments	-	(49,130)
Interest expense on bonds	(1,353,412)	(2,628,228)
Loss on change in fair value of equity investments	-	(16,098.664)
Share of loss of associate	-	(189,668)
Reversal of expected credit losses	250,000	(6,763,633)
Non-recurring management fees	(386,804)	-
Total ongoing charges	1,675,557	4,650,732
Total annualised ongoing charges	3,351,114	4,650,732
Average undiluted net asset value in the period	146,379,458	152,887,789
Ongoing charges (%) – annualized for the 6 month period	2.29%	3.04%



Photovoltaic system at Meliã Trinidad Hotel, Sancti Spíritus, Cuba