29 September 2020

CEIBA INVESTMENTS LIMITED
(the "Company")

(TICKER CBA, ISIN: GG00BFMDJH11)
Legal Entity Identifier: 213800XGY151JV5B1E88

HALF-YEARLY FINANCIAL REPORT

COMPANY OVERVIEW

GENERAL

CEIBA Investments Limited ("**CEIBA**" or the "**Company**") is a Guernsey-incorporated, closed-ended investment company, with registered number 30083. Its shares were listed (the "**Listing**") on the Specialist Fund Segment ("**SFS**") of the London Stock Exchange's Main Market on 22 October 2018, where it currently trades under the symbol CBA. The Company is governed by a Board of Directors, the majority of whom are independent. Like many other investment companies, it outsources its investment management, administration and other services to third party providers. The Company does not have a fixed life. 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 that own the underlying properties. The Company also arranges and invests in financial instruments granted in favour of Cuban borrowers.

FINANCIAL HIGHLIGHTS AS AT 30 JUNE 2020 IN £ AND US$ (FOREX: £/US$ = 1.2359)

Given the fact that the Net Asset Value ("**NAV**") and share price of the Company are quoted in Sterling (£) and that the functional currency of the Company is the US Dollar (US$), the financial highlights of the Company set out below are provided in both currencies, applying the applicable exchange rate as at 30 June 2020.

In £

Total Net Assets	NAV per share [1]	Number of shares in issue
£143.6m (31 December 2019: £157.7m) £146.3m[2] (31 December 2019: £160.6m) [2]	104.3p (31 December 2019: 114.5p) 106.3p[2] (31 December 2019: 116.6p)[2]	137,671,576 Ordinary Shares (31 December 2019: 137,671,576 Ordinary Shares)
Market Capitalisation	**Share price**	**Net Loss to shareholders**
£88.8m (31 December 2019: £97.7m)	64.5p (31 December 2019: 71.0p)	£ (23.8m) (30 June 2019: £(4.1m)) £ (24.2m)[2] (30 June 2019: £(4.4m)[2])
Loss per share	**NAV Total Return[1]**	**Discount to NAV**
(17.3)p (30 June 2019: (2.9p)) (17.6)p[2] (30 June 2019: (3.2p) [2])	(8.9%) (30 June 2019: (2.5%)) (8.9%)[2] (30 June 2019: (2.7%)[2,3])	(38.2%) (31 December 2019: (38.0%)) (40.0%)[2] (31 December 2019: (39.1%)[2])

In US$

Total Net Assets	**NAV per share[1]**	**Number of shares in issue**
US$177.5m (31 December 2019: US$206.7m) **US$180.8m[2] (31 December 2019: US$210.6m)[2]**	**US$1.29 (31 December 2019: US$1.50)** **US$1.31[2] (31 December 2019: US$1.53)[2]**	**137,671,576 Ordinary Shares (31 December 2019: 137,671,576 Ordinary Shares)**
Market Capitalisation	**Share price**	**Net Loss to shareholders**
US$109.7m (31 December 2019: US$128.2m)	**US$0.80 (31 December 2019: US$0.93)**	**(US$29.5m) (30 June 2019: US$(5.1m))** **(US$29.9m)[2] (30 June 2019: US$(5.6m)[2])**
Loss per share	**NAV Total Return[1, 3]**	**Discount to NAV[1]**
(US$0.21) (30 June 2019: US$(0.04)) **(US$0.22)[2] (30 June 2019: US$(0.04)[2])**	**(14.1%) (30 June 2019: (2.7%))** **(14.1%)[2] (30 June 2019: (2.9%)[2])**	**(38.2%) (31 December 2019: (38.0%))** **(40.0%)[2] (31 December 2019: (39.1%)[2])**

1 These are considered Alternative Performance Measures.

2 These figures differ from the figures derived from the audited Consolidated Financial Statements. The figures are calculated in full accordance with International Financial Reporting Standards ("**IFRS**"), except that they include the effect of an adjustment recognising the full amount of US$5.0m / £3.9m received from Aberdeen Standard Fund Managers Limited on 23 November 2018 in connection with the execution of the Management Agreement in the Statement of Comprehensive Income for the year ended 31 December 2018, rather than deferring this amount over the five-year term of the Management Agreement as required by IFRS. This adjustment resulted in the increase of the net income attributable to the shareholders of the Company for the year ended 31 December 2018 by US$5.0m / £3.9m and decreases the net income attributable to the shareholders of the Company by the amount of US$1.0m / £0.81m per year over the five year term of the Management Agreement. Consequently, for the six months ended 30 June 2020 the adjustment resulted in a decrease in the net income attributable to the shareholders of the Company in the amount of US$0.5m / £0.4m.

3 The comparative 30 June 2019 NAV Total Return figures have been restated from the prior year due to a change in the methodology of their calculation. In June 2019, the calculations accounted for the reinvestment of the dividend at the year end, not when the dividends went ex-dividend. To be in line with industry practice, the figures above have been calculated on the basis that dividends declared during the period are reinvested on the day that the shares traded ex-dividend.

MANAGEMENT

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

CHAIRMAN'S STATEMENT

OVERVIEW

At the time of my Chairman's statement in the 2019 Annual Report, the Company and Cuba had, in effect, just entered into the Covid-19 crisis. The implications, which then were unclear, are now somewhat easier to assess but there still remains considerable uncertainty about the duration and long-term impact of the pandemic and the expected return to normality. At present, all regular international flights to Cuba remain suspended and nearly all hotels are still closed, although a gradual reopening of both flights and hotels is expected to take place from November 2020 onwards. Cuba, which depends to a significant degree upon tourism, has therefore been particularly badly impacted by the dramatic drop in income from this source, exacerbated by a further deterioration in the relationship with the Trump administration in the U.S.

Our prime concern has been to protect our people and it is notable that Cuba's reported number of Covid-19 cases and mortality rates are relatively low. The Investment Manager, the Havana team, the Administrator and all other service providers have adopted all reasonable measures to protect the safety of the people working to advance the affairs of the Company.

Results for the six months to 30 June 2020

The NAV per Share at 30 June 2020 was US$1.29 (104.3p) compared to US$1.50 (114.5p) at 31 December 2019 and the loss in the first six months of the financial year was US$0.21 (17.3p) compared to a loss of $0.04 (2.9p) for the same period last year. The valuation of assets of the Company as well as earnings in respect of the six months ended 30 June 2020 has clearly been negatively impacted by the Covid-19 pandemic. This was primarily experienced within the hotel interests where trading, with the exception of the Meliã Habana (as described below), ceased as from the end of March. In addition to this, the valuations of the Hotels have also been written down by $41.7 million in aggregate, reflecting both the present lack of trading and the uncertain road to full recovery. The Board considers that the substantial reduction in the hotel valuations is in large measure a direct result of the profound but temporary disruption to Cuban and international tourism operations caused by the pandemic, and notwithstanding the uncertain timeline to recovery, we are optimistic that the valuations will improve once again when the situation is normalised. In addition, the Board believes that other positive factors may in the months ahead potentially have a strong impact on the present level of volatility in the valuations, including the possible election of Joe Biden in the Presidential elections in the United States in November of this year as well as the ongoing reform efforts of the Cuban government (more fully described in the Manager's Review), which we expect will result in concrete improvements to the economic conditions under which our joint venture companies operate.

Pleasingly, during the first six months of 2020, the Company's largest asset - the Miramar Trade Centre, in which it holds a 49% interest – operated at almost full occupancy levels, with income and net profits ahead of those achieved during the same period last year. The valuation of the Company's participation in the Miramar Trade Centre fell from US$86,702,576 (£66,119,558) at 31 December 2019 to US$81,258,903 (£65,748,771) at 30 June 2020, as a result of an increase in the discount rate due to investment uncertainty created by the pandemic as well as continued aggressive sanctions against Cuba adopted by the United States, and the application of slightly more conservative assumptions in the first few years of the discounted cash flow projections. Overall, the outlook for this asset for the remainder of 2020 remains encouraging although a small drop in income is anticipated as a result of temporary lease reliefs granted to certain tenants. No further decline in occupancy levels is anticipated.

With regard to the hotel interests of the Company, the Meliã Habana has remained open throughout the pandemic with a skeleton capacity of 30 rooms and one semi-functional restaurant providing take-away meals. All of the other hotels, which are located in Varadero, were closed at the end of March and only one has partially reopened since then. Meliã, the operator of each of the hotels, has recently put forward proposals whereby the Sol Palmeras hotel and the Meliã Habana will continue to operate at very modest occupancy levels until the end of the

year. It is not anticipated that the other two hotels within Miramar - the Meliã Varadero and the Meliã las Americas - will reopen during the present year. Clearly the Manager and the Board are sensitive to plans and decisions made by Cuba's tourism authorities and those may result in amending the Company's plans.

I am pleased to observe that Miramar is well capitalised and is able to continue to operate without recourse to additional funding and indeed is using the closures to undertake certain cosmetic upgrading of rooms and facilities.

Progress on the construction of the beachfront hotel near Trinidad being undertaken by TosCuba, in which the Company has a 40% interest, has advanced steadily throughout the year and all of the structural works are now complete. Nevertheless, the project is behind schedule as a result of delays in the delivery of imports caused by the Covid-19 pandemic and other factors. Negotiations to amend the turn-key construction contract are ongoing on the basis of extending the capital expenditure programme and spreading out the disbursement schedule over a longer timeframe. This would imply that the hotel would begin operations in Q4 2021.

In the light of the present environment the following actions have also been taken by the Board:-

1. The repayment schedule of the credit facility granted to Casa Financiera S.A. FINTUR ("**FINTUR**"), under which the aggregate present exposure of the Company is €1,716,667, has been renegotiated with a one year grace period extended to FINTUR, reflecting the fact that FINTUR is receiving almost no income through tourism at present.

2. In general, an ongoing detailed review of all uncommitted capital and other expenditures has been undertaken with a view to limiting all expenditures that can reasonably be delayed.

3. With such inherent uncertainty, continuous focus is being maintained upon the future cash requirements of the Company to meet its existing and future plans. In this context, the existing dividend policy has been temporarily suspended and no dividend will be paid in the current financial year. The policy will be kept under constant review.

Cuba – Ongoing Economic Reforms

On 16 July 2020, the Cuban government headed by Miguel Díaz-Canel announced a series of promising new economic reforms aimed at accelerating the systematic implementation of the reform guidelines adopted by the government in 2011 and alleviating the short-term liquidity crisis of the country. The new measures aim to boost hard currency income in the short term by encouraging exports, the local production of food and other necessary products and the creation of a new internal hard currency market for certain goods and services.

The reforms decrease the government's administrative control over the economy and promote the development of an economic system in which autonomous actors interact on the basis of management decisions rather than centralised government controls. They also include the unification of the two currencies: the Cuban Peso (CUP) and the Cuban Convertible Peso (CUC), a very important step that is rumoured to be imminent.

The Board applauds the announced reforms and believes that they will stimulate Cuba's economy, including the emerging private sector. In addition, we expect full implementation of the reforms to increase the attractiveness of the country as a market for foreign direct investment, to improve the autonomy of joint venture companies and to have a marked positive impact on the investments of the Company.

US-Cuban relations

Unfortunately, the relationship between Cuba and the Trump administration has continued to deteriorate. Cuba's initiatives to send doctors and other medical staff to various countries to assist in their battle against the Covid-19 pandemic has come under attack by the U.S. administration. In June 2020, the Trump administration further expanded the Cuba restricted list, a public list of Cuban entities with whom US persons are prohibited from doing business. The list now includes Fincimex, a Cuban financial corporation that handles the majority of US and other

international family remittances to Cuba. Also in June, Marriott, the hotel group, announced that the U.S. Department of Treasury had refused to extend its licence to operate in Cuba.

The result of the upcoming U.S. presidential elections will naturally be of material significance to U.S.- Cuban relations. Joe Biden, the Democratic party nominee has been critical of the decision to undo the policies aimed at rapprochement put in place by the Obama administration. If the Democratic party win the next election it is reasonable to expect a significant softening of the U.S sanctions against Cuba and a material reversion to the opening up of tourism and trade as experienced during the Obama years. This should over the longer term obviously have a very positive impact on the Company's assets.

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

John Herring
Chairman
28 September 2020

INVESTMENT MANAGER'S REVIEW

PERFORMANCE

Over the six-month period to 30 June 2020, the Company's net asset value (NAV) declined by 14% in US dollar terms / 9% in sterling terms. The Net Asset Value of the Company as at 30 June 2020 amounted to US$177,498,536 / £143,618,849 (31 December 2019: US$206,734,334 / £157,656,016), of which approximately 77% was indirectly invested in income-generating Cuban commercial and tourism related real estate assets and 14% represented finance facilities and cash. The total dividend income from the Cuban joint venture companies during the six months ended 30 June 2020 was US$6,884,559 / £5,570,482 (six months ended 30 June 2019: US$12,454,918 / £9,829,467).

The loss attributable to the shareholders of the Company for the six months ended 30 June 2020 was US$29,453,418 / £23,831,554 (six months ended 30 June 2019: loss of US$5,137,375 / £4,054,435), and NAV per share at 30 June 2020 was US$1.29 / 104.3p (31 December 2019: US$1.50 / 114.5p). The principal factor that contributed negatively to the results was the decrease in the fair values of both the hotels of Miramar S.A. ("**Miramar**") and the Miramar Trade Centre real estate complex of Inmobiliaria Monte Barreto S.A. ("**Monte Barreto**").

These fair values are determined by applying discounted cashflow methodology. The discount and capitalisation rates that were applied by the Company's independent valuator in the discounted cashflow models this year were increased in order to reflect the impact of the Covid-19 pandemic and the heightened aggression of the renewed U.S. Cuban embargo under President Trump. In addition, in the case of the hotels of Miramar, the projected income was adjusted downward significantly in order to reflect the temporary closure of the hotels at the end of March 2020 and the estimated timeline for the hotels to return to pre-Covid occupancy levels and room rates. As well, a modestly more conservative view was taken on the future occupancy rates and projected rental increases of the Miramar Trade Centre.

We are conscious of the fact that the impact of the increased discount and capitalisation rates in combination with the decreased projected income levels has resulted in a substantial reduction in the valuations of the hotel assets and in turn the Company's holding values. Given the present uncertainty regarding the timing and other details with respect to the reopening of Cuba's tourism sector, the availability of airlift to Cuba, and general behavioural patterns concerning the return of worldwide business and holiday travel, the independent RICS valuers who carried out the valuations have issued their desk top valuation reports under the caveat of "material valuation uncertainty".

We agree with the assumptions that triggered the pronounced downward valuation in the hotel assets in which the Company holds an interest and would underline that – in the case of investments in Cuba – the material valuation uncertainty described above may in the near term and until the situation is stabilised result in fluctuations in valuations that are potentially more pronounced than in other countries. However, in contrast, we also believe that potentially positive future events that may eliminate or minimize the impact of the Covid-19 pandemic or the election of Democratic candidate Joe Biden in the November 2020 U.S. presidential election could provoke an equally pronounced decrease in the applicable discount and capitalisation rates, increase in projected income and corresponding uplift to the fair values resulting therefrom.

During the first half of 2020, Monte Barreto had its best performance ever for the first six months, with net income of US$7.2 million / £5.8 million (six months ended 30 June 2019: US$6.9 million / £5.5 million). However, the performance of the Meliã Habana Hotel and the Varadero Hotels were substantially affected by the Covid-19 pandemic. The net income of Miramar for the six months ended 30 June 2020 was US$2.2 million / £1.8 million (six months ended 30 June 2019: US$10.6 million / £8.3 million), a decline in US$ of 79%.

As noted above, the loss on the change in the fair value of the equity investments of US$46,879,952 / £37,931,833 (for the year ended 30 June 2019: loss of US$19,166,144 / £15,125,992) was primarily due to the decrease in the fair value of Miramar, which was a result of lower room rates and income levels compared to the prior year. The decrease of the Group's share in the fair value of Miramar, was US$30,471,969 / £24,655,691 (30 June 2019: loss of US$12,457,994 / £9,831,895).

INTRODUCTION

In the Investment Manager's Review in the Annual Report of the Company for the year ended 31 December 2019, we opined that it would be inevitable that Cuba and the Company would be affected by the Covid-19 pandemic, above and beyond the negative impact to the Cuban economy caused by the ongoing U.S. Cuban embargo regulations.

Although Cuba's comprehensive response to the Covid-19 pandemic has largely been successful and the number of reported cases and deaths resulting from the pandemic have been low, both absolutely and relatively speaking, there has been a recent resurgence of the number of new cases reported and it is still too early to predict the final impact. The fact that Cuba began to implement a phased plan to reopen its economy and tourism sector in July 2020, and that the first international tourists began returning to Cuban resorts located on the offshore islands in September 2020, is encouraging.

We are following developments closely in the U.S presidential race, since there is a clear difference in the platforms of the two candidates with respect to Cuba. If Joe Biden were to win the election in November 2020 and go on to implement his stated policy towards Cuba, this would imply a rapid discontinuation of President Trump's aggressive stance aimed at strengthening the U.S. Cuba embargo and the restoration of the policy of rapprochement introduced in the final years of the Obama administration. It is very likely that the Company would benefit from such a change in policy.

The Miramar Trade Centre office complex, the Company's most important real estate investment, continued to perform strongly with occupancy rates in the high nineties and income levels similar to those of 2019. On the other hand, the Covid-19 pandemic had a significant negative impact on the tourism investments of the Company, in particular through the forced temporary closure of three of the four hotels in which the Company has an interest, with the fourth operating on a minimal level throughout the crisis. However, we continue to expect that in the end the 2020 year-end EBITDA of the Hotels will still be positive.

In addition, we are encouraged by recent announcements concerning important new reforms being adopted by the Cuban government to stimulate private enterprise on the island, to unify Cuba's dual currency system and encourage the use of the United States dollar and other hard currencies, to allow all natural and legal persons to

open and operate hard currency bank accounts, and to increase the autonomy of Cuban State companies and joint ventures with respect to their operations and the transferability of hard currency.

THE U.S. CUBAN EMBARGO AND THE NOVEMBER 2020 U.S. PRESIDENTIAL ELECTIONS

As predicted in the Annual Report of the Company for the year ended 31 December 2019, the negative impact of the ongoing efforts of the Trump administration to further tighten U.S. travel restrictions and other important parts of the U.S. embargo continues to be felt by Cuba in 2020. And against the backdrop of the upcoming U.S. Presidential election and the sustained efforts of the U.S. administration to force Cuba to withdraw its support for Venezuela, there is little hope that relations will improve in the coming months. New measures continue to target the principal Cuban sources of hard currency income: tourism, family remittances, foreign investment and international (medical) services.

The latest actions taken by the Trump administration include adding the remittance processing company FINCIMEX and Havana International Bank (HAVIN) to the Cuba Restricted List of entities that U.S. persons are prohibited from dealing with and suspending all private charter flights from the U.S. to Cuba, including to Havana. In parallel, the U.S. is painting Cuba's foreign medical (COVID-19) brigades in a negative light as instruments of "modern slavery" and is encouraging its allies not to contract Cuban doctors and nurses.

With respect to the Helms-Burton Act, the first case to reach judgment (involving the use by Carnival Cruise Lines of shipping terminals in Santiago de Cuba) was rejected in July 2020 on technical grounds. Although it is too early to see any trends in this case, it will set precedent and it is a welcome development that at least in the first case the court has adopted a narrow and restrictive interpretation of the controversial rules set out in this highly disputed extraterritorial legislation.

Like many others in the world, Cuba will be paying close attention to the upcoming presidential election in the United States. If former Vice President Biden wins in November, this would likely trigger a renewed rapprochement between the countries and the easing of the U.S.-Cuban embargo rules.

CUBA - ECONOMIC REFORMS AND RECENT DEVELOPMENTS

On 16 July 2020, the Cuban government announced the urgent implementation of a series of new economic strategies and reform measures aimed at combatting the combined effects on the Cuban economy of the Covid 19 pandemic and the recent tightening of the US embargo. The main strategies outlined include (i) the increase of exports, (ii) the incentivisation of national production in order to substitute imports, with a focus on food and agriculturee, (iii) improved management autonomy at State companies, (iv) the adoption of several new measures aimed at encouraging the private sector of the economy, including the consolidation of cooperatives and the self-employed and the creation of micro, small and medium sized private companies, (v) the creation of retail and wholesale markets in US dollars, and (vi) currency unification. In addition, the government has announced that the foreign investment sector will benefit from a new monetary framework which is expected to provide more profound financial autonomy to Cuban joint venture companies.

Many of these measures have been outlined before, in particular in the 2011 and 2016 guidelines adopted by the Cuban Communist Party on modernisation of the Cuban economy, but it would appear that there is now sufficient impetus to move forward with the implementation of these strategies, given the profound disruption to the Cuban economy and liquidity position caused by the Covid-19 pandemic and heightened aggression from the U.S. A number of implementing measures have already been adopted, although further regulatory action will be required for many of the proposed reforms.

As details emerge regarding the new measures that will affect the foreign investment sector, it is clear that an important goal is to provide to the management of joint venture companies a far greater degree of autonomy and control over the liquidity and financial resources of those companies. We believe that these measures will have a

strong positive effect on the operations of the joint venture companies in which the Company has an interest. We will be closely following developments in this regard.

Notwithstanding the difficult year that Cuba has had so far, a number of new transactions have been announced in recent months. These include the approval of new joint ventures in the hotel, rum production and mining (gold/silver and nickel) sectors, the development of a joint Cuba-China biotech park to produce and market Cuban biotechnology products in China as well as a new joint venture to develop and market Cuban medicines in the UK and Europe, and the approval of a 100% foreign capital company that will operate as a non-banking financial institution.

PORTFOLIO UPDATE

The Miramar Trade Centre / Monte Barreto

The Company is the largest foreign investor in Cuba's commercial real estate sector through its interest in the Miramar Trade Centre, Havana's leading mixed-use office and retail real estate complex. The Company's 49% interest in the Miramar Trade Centre is held through Monte Barreto, the Cuban joint venture company that owns and operates the complex. The Miramar Trade Centre is a six-building complex comprising approximately 56,000 square metres (approximately 600,000 square feet) of net rentable area that constitutes the core of the new Miramar business district in Havana.

Overall, the Miramar Trade Centre had its most profitable half year ever in the first half of 2020, notwithstanding that occupancy rates fell slightly from 100% to 98% as a result of the Covid-19 pandemic. Departing tenants were primarily limited to small travel agencies and other tourism-related companies that ceased operations as a result of the pandemic. Revenues and net income were up 1% and 4%, respectively, as compared to the same period last year.

In recent years, the Miramar Trade Center has effectively maintained a near 100% occupancy rate. The average monthly rent per square meter rose from US$25.22 in 2018, to US$26.28 in 2019, to US$26.31 in the first half of 2020. As a result, Monte Barreto continued its strong performance, with an EBITDA of US$9.4 million / £7.6 million for the first half of the year (6 months ended 30 June 2019: US$9.0 million/£7.1 million) and net income after tax of US$7.2 million / £5.8 million during the period (6 months ended 30 June 2019: US$6.9 million/ £5.5 million). The increase is due to Monte Barreto continuing to raise rental rates as tenant leases are renewed. However, it is anticipated that Monte Barreto will temporarily delay further increases in rental rates pending resolution of the market uncertainty surrounding the Covid-19 pandemic.

The valuation of Monte Barreto has been adjusted downward by approximately US$5.4 million. The decreased value is due to an increase in the discount rate and the application of more conservative assumptions in the first few years of the discounted cash flow projections due to the uncertainty created by the pandemic.

Demand, predominantly from multi-national companies, NGOs and foreign diplomatic missions for international-standard office accommodation in Havana currently continues to exceed supply. Monte Barreto remains the dominant option in this market segment. As a consequence, and notwithstanding the Covid-19 pandemic, the outlook for Monte Barreto in the second half of 2020 remains encouraging, as we expect occupancy levels to remain in the high nineties with a gradual return to the 100% level and loss of rental income as a result of concessions to travel and tourism companies to be modest.

The Hotels of Miramar S.A.

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

- the Meliã Habana Hotel, a 397-room international-category 5-star business hotel located on prime ocean-front property in Havana (directly opposite the Miramar Trade Center);

- the Meliã las Americas Hotel, a 340-room international-category 5-star beach resort hotel located in Varadero;
- the Meliã Varadero Hotel, a 490-room international-category 5-star beach resort hotel located in Varadero; and
- the Sol Palmeras Hotel, a 607-room international-category 4-star beach resort hotel located in Varadero.

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

Performance of the Hotels

The Hotels were strongly impacted by the sudden halt of all flights to Cuba and the closure of nearly all hotels on the island in March 2020 as a result of the measures taken by the Cuban government to combat the Covid-19 pandemic.

During the first two months of the year, all of the Hotels were able to maintain occupancy as compared with the prior year (occupancy rose 9% at the Meliã Habana Hotel as compared to the prior period), although income per room fell in all cases, resulting in a decrease in income compared with the corresponding period of the prior year. Factors affecting room rates include the continued aggressive measures of the Trump administration aimed at discouraging U.S. travel to Cuba (primarily in the case of the Meliã Habana Hotel) and high levels of competition from other Caribbean tourism destinations prior to the Covid-19 pandemic.

However, normal operations of the Hotels were interrupted in March 2020 with the arrival of the pandemic. The Meliã Habana Hotel in Havana remained open throughout the period from March 2020 to June 2020, although with very limited operations, catering to flight crews for repatriation flights and the mandatory 14-day isolation of diplomats and certain other authorised persons arriving in Havana. The three Varadero Hotels ceased operations in March 2020 and as at the time of writing, only the Sol Palmeras Hotel has received authorisation to resume operations. The Sol Palmeras Hotel was opened for national Cuban tourism in early July 2020.

Confirming and Discounting Facility

In early December 2019, HOMASI (the foreign shareholder of Miramar) executed a confirming and discounting facility with Miramar that has a maximum limit of US$7 million for the purpose of confirming and discounting supplier invoices relating to the operations of the four hotels owned by the joint venture company. The facility is financed in part by a €3.5 million credit line received by HOMASI from a Spanish bank for this purpose, thus alleviating the present cash flow position of the Company. The facility has attractive economic terms (finance cost below 5%), and the facility is secured by the external cash flows generated by the Hotels. Management expects that the execution of this facility will assist in stabilising the operations relating to supply of the Hotels and minimizing the impact of the current liquidity difficulties that Cuba is experiencing.

Planned Investments

In December 2019, the joint venture agreed that a four year refurbishment and development plan will be carried out, which includes all of the Hotels and which will see a total of 187 new rooms and new facilities added and 512 rooms and 57 bungalows refurbished across the whole estate. The investment programme approved for the year 2020 was US$21 million and includes works at all four hotels, but the extent to which the 2020 investment programme will be carried out will, amongst others, depend on the impact of the Covid-19 pandemic and the timing of the re-opening of the Hotels.

2020 Outlook for Miramar

Although Miramar has no third party finance and a healthy cash balance that would allow it to operate without receiving any income for a period in excess of 12 months, it is inevitable, given the temporary loss of income and the present uncertainty surrounding the long-term effects of the Covid-19 pandemic on the Cuban and worldwide

travel markets, that the real income levels for 2020 and possibly beyond will fall below the prior projections, resulting in a significant decline in the value of the hotel assets of the Company. We expect that it will take some time for travel markets to return to a more optimistic profile.

The TosCuba Project

Construction of the Meliã Trinidad Península Hotel near Trinidad, Cuba began in December 2018 and was advancing steadily, on budget (although with some delay) when the operations of the Italian-Cuban construction partnership and the flow of imported materials and equipment became severely impacted by the Covid-19 pandemic in February-March 2020.

At present all major structural works have been completed and significant internal works are already underway, including electrical, plumbing, doors and windows, flooring, internal divisions and drywall installation.

The total capital of TosCuba is US$16 million. The capital has been spent on the surface rights over the property, pre-construction planning and development costs and the payment of part of the required deposit under the turnkey construction contract executed with the Cuban-Italian construction joint venture in 2018, which provides for a total construction cost of approximately US$60 million. During 2019, additional investments to include elevators, roadworks (entrance, parking, etc.), beach improvement, and other costs were added to the investment budget.

In April 2018, the Company arranged, and still participates in a US$45 million construction finance facility to be disbursed under two tranches of US$22.5 million / £17.2 million each. Further detail on this facility is provided in the notes to the financial statements below.

TosCuba received a grant in the amount of US$10 million / £7.6 million under the Spanish Cuban Debt Conversion Programme. In accordance with the terms of the grant, these funds were used by the joint venture company to fund local purchases of goods and services delivered under the construction contract by Cuban suppliers, thereby reducing the external funding that the Company would otherwise have needed to provide.

Since being informed that the construction would be affected by the Covid-19 pandemic, works have continued at a considerably slower pace and TosCuba is presently in discussions with the constructor to amend the turn-key construction contract, reschedule construction activities and cash-outlays and fix a new delivery date for the hotel. Management now expects the hotel to open during the last quarter of 2021.

FINTUR and TosCuba Finance Facilities

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. These facilities act as a medium-term investment and treasury management tool for the Company.

The facilities are fully secured by external tourism proceeds from numerous internationally managed hotels in Cuba. The Company has a successful 18-year track record in arranging and participating in over €150 million of facilities extended to FINTUR, with no defaults occurring during this period.

Under the most recent 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 had an initial participation of €4 million under the first tranche and a €2 million participation under the second tranche. This facility generates an 8.00% interest rate and operated successfully without delay or default until the closure of all Cuban hotels in March 2020 as a result of the Covid-19 pandemic. At that time, the income from the hotels that serve as the basis for payments under the FINTUR facility ceased and such income is expected to resume only after Cuba's tourism restarts for international tourism. International tourism is expected to restart on

numerous Cuban islands and other isolated resort destinations (including numerous destinations where the facility hotels are located) in the fall of 2020, although it remains unclear at this time how quickly such income will return to previous levels.

With effect from 1 April 2020, the Company and FINTUR agreed to revise the remaining outstanding payments under the FINTUR facility and to provide a one-year period of grace on the payment of principal and a two-year principal payment period thereafter. Interest payments have been suspended during the period during which the hotels are closed, but will resume as soon as the hotels resume operations or by 31 December 2020 at the latest. The principal amount outstanding in favour of the Company under the revised FINTUR facility at 30 June 2020 is US$1,930,759 / £1,562,229 (31 December 2019: US$3,230,171 / £2,463,334).

TosCuba - Construction Facility

As mentioned above, in April 2018 CEIBA arranged and executed a secured construction finance facility in favour of TosCuba in order to provide funding for the construction of the Meliã Trinidad Playa Hotel. The facility is in the maximum principal amount of up to US$45 million, to be disbursed in two tranches, with an 8.00% interest rate. The Company is a participant in both tranches and the first disbursement under Tranche A of the facility was made in November 2018 in the lead-up period to the formal construction start of the project in December 2018. As at 30 June 2020 the principal amount of US$13,614,722 / £11,016,039 (31 December 2019: US$9,915,549 / £7,561,619) had been disbursed under the Company's participation. The remainder of the facility will be disbursed over the remaining construction period, followed by a nine-year repayment period.

This facility may be syndicated and is secured by the future income of the hotel under construction and 50% of the principal amount is further secured by a guarantee given by Cubanacán S.A., Corporación de Turismo y Comercio Internacional ("**Cubanacán**"), the Cuban shareholder of TosCuba, backed by income from another hotel in Cuba.

As a result of the expected temporary loss of dividend income from Miramar and the uncertainty with respect to the receipt of dividend income from Monte Barreto during the Covid-19 pandemic, it is possible that in the future the Company may be forced to attract funding from its shareholders or third parties in order to continue providing the amounts committed under the facility. We are currently envisaging debt rather than equity funding for this purpose.

OUTLOOK

Management expects that, as a result of the Covid-19 pandemic, the very difficult economic and political circumstances faced by Cuba in the first half of 2020 will continue for the rest of the year and possibly into 2021, and that the local market conditions in which the Group operates will remain very challenging for some time to come.

The further accentuation of the liquidity challenges faced by the Cuban economy as a result of the pandemic and the U.S. Cuban embargo are expected to negatively impact the timing of dividend and other payments to the Company, as well as the timing of the ongoing development of the TosCuba Project. However, these negative factors are offset by (i) promising new reform measures announced in July 2020 regarding the financial and currency framework within which Cuban joint venture companies will operate going forward, which are expected (following a short transition period and once the regulatory framework is fully put in place) to provide to the management of joint venture companies a far greater degree of control over company finances, including the payment of future dividends, and (ii) the possibility of a Biden victory in the presidential elections to be held in November.

We do expect that all of the hotels of Miramar will re-open in 2020, that occupancy levels in the hotels will gradually return to pre-pandemic levels during the course of the coming year and that all of our underlying Cuban real estate assets, the Cuban joint ventures in which we are invested and the loan facilities in which we participate will continue to generate positive operational results. In addition, with the TosCuba construction project and renovations at existing hotels underway and in execution, we are investing today to ensure and safeguard growth

in the future. We also anticipate that we will be able to leverage our long-standing experience in the marketplace to continue investing in the country despite the challenging environment, as well as to negotiate and execute attractive new long-term investment opportunities.

Sebastiaan A.C. Berger
Aberdeen Asset Investments Limited
28 September 2020

INTERIM BOARD REPORT

DIRECTORS' RESPONSIBILITY STATEMENT

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

The Directors confirm to the best of their knowledge that:

- the Interim Condensed Consolidated Financial Statements, 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 in the Company's Annual Report and Financial Statements for the year ended 31 December 2019 and can be summarised under the following headings:

- Emerging Risk
  - Global Pandemic
- 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
  - Tourism Risk
  - Valuation Risk

- Dependence on Third Party Service Providers
  - Loss of Key Fund Personnel
- Risks Relating to Investment in Cuba and the U.S. Embargo
  - General Economic, Political, Legal and Financial Environment within Cuba
  - U.S. Government Restrictions relating to Cuba
  - Helms-Burton Risk
  - Liquidity Risk
- Risks Relating to Regulatory and Tax framework
  - Tax Risk

The Board notes that there are a number of contingent risks stemming from the Covid-19 pandemic that currently impact, and may continue to impact, the operations of the Company as set out in the Chairman's Statement and the Manager's Review. With the support from the Board, the Manager will continue to review carefully the composition of the Company's portfolio and will be pro-active in taking investment decisions where necessary.

In all other respects, the Company's principal risks and uncertainties have not materially changed since the date of the 2019 Annual Report.

GOING CONCERN

In accordance with the FRC's Guidance on Risk Management, Internal Control and Related Financial and Business Reporting, the Directors have undertaken a rigorous review of the Company's ability to continue as a going concern.

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

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

For and on behalf of the Board

Peter Cornell
28 September 2020

Keith Corbin
28 September 2020

INDEPENDENT REVIEW REPORT TO CEIBA INVESTMENTS LIMITED

Introduction

We have reviewed the condensed set of consolidated financial statements of CEIBA Investment Limited and its Subsidiaries (together, the 'Group') included in the half yearly report for the six months ended 30 June 2020, which comprises the Interim Condensed *Consolidated* Statement of Financial Position as at 30 June 2020 and the related Interim Condensed Consolidated Statement of Comprehensive Income, the Interim Condensed Consolidated

Statement of Changes in Equity and the Interim Condensed Consolidated Statement of Cash Flows for the six-month period then ended and a summary of significant accounting policies and other explanatory notes.

The half yearly report is the responsibility of, and has been approved by, the Directors. The Directors are responsible for preparing the half yearly report in accordance with the Disclosure Guidance and Transparency Rules of the United Kingdom's Financial Conduct Authority. The Directors are responsible for the preparation and fair presentation of the interim *condensed* financial statements contained in the half yearly report, in accordance with International Accounting Standard 34, 'Interim Financial Reporting' issued by the International Accounting Standards Board. Our responsibility is to express a conclusion on the interim condensed financial statements based on our review.

Scope of review

We conducted our review in accordance with International Standard on Review Engagements (UK and Ireland) 2410, 'Review of Interim Financial Information Performed by the Independent Auditor of the Entity.' A review of interim financial information consists of making inquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with International Standards on Auditing (UK) and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

Emphasis of matter – valuation uncertainty

In forming our conclusion, we have considered the adequacy of the disclosures made in Note 2 to the interim condensed consolidated financial statements concerning the material uncertainty on the valuation of the underlying real estate assets comprising the valuation of the equity investments. As explained in Notes 2 and 16, the investments are carried at fair value, determined using a valuation methodology which involves judgments and estimates made by management. The valuation of the underlying real estate assets has been prepared in a period of significant market instability as a result of the Covid-19 pandemic, and it is not possible to ascertain when the Cuban tourism sector and economy will recover to anywhere near previous levels, which result in uncertainty in valuing the underlying properties. However, the Board believes that the Group has adequate financial resources to continue its operational existences for the foreseeable future and at least 12 months from the date of the Group's interim condensed financial statements, and that the going concern basis remains appropriate in preparing the Interim Condensed Consolidated Financial Statements. Our review conclusion is not qualified in this respect.

Unqualified conclusion

Based on our review, nothing has come to our attention that causes us to believe that the condensed set of consolidated financial statements in the half yearly report for the six months ended 30 June 2020 is not prepared, in all material respects, in accordance with International Accounting Standard 34 and the Disclosure Guidance and Transparency Rules of the United Kingdom's Financial Conduct Authority.

Grant Thornton Limited
Chartered Accountants
St Peter Port, Guernsey, Channel Islands

25 September 2020

Consolidated Statement of Financial Position		**Unaudited**	**Audited**
As at 30 June 2020		**as at 6 months**	**as at 12 months**
		30 Jun 2020	**31 Dec 2019**
	Note	US$	US$
Assets			
Current assets			
Cash and cash equivalents	4	9,605,315	13,102,578
Accounts receivable and accrued income	5	9,488,025	2,211,832
Loans and lending facilities	6	3,589,116	2,558,018
Total current assets		22,682,456	17,872,428
Non-current assets			
Accounts receivable and accrued income	5	1,177,599	5,646,484
Loans and lending facilities	6	13,614,722	10,587,702
Equity investments	8	180,517,685	227,340,559
Property, plant and equipment		550,620	568,346
Total non-current assets		195,860,626	244,143,091
Total assets		218,543,082	262,015,519
Liabilities			
Current liabilities			
Accounts payable and accrued expenses	9	2,210,550	2,066,213
Deferred liabilities	12	1,000,000	1,000,000
Short-term borrowings	7	1,551,727	-
Total current liabilities		4,762,277	3,066,213
Non-current liabilities			
Deferred liabilities	12	2,333,333	2,833,333
Total non-current liabilities		2,333,333	2,833,333
Total liabilities		7,095,610	5,899,546
Equity			
Stated capital		106,638,023	106,638,023
Revaluation surplus		319,699	319,699
Retained earnings		65,968,585	95,422,003
Accumulated other comprehensive income		4,572,229	4,354,609
Equity attributable to the shareholders of the parent		177,498,536	206,734,334
Non-controlling interest	10	33,948,936	49,381,639
Total equity		211,447,472	256,115,973
Total liabilities and equity		218,543,082	**262,015,519**
NAV	10	177,498,536	206,734,334
NAV per share	10	1.29	1.50

See accompanying notes 1 to 18, which are an integral part of these interim condensed consolidated financial statements. These interim condensed consolidated financial statements were approved by the board of Directors and authorised for issue on 28 September 2020. They were signed on the Company's behalf by:

Peter Cornell, Director

Keith Corbin, Director

Consolidated Statement of Comprehensive Income		**Unaudited**	**Unaudited**
For the period ended 30 June 2020		**6 months**	**6 months**
		30 Jun 2020	**30 Jun 2019**
	Note	US$	US$
Income			
Dividend income	8	6,884,559	12,454,918
Interest income		703,456	322,147
Travel agency commissions		1,439	7,321
		7,589,454	12,784,386
Expenses			
Loss on change in fair value of equity investments	8	(46,879,952)	(19,166,144)
Management fees	12	(1,010,822)	(1,012,149)
Other staff costs		(31,991)	(35,610)
Travel		(36,840)	(55,908)
Operational costs		(39,217)	(47,434)
Legal and professional fees		(603,368)	(505,975)
Administration fees and expenses		(136,742)	(136,536)
Interest expense		(41,168)	-
Audit fees		(162,367)	(340,210)
Miscellaneous expenses		(46,005)	(63,668)
Director fees and expenses	12	(112,846)	(124,200)
Depreciation		(19,990)	(18,057)
Foreign exchange loss		(394,798)	(283,319)
		(49,516,106)	(21,789,210)
Net loss before taxation		(41,926,652)	(9,004,824)
Income taxes		-	-
Net loss for the period		(41,926,652)	(9,004,824)
Other comprehensive income to be reclassified to profit or loss in subsequent periods		-	-
Gain/(loss) on exchange differences of translation of foreign operations		334,802	(725,749)
Total comprehensive loss		(41,591,850)	(9,730,573)
Net loss for the period attributable to:			
Shareholders of the parent		(29,453,418)	(5,137,375)
Non-controlling interest		(12,473,234)	(3,867,449)
Total comprehensive loss attributable to:			
Shareholders of the parent		(29,235,798)	(5,609,112)
Non-controlling interest		(12,356,052)	(4,121,461)
Basic and diluted (loss)/gain per share	13	(0.21)	(0.04)

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

Consolidated Statement of Cash Flows

For the period ended 30 June 2020

	Note	6 months 30 Jun 2020	6 months 30 Jun 2019
Operating activities			
Net loss for the period		**(41,926,652)**	(9,004,824)
Items not effecting cash:			
Depreciation		**19,990**	18,057
Change in fair value of equity investments		**46,879,952**	19,166,144
Foreign exchange gain		**394,798**	283,319
		5,368,088	10,462,696
Increase in accounts receivable and accrued income		**(2,807,308)**	(2,300,127)
Increase in accounts payable and accrued expenses		**144,337**	1,080,089
Amortisation of deferred liability	12	**(500,000)**	(500,000)
Net cash flows from operating activities		**2,205,117**	8,742,658
Investing activities			
Purchase of property, plant & equipment		**(2,264)**	(44,330)
Miramar Confirming facility	6	**(1,658,357)**	-
Loans and lending facilities disbursed		**(3,699,173)**	(2,620,608)
Loans and lending facilities recovered		**1,299,412**	774,757
Net cash flows used in investing activities		**(4,060,382)**	(1,890,181)
Financing activities			
Receipt of past dividends not settled with shareholder		**-**	276,823
Short term borrowings received	7	**1,551,727**	-
Payment of cash dividends		**-**	(8,560,689)
Cash distribution to non-controlling interest		**(3,161,056)**	-
Contributions received from non-controlling interest		**84,405**	22,386
Net cash flows used in from financing activities		**(1,524,924)**	(8,261,480)
Change in cash and cash equivalents		**(3,380,189)**	(1,409,003)
Cash and cash equivalents at beginning of the period		**13,102,578**	19,814,790
Foreign exchange on cash		**(117,074)**	(66,202)
Cash and cash equivalents at end of the period		**9,605,315**	18,339,585
Dividends received		6,000,000	10,396,811
Interest received		267,650	106,712
Interest paid		41,168	-

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

Consolidated Statement of Changes in Equity

For the period ended 30 June 2020

	Note	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 2020		**106,638,023**	**319,699**	**95,422,003**	**4,354,609**	**206,734,334**	**49,381,639**	**256,115,973**
Net loss for the period		-	-	(29,453,418)	-	**(29,453,418)**	(12,473,234)	**(41,926,652)**
Capital contributions from non-controlling interest		-	-	-	-	**-**	84,405	**84,405**
Cash distribution to non-controlling interest		-	-	-	-	**-**	(3,161,056)	**(3,161,056)**
Net other comprehensive income to be reclassified to profit or loss in subsequent periods		-	-	-	217,620	**217,620**	117,182	**334,802**
Balance at 30 June 2020		**106,638,023**	**319,699**	**65,968,585**	**4,572,229**	**177,498,536**	**33,948,936**	**211,447,472**

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

For the period ended 30 June 2019

	Note	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 2019		106,638,023	298,449	96,403,178	2,301,696	205,641,346	55,674,370	261,315,716
Net loss for the period		-	-	(5,137,375)	-	**(5,137,375)**	(3,867,449)	(9,004,824)
Capital contributions from non-controlling interest		-	-	-	-	**-**	22,386	22,386
Net income for the period		-	-	-	(471,737)	**(471,737)**	(254,012)	(725,749)
Dividend declared during the period	18	-	-	(8,560,689)	-	**(8,560,689)**	-	(8,560,689)
Balance at 30 June 2019		**106,638,023**	**298,449**	**82,705,114**	**1,829,959**	**191,471,545**	**51,575,295**	**243,046,840**

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

1. Corporate information

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

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

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

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

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

The officers are contracted through third party entities or consultancy agreements. CEIBA and its subsidiaries do not have any obligations in relation to other 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 ("LSE-SFS"), where it trades under the symbol "CBA". The Group also entered into a management agreement, with effect from 1 November 2018, under which the Group has appointed Aberdeen Standard Fund Managers Limited ("ASFML" or the "AIFM") as the Group's alternative investment fund manager to provide portfolio and risk management services to the Group. The AIFM has delegated portfolio management to Aberdeen Asset Investments Limited (the "Investment Manager"). Both the AIFM and the Investment Manager are wholly-owned subsidiaries of Standard Life Aberdeen plc (see note 12).

2. Basis of preparation

2.1 Statement of compliance and basis of measurement

The same accounting policies and methods of computation are followed in the Interim Financial Report with the most recent Annual Report and Consolidated Financial Statements (31 December 2019). The interim condensed financial statements have been prepared in accordance with IAS 34 Interim Financial Reporting.

The interim condensed consolidated financial statement do not include all the information and disclosures required in the annual financial statements, and should be read in conjunction with the Annual Consolidated Financial Statements as at 31 December 2019.

2.2 Functional and presentation currency

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

2.3 Use of estimates and judgements

The preparation of the Group's interim condensed consolidated financial statements, in conformity with IFRS, requires management to make judgements, 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 interim condensed 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 interim condensed consolidated financial statements are:

a) That the Group is not an Investment Entity;
b) That the Group is a Venture Capital Organisation.
c) That the functional currency of the parent company (Ceiba Investments Limited) is US$.

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 8).

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.

Valuation of equity investments

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.

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 Equity investments

Equity investments include the direct and indirect interests of the Group in Cuban joint venture companies, which

in turn hold commercial properties, hotel properties and hotel properties under development. Cuban joint venture companies are incorporated under Cuban law and have both Cuban and foreign shareholders.

Equity investments of the Group are measured at fair value through profit or loss in accordance with IFRS 9, Financial Instruments: ("IFRS 9"), on the basis of the exception provided for per IAS 28. Changes in fair value are recognised in the statement of comprehensive income in the period of the change.

2.6 New standards, amendments and interpretations that are relevant to the Group issued but not effective for the financial year beginning 1 January 2020 and early adopted
There are no other standards, interpretations or amendments to existing standards that are not yet effective that would be expected to have a significant impact on the Group.

2.7 Changes in accounting policies
Standards and interpretations applicable this period
The accounting policies applied during this year are fully consistent with those applied in the previous period.

2.8 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. Summary of significant accounting policies

The accounting policies set out below have been applied consistently to all periods presented in these interim condensed consolidated financial statements.

3.1 Consolidation
The interim condensed consolidated financial statements comprise the financial statements of CEIBA and its subsidiaries as at 30 June 2020. Control is achieved when the Group is exposed, or has rights, to variable returns from its involvement with the investee and has the ability to affect those returns through its power over the investee. Specifically, the Group controls an investee if and only if the Group has:

- Power over the investee (i.e. existing rights that give it the current ability to direct the relevant activities of the investee)
- Exposure, or rights, to variable returns from its involvement with the investee, and
- The ability to use its power over the investee to affect its returns

When the Group has less than a majority of the voting or similar rights of an investee, the Group considers all relevant facts and circumstances in assessing whether it has power over an investee, including:

- The contractual arrangement with the other vote holders of the investee
- Rights arising from other contractual arrangements
- The Group's voting rights and potential voting rights

The Group re-assesses whether or not it controls an investee if facts and circumstances indicate that there are changes to one or more of the three elements of control.

Subsidiaries are consolidated from the date on which control is transferred to the Group and cease to be consolidated from the date on which control is transferred out of the Group. Where there is a loss of control of a subsidiary, the interim condensed consolidated financial statements include the results for the part of the reporting period during which the Group has control.

The Group had direct and indirect equity interests in the following entities as at 30 June 2020 and 31 December 2019:

Entity Name	Country of Incorporation	Equity interest held indirectly by the Group or holding entity	
		30 Jun 2020	31 Dec 2019
1. CEIBA Property Corporation Limited (a) (i)	Guernsey	100%	100%
1.1. GrandSlam Limited (a) (ii)	Guernsey	100%	100%
1.2. CEIBA MTC Properties Inc.(a) (iii)	Panama	100%	100%
1.2.1 Inmobiliaria Monte Barreto S.A. (b) (iv)	Cuba	49%	49%
1.3. CEIBA Tourism B.V. (a) (viii)	Netherlands	100%	100%
1.3.1. HOMASI S.A. (a) (iii)	Spain	65%	65%
1.3.1.1. Miramar S.A. (b) (vi)	Cuba	50%	50%
1.3.2. Mosaico Hoteles S.A. (a) (iii)	Switzerland	80%	80%
1.3.2.1 Tos Cuba S.A. (b) (vii)	Cuba	50%	50%
1.3.3. Mosaico B.V. (a) (v)	Netherlands	80%	80%

a) Company consolidated at 30 June 2020 and at 31 December 2019.
b) Company accounted at fair value at 30 June 2020 and at 31 December 2019
(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 Center as its principal asset.
(v) On 11 March 2019, all of the shares in Mosaico Hoteles S.A. held by Mosaico B.V., together with (i) the full outstanding value of the shareholder loan extended by Mosaico B.V. to Mosaico Hoteles S.A., and (ii) all payables owed by Mosaico B.V., were transferred by Mosaico B.V. to CEIBA Tourism B.V. (80%) and to Meliã Hotels International (20%) in accordance with their shareholdings in Mosaico B.V., with the result that Mosaico Hoteles S.A. is now owned directly by CEIBA Tourism B.V. (80%) and Meliã Hotels International S.A. (20%) and Mosaico B.V. no longer has any assets or liabilities. It is intended that Mosaico B.V. will be liquidated in the near future.
(vi) Joint venture that holds the Meliã Habana Hotel, Meliã Las Americas Hotel, Meliã Varadero Hotel and Sol Palmeras Hotel as its principal assets.
(vii) Joint Venture Company incorporated to build a beach hotel in Trinidad, Cuba.

All inter-company transactions, balances, income, expenses and unrealised 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 2020	31 Dec 2019
	US$	US$
Cash on hand	6,293	16,183
Bank current accounts	9,599,022	13,086,395
	9,605,315	**13,102,578**

5. Accounts receivable and accrued income

	30 Jun 2020	31 Dec 2019
	US$	US$
Dividends receivable from Miramar S.A.	310,596	-
Dividends receivable from Inmobiliaria Monte Barreto S.A.	7,496,931	6,922,968
Loan interest receivable from TosCuba S.A.	1,095,870	633,070
Other accounts receivable and deposits	1,762,227	302,278
	10,665,624	**7,858,316**
Current portion	**9,488,025**	**2,211,832**
Non-current portion	**1,177,599**	**5,646,484**

The following table details the expected liquidity of accounts receivable:

	30 Jun 2020	31 Dec 2019
	US$	US$
Up to 30 days	579,807	120,898
Between 31 and 90 days	1,083,179	66,335
Between 91 and 180 days	2,317,960	2,010,678
Between 181 and 365 days	5,507,079	13,921
Over 365 days	1,177,599	5,646,484
	10,665,624	**7,858,316**

Trade receivables are assessed in terms of the simplified approach for expected credit losses per IFRS 9 due to trade receivables not containing a significant financing component and majority consisting of accounts receivable from travel agency activities in GrandSlam which are immaterial. GrandSlam is a wholly-owned subsidiary of the Group. As a result of the composition of the receivables balance the credit risk is assessed to be low due to the nature of the receivables and impairment loss to be immaterial. Dividend receivables that are short-term in nature are outside the scope of IFRS 9's simplified approach and there has been no history of defaults and therefore based on the relationship with Inmobiliaria Monte Barreto S.A. and Miramar S.A there is no expectation of default over the next 12 months.

6. Loans and lending facilities

	30 Jun 2020	31 Dec 2019
	US$	US$
TosCuba S.A. (i)	13,614,722	9,915,549
Casa Financiera FINTUR S.A. (ii)	1,930,759	3,230,171
Miramar Facility (iii)	1,658,357	-
	17,203,838	**13,145,720**
Current portion	**3,589,116**	**2,558,018**
Non-current portion	**13,614,722**	**10,587,702**

(i) In April 2018, the Group entered into a construction finance 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 Peninsula Hotel. The Construction Facility is in the maximum principal amount of US$45,000,000, divided into two separate tranches of US$22,500,000 each. 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. Since being informed that the construction would be affected by the Covid-19 pandemic, works have continued at a slower pace and TosCuba is presently in discussions with the constructor to fix a new delivery date for the hotel. Management now expects the hotel to open in the second half of 2021, (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 Peninsula Hotel following start-up of operations. In addition, Tranche B of the Construction Facility is also secured by a guarantee provided by Cubanacán S.A., Corporaciön de Turismo y Comercio Internacional (the Cuban shareholder of TosCuba) as well as by an assignment in favour of the Group (in its capacity as Tranche B lender) of all international tourism proceeds generated by the Meliã Santiago de Cuba Hotel. The Construction Facility represents a financial asset. Based on the terms of the loan is not repayable on demand and there is no expectation that it will be repaid within 12 months since there is a multi year grace period and a further 8 year payment period, therefore the immediate expected credit loss is not considered to be material to the Group.

(ii) In July 2016, the Company arranged and participated in a €24,000,000 (US$26,875,200) syndicated facility provided to Casa Financiera FINTUR S.A. ("FINTUR"), subsequently amended in May 2019 to include a second tranche in the principal amount of €12,000,000 (US$13,437,600). The Company had an initial participation of €4,000,000 (US$4,479,000) under the first tranche and a €2,000,000 (US$2,239,600) participation under the second tranche. The term of the facility was due to expire in June 2021 but, with the closure of all Cuban hotels as a result of the Covid-19 pandemic, an additional grace period has been granted and the term has been extended to March 2023. In addition, the amounts outstanding under the two existing tranches of the facility were consolidated into a single tranche. The facility has fixed interest rate of 8%, and under the renegotiated terms interest will accumulate until 31 December 2020 and then be paid quarterly, and eight quarterly principal payments will be due beginning in June 2021 and ending in March 2023. This facility is secured by Euro-denominated off-shore tourism proceeds payable to FINTUR by certain international hotel operators managing four separate hotels in Cuba. The loan to FINTUR represents a financial asset. Based on historical analysis FINTUR has made all payments on time with no had it defaults since the inception of this facility nor had it defaulted under with previous loan facilities.

(ii) The loan is not repayable on demand. It has been determined that there is no significant risk of default over the next 12 months, therefore the expected credit loss is assessed to be immaterial to the Group.

(iii) In early December 2019, HOMASI (the foreign shareholder of Miramar) executed a confirming and discounting facility with Miramar that has a maximum limit of US$7 million 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 will be financed in part by a €3,500,000 credit line received by HOMASI from a Spanish bank for this purpose, thus alleviating the present cash flow position of the Company. The facility has economic terms (finance cost 3.5%), and the facility will be secured by the offshore cash flows generated by two of the Hotels. Management expects that the execution of this facility will assist in stabilising the operations of the Hotels and minimizing the impact of the current liquidity difficulties that Cuba is experiencing. It has been determined that there is no significant risk of default over the next 12 months, therefore the expected credit loss is assessed to be immaterial to the Group.

The following table details the expected maturities of the loans and lending facilities portfolio:

	30 Jun 2020	31 Dec 2019
	US$	US$
Up to 30 days	802,523	504,135
Between 31 and 90 days	223,960	802,882
Between 91 and 180 days	223,960	802,882
Between 181 and 365 days	2,338,673	448,119
Over 365 days	13,614,722	10,587,702
	17,203,838	**13,145,720**

7. Short-term borrowings

	30 Jun 2020	31 Dec 2019
	US$	US$
Short-term finance facility (i)	1,551,727	-
	1,551,727	**-**

(i) Bank credit line held by HOMASI. (see note 6 for further details around the economic terms and the nature of the facility)

8. Equity investments

	30 Jun 2020	31 Dec 2019
	US$	US$
Miramar S.A.	86,258,779	127,887,983
Inmobiliaria Monte Barreto S.A.	81,258,906	86,702,576
Tos Cuba S.A.	13,000,000	12,750,000
	180,517,685	**227,340,559**

	Miramar S.A (i) US$	Immobiliaria Monte Barreto S.A US$	TosCuba S.A (ii) US$	Total US$
Balance at 31 December 2018	**154,630,176**	**76,165,505**	**8,000,000**	**238,795,681**
Foreign currency translation reserve	(942,865)	-	-	(942,865)
Change in fair value of equity investments	(21,227,468)	(438,676)	2,500,000	(19,166,144)
Balance at 30 June 2019	**132,459,843**	**75,726,829**	**10,500,000**	**218,686,672**
Foreign currency translation reserve	4,146,305	-	-	4,146,305
Change in fair value of equity investments	(8,718,165)	10,975,747	2,250,000	4,507,582

Balance at 31 December 2019	**127,887,983**	**86,702,576**	**12,750,000**	**227,340,559**
Foreign currency translation reserve	57,078	-	-	57,078
Change in fair value of equity investments	(41,686,282)	(5,443,670)	250,000	(46,879,952)
Balance at 30 June 2020	**86,258,779**	**81,258,906**	**13,000,000**	**180,517,685**

(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 Immobiliaria Monte Barreto S.A, incorporated in 1996 for the construction and subsequent operation of the Miramar Trade Center. The Miramar Trade Center 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 Board 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 Investment Manager and the Board 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.

In the case of Monte Barreto, the amount of cash required for working capital needs is estimated as the sum of: (i) 30% of tenant deposits, (ii) taxes payable, (iii) dividends declared and payable, (iv) a reserve for employee bonuses, and (v) 2 months of estimated operating expenses. The sum of these amounts is deducted from the balance of cash and cash equivalents of the joint venture with the remaining balance, if any, being considered Excess Cash. At 30 June 2020, the amount of Excess Cash that is included in the fair value of Monte Barreto stated in these interim condensed consolidated financial statements is US$5,259,906 (31 December 2019: US$1,197,575).

Cash flows have been estimated up to 2046 when the joint venture expires. The key assumptions used in the discounted cash flow model are the following:

	30 Jun 2020	31 Dec 2019
Discount rate (after tax) (i)	10.48%	9.75%
Occupancy year 1	98%	100%
Average occupancy year 2 to 8	97.5%	98.9%
Occupancy year 8 and subsequent periods	97.5%	97.5%
Average rental rates per square meter per month - year 1 to 7	US$27.17	US$28.28
Annual increase in rental rates subsequent to year 7 (ii)	3.0%	3.0%
Capital investments as percentage of rental revenue	2%	2%

(i) The effective tax rate is estimated to be 18% (31 December 2019: 18%).
(ii) The increase in rental rates in subsequent periods is in-line with the estimated rate of long-term inflation.

Miramar

HOMASI is the foreign shareholder (incorporated in Spain) that owns a 50% share equity interest in the Cuban joint venture company Miramar S.A.. The remaining share equity interest in Miramar is held by the Cuban shareholder in the joint venture (as to 50%). All decisions at shareholder meetings require the unanimous agreement of the Cuban and foreign shareholders.

In November 2018, Miramar was merged with Cubacan, the Cuban joint venture company that previously owned the Varadero Hotels. As a result of the merger, the four hotels are now owned by Miramar as the remaining joint venture company. Subsequent to the merger CUBANACAN contributed to Miramar the extension and granting of the surface rights for the four hotels to 2042.

At 30 June 2020 and 31 December 2019 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 S.A., representing a 17.5% interest in Miramar, and has been accounted for as a non-controlling interest in these interim condensed 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 Board 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 independent valuations of the properties held by the joint venture.

The Board 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.

In the case of Miramar, the amount of cash required for working capital needs is estimated as the sum of: (i) taxes payable, (ii) dividends declared and payable, (iii) trade payables greater than 90 days outstanding, and (iv) 2 months of estimated operating expenses. The sum of these amounts is deducted from the balance of cash and cash equivalents of the joint venture with the remaining balance, if any, being considered Excess Cash. At 30 June 2020, the amount of Excess Cash that is included in the fair value of Miramar stated in these interim condensed consolidated financial statements is US$14,158,779 (31 December 2019: US$20,187,983).

Cash flows have been estimated for a ten-year period. Cash flows from year 11 onward are equal to the capitalised amount of the cash flows at year 10. The key assumptions used in the discounted cash flow model are the following:

	30 Jun 2020	31 Dec 2019
Meliã Habana		
Discount rate (after tax) (i)	15.3%	12.5%
Average occupancy years 1 to 10	65.5%	70.8%
Average daily rate per room - year 1	US$122.25	US$137.75
Average increase in average daily rate per room - year 2 to 6	6.9%	7.5%
Increase in average daily rate per room subsequent to year 6 (ii)	3%	3%
Capital investments as percentage of total revenue	7%	7%

	30 Jun 2020	31 Dec 2019
Meliã Las Americas		
Discount rate (after tax) (iii)	14.7%	12.25%
Average occupancy year 1 to 3	61%	78%
Occupancy year 4 and subsequent periods	80%	79.5%
Average daily rate per room - year 1	US$146.12	US$145.48
Average increase in average daily rate per room - year 2 to 6	3.7%	3.8 %
Increase in average daily rate per room subsequent to year 6 (ii)	3%	3%
Capital investments as percentage of total revenue	7%	7%

	30 Jun 2020	31 Dec 2019
Meliã Varadero		
Discount rate (after tax) (iii)	14.7%	12.25%
Average occupancy year 1 to 5	75%	80.2%
Occupancy year 6 and subsequent periods	80%	80.4%
Average daily rate per room – year 1	US$91.33	US$104.57
Average increase in average daily rate per room – year 2 to 6	7%	4%
Increase in average daily rate per room subsequent to year 6 (ii)	3%	3%
Capital investments as percentage of total revenue	7%	7%

	30 Jun 2020	31 Dec 2019
Sol Palmeras		
Discount rate (after tax) (iii)	14.7%	12.25%
Average occupancy year 1 to 5	75%	79%
Occupancy year 6 and subsequent periods	80%	80%
Average daily rate per room - year 1	US$82.36	US$95.12
Increase in average daily rate per room – year 2	13%	5%
Average increase in average daily rate per room – year 3 to 6	6%	4%
Increase in average daily rate per room subsequent to year 6 (ii)	3%	3%
Capital investments as percentage of total revenue	7%	7%

(i) The effective tax rate is estimated to be 19% (31 December 2019: 19%).
(ii) The increase in the average daily rate per guest in subsequent periods is in-line with the estimated rate of long-term inflation.
(iii) The effective tax rate is estimated to be 21% (31 December 2019: 21%).

Sensitivity to changes in the estimated rental rates / average daily rates

The following table details the change in fair values of the equity investments, which have been estimated under the discounted cash flow method, when applying rental rates / average daily rates between 5% lower and 5% higher than the rates used in these interim condensed consolidated financial statements.

The following table details the fair values of the equity investments at 30 June 2020 when applying lower and higher rental rates / average daily rates:

	Financial statements US$	-5% US$	+5% US$
Monte Barreto	81,258,906	77,228,302	85,289,510
Miramar	86,258,779	83,184,059	89,309,834

The following table details the fair values of the equity investments at 31 December 2019 when applying lower and higher rental rates / average daily rates:

	Financial statements US$	-5% US$	+5% US$
Monte Barreto	86,702,576	82,380,413	91,328,282
Miramar	127,887,983	124,636,618	131,139,349

Sensitivity to changes in the occupancy rates

The following tables detail the change in fair values of the equity investments, which have been estimated under the discounted cash flow method, when applying occupancy rates between 5% lower and 5% higher than the rates used in these interim condensed consolidated financial statements.

The following table details the fair values of the equity investments at 30 June 2020 when applying lower and higher occupancy rates:

	Financial statements US$	-5% US$	+5% US$
Monte Barreto (i)	81,258,906	77,184,772	82,101,566
Miramar	86,258,779	83,111,413	89,369,910

(i) In the case of Monte Barreto, only a constant occupancy rate of 100% is shown under the increase of 5% as projected occupancy is already above or equal to 95%.

The following table details the fair values of the equity investments at 31 December 2019 when applying lower and higher occupancy rates:

	Financial statements US$	-5% US$	+5% US$
Monte Barreto	86,702,576	82,279,267	91,123,299
Miramar	127,887,983	121,797,791	133,978,176

(i) In the case of Monte Barreto, only a constant occupancy rate of 100% is shown under the increase of 5% as projected occupancy is already above or equal to 95%.

Sensitivity to changes in the discount and capitalisation rates

The following tables detail the change in fair values of the equity investments, which have been estimated under the discounted cash flow method, when applying both discount and capitalisation rates between 1% lower and 1% higher than the rates used in these interim condensed consolidated financial statements.

The following table details the fair values of the equity investments at 30 June 2020 when applying lower and higher discount and capitalization rates:

	Financial statements US$	**-1%** US$	**+1%** US$
Monte Barreto	81,258,906	91,548,664	73,310,573
Miramar	86,258,779	93,405,723	80,214,743

The following table details the fair values of the equity investments at 31 December 2019 when applying lower and higher discount and capitalization rates:

	Financial statements US$	**-1%** US$	**+1%** US$
Monte Barreto	86,702,576	98,365,774	77,753,412
Miramar	127,887,983	139,993,689	117,974,292

Sensitivity to changes in the estimation of Excess Cash

The fair values of the equity investments have been estimated using the discounted cash flow method and adjusted for the Excess Cash held by the joint venture companies. Within the calculation of Excess Cash, it is estimated that the joint ventures will maintain a sufficient cash balance for working capital purposes equal to the equivalent of two months operating expenses.

The following table details the changes in fair values of the equity investments at 30 June 2020 if the number of months of operating expenses used in the calculation is increased by an additional 1 to 3 months in comparison to the calculation used in these interim condensed consolidated financial statements.

	Financial statements US$	**+ 1 month** US$	**+ 2 months** US$	**+ 3 months** US$
Monte Barreto	81,258,906	81,020,684	80,782,463	80,554,241
Miramar	86,258,779	84,178,854	82,098,929	80,019,004

The following table details the changes in fair values of the equity investments at 31 December 2019 if the number of months of operating expenses used in the calculation is increased by an additional 1 to 3 months in comparison to the calculation used in these interim condensed consolidated financial statements.

	Financial statements US$	**+ 1 month** US$	**+ 2 months** US$	**+ 3 months** US$

Monte Barreto	86,702,576	86,464,354	86,226,132	85,987,911
Miramar	127,887,983	125,617,753	123,347,522	121,077,292

A reduction in the number of months of operating expenses used in the calculation would increase the changes in fair values of the equity investments at 30 June 2020 and 31 December 2019, however this is considered unlikely and therefore the related sensitivities have not been shown.

TosCuba

At 30 June 2020 the Group owned an 80% interest in Mosaico B.V., which in turn had an indirect 50% share equity interest in TosCuba S.A., a Cuban joint venture company that is developing a 400 room 4-star hotel at Playa Maria Aguilar near the city of Trinidad, Cuba. Construction of the hotel began in December 2018 and is expected to be completed by the end of 2021. The Group has made capital contributions of US$8,000,000 (31 December 2019: US$8,000,000).

In 2019, TosCuba was awarded US$10,000,000 under the Spanish Cuban Debt Conversion Programme, a Spanish-Cuba initiative aimed at promoting Spanish private sector investments in Cuba under which outstanding bilateral debts owed to Spain by Cuba may be settled through awards granted to investment projects in Cuba from a special countervalue fund created for this purpose. Under these awards, local currency invoices relating to services and materials received in Cuba in the course of constructing the projects will be paid from the countervalue fund on behalf of the joint ventures. As of 30 June 2020, TosCuba has received the total cash grants under the programme in the amount of US$10,000,000. The 50% interest of the Group in amounts received under the programme by TosCuba (i.e. US$5,000,000) has been recorded as a change in the fair value in the investment in TosCuba.

Dividend income from equity investments

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

	6 months 30 Jun 2020	**6 months 30 Jun 2019**
	US$	US$
Monte Barreto	573,963	3,417,591
Miramar	6,310,596	9,037,327
	6,884,559	**12,454,918**

9. Accounts payable and accrued expenses

	30 Jun 2020	**31 Dec 2019**
	US$	**US$**
Due to shareholders	5,421	5,399
Due to Meliã Hotels International SA	178,862	354,581
Accrued professional fees	136,609	586,981
Management fees payable (see note 12)	1,669,446	1,041,950
Accrued Directors fees	32,377	1,617
Other accrued expenses	169,430	57,116
Other accounts payable	18,405	18,569
	2,210,550	**2,066,213**

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

	30 Jun 2020 US$	31 Dec 2019 US$
Up to 30 days	272,951	409,709
Between 31 and 90 days	(2,586)	1,115,552
Between 91 and 180 days	1,859,939	535,553
Between 181 and 365 days	80,246	5,399
	2,210,550	**2,066,213**

10. Net asset value

Net asset value

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

	30 Jun 2020 US$	31 Dec 2019 US$
Total assets	218,543,082	262,015,519
Total liabilities	(7,095,610)	(5,899,546)
Less: non-controlling interests	(33,948,936)	(49,381,639)
NAV	**177,498,536**	**206,734,334**
Number of ordinary shares issued	137,671,576	137,671,576
NAV per share	**1.29**	**1.50**

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

- *Commercial property:* Activities concerning the Group's interests in commercial real estate investments in Cuba.
- *Tourism / Leisure:* Activities concerning the Group's interests in hotel investments in Cuba and operations of a travel agency that provides services to international clients for travel to Cuba.
- *Other:* Includes interest from loans and lending facilities, the Group entered into a construction finance agreement with TosCuba for the purpose of extending to TosCuba part of the funding necessary for the construction of the Meliã Trinidad Peninsula Hotel and also includes a facility provided to FINTUR (see note 6 for further details).

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 interim condensed consolidated financial statements. The Board has applied judgements 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 2020 US$			
	Commercial property	Tourism / Leisure	Other	Total
Total assets	84,719,775	107,853,494	25,969,813	**218,543,082**
Total liabilities	(2,364,949)	(4,730,661),	-	**(7,095,610)**
Total net assets	**82,354,826**	**103,122,833**	**25,969,813**	**211,447,472**
Dividend income	573,963	6,310,596	-	**6,884,559**
Other income	-	704,287	608	**704,895**
Change in fair value of equity investments	(5,443,670)	(41,436,282)	-	**(46,879,952)**
Allocated expenses	(293,790)	(1,947,452)	(114)	**(2,241,356)**
Foreign exchange gain	-	-	(394,798)	**(394,798)**
Net income/(loss)	**(5,163,497)**	**(36,368,851)**	**(394,304)**	**(41,926,652)**
Other comprehensive loss	-	334,802	-	**334,802**
Total comprehensive income/(loss)	**(5,163,497)**	**(36,034,049)**	**(394,304)**	**(41,591,850)**

	31 December 2019 US$			
	Commercial property	Tourism / Leisure	Other	Total
Total assets	91,969,762	149,273,530	20,772,227	**262,015,519**
Total liabilities	(2,345,827)	(3,553,719)	-	**(5,899,546)**
Total net assets	**89,623,935**	**145,719,811**	**20,772,227**	**256,115,973**

	6 months ended 30 June 2019 US$			
Dividend income	3,417,591	9,037,327	-	12,454,918
Other income	-	7,321	322,147	329,468
Change in fair value of equity investments	(438,676)	(18,727,468)	-	(19,166,144)
Allocated expenses	(783,496)	(1,515,151)	(41,100)	(2,339,747)
Foreign exchange gain	-	-	(283,319)	(283,319)
Net income/(loss)	2,195,419	(11,197,971)	(2,272)	(9,004,824)
Other comprehensive income	-	(725,749)	-	(725,749)
Total comprehensive income	2,195,419	(11,923,720)	(2,272)	(9,730,573)

12. Related parties disclosures

Compensation of Directors

Each Director receives a fee of £35,000 (US$43,257) per annum with the Chairman receiving £40,000 (US$49,436). The Chairman of the Audit Committee also receives an annual fee of £40,000 (US$49,436). 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 Director fees, including the fees of the Chairman, for the period ended 30 June 2020 were US$112,846 (30 June 2019: US$ 124,200).

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, 8 and 9.

CPC and GrandSlam Limited, wholly-owned subsidiaries of the Group, lease office space totalling 319 square meters from Monte Barreto, a commercial property investment in which the Group holds a 49% interest. The rental charges paid under the GrandSlam lease is accounted for in operational costs and for the period ended 30 June 2020 amounted to US$10,259 (30 June 2019: US$12,099) with an average rental charge per square meter at 30 June 2020 of US$37.67 (30 June 2019: US$37.67) plus an administration fee of US$9.75 per square meter. GrandSlam Limited received a 50% discount on the rental charges in May and June 2020 due to Covid 19.

Transactions with Investment Manager

From 2019, Aberdeen Standard Fund Managers Limited ("ASFML") reimburses CPC for its lease payments. (See note 14)

Under the terms of the Management Agreement, ASFML is entitled, with effect from 1 November 2018, to receive an annual management fee equivalent to 1.5 per cent. of net asset value. The annual management fee payable by the Group to ASFML will be 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 2020 were US$1,510,822 (30 June 2019: US$1,512,149). In connection with the Management Agreement, ASFML paid the Group US$5,000,000 with the purpose of compensating the Group for the costs related to the initial public offering and the listing of its shares on the Specialist Fund Segment as well as for releasing and making available the Group's internal management team to ASFML. In the event that the Management Agreement is terminated prior to the fifth anniversary of its coming into effect, the Group must pay ASFML a prorated amount of the US$5,000,000 based on the amount of time remaining in the five year period. As such, this payment has been recorded as a deferred liability and is being amortised over the five year period. The amount amortised each period is accounted for as a reduction of the management fee. At 30 June 2020, the amount of the payment recorded as a deferred liability is US$3,333,333 (31 December 2019 US$3,833,333): with US$1,000,000 being the current portion and US$2,333,333 (31 December 2019 US$2,833,333) being the non-current portion ASFML is a wholly-owned subsidiary of Standard Life Aberdeen plc which has an interest in 9,747,852 shares of the stated capital (31 December 2019: 9,747,852).

For the period ended 30 June 2020, the amount of the payment amortised and recorded as a reduction of the management fee was US$500,000 (30 June 2019: US$500,000):

	30 Jun 2020	**30 Jun 2019**
	US$	US$
Management fees earned	1,510,822	1,512,149
Amortisation of deferred liability	(500,000)	(500,000)
Management fee expense	1,010,822	1,012,149

Interests of Directors and Executives in the stated capital

At 30 June 2020 John Herring, a Director of CEIBA, had an indirect interest of 40,000 shares (31 December 2019: 40,000 shares).

At 30 June 2020 Peter Cornell, a Director of CEIBA, had an indirect interest of 100,000 shares (31 December 2019: 100,000 shares).

At 30 June 2020 Trevor Bowen a Director of CEIBA, had an indirect interest of 43,600 shares (31 December 2019: 43,600 shares).

At 30 June 2020 Colin Kingsnorth, a Director of the CEIBA, was a director and shareholder of Laxey Partners Limited ("Laxey"). Laxey holds 23,736,481 shares (31 December 2019: 23,736,481 shares). Funds managed by Laxey hold 7,242,835 shares (31 December 2019: 7,242,835 shares).

At 30 June 2020 Sebastiaan A.C. Berger, Portfolio manager and Chief Executive Officer of CEIBA, had an interest of 3,273,081 shares (31 December 2019: 3,273,081 shares).

At 30 June 2020 Cameron Young, Chief Operating Officer of CEIBA, had an indirect interest of 4,129,672 shares (31 December 2019: 4,129,672 shares).

At 30 June 2020 Paul S. Austin, Chief Financial Officer of CEIBA, had an interest of 144,000 shares (31 December 2019: 144,000).

13. Basic and diluted earnings (loss) per share

The earnings (loss) per share has been calculated on a weighted-average basis and is derived by dividing the net income for the period attributable to shareholders by the weighted-average number of shares in issue.

	6 Months 30 Jun 2020 US$	**6 Months 30 Jun 2019** US$
Weighted average of ordinary shares in issue	137,671,576	137,671,576
Net loss for the period attributable to the shareholders	(29,453,418)	(5,137,375)
Basic and diluted loss per share	(0.21)	(0.04)

14. Commitments and contingencies

Lease commitments

The Group has operating leases for office building space. These have a contractual life of one year with mutual acceptance required through issuing a notice of extension in order for lease renewal to be undertaken annually. There are no restrictions placed upon the lessee by entering into these leases. The annual lease payments of GrandSlam in place at 30 June 2020 were US$24,500 (30 June 2019: US$24,500).

The rental charges paid under the GrandSlam lease is accounted for in operational costs and for the period ended 30 June 2020 amounted to US$10,259 (30 June 2019: US$12,099).

TosCuba Construction Facility

In April 2018, the Group entered into the TosCuba Construction Facility for the purpose of extending to TosCuba part of the funding necessary for the construction of the Meliã Trinidad Peninsula Hotel. The Construction Facility is in the maximum principal amount of US$45,000,000, divided into two separate tranches of US$22,500,000 each, US$13,614,722 (31 December 2019: US$9,915,549) of which has been advanced as at 30 June 2020. The Group has the right to syndicate Tranche B of the Construction Facility to other lenders (see note 6).

FINTUR Facility

Since 2002, the Company has arranged and participated in numerous secured finance facilities extended to

FINTUR, the Cuban government financial institution for Cuba's tourism sector. These facilities act as a medium-term investment and treasury management tool for the Group.

The facilities are fully secured by offshore tourism proceeds from numerous internationally managed hotels.

The Group has a successful 19-year track record of arranging and participating in over €150,000,000 of facilities extended to FINTUR, with no defaults occurring during this period.

The Company has a €4,000,000 participation in Tranche A as well as a €2,000,000 participation in Tranche B of the most recent facility executed in March 2016 and amended in 2019. The total four-year facility is a €36 million with an 8 per cent. interest rate. The facility was operating successfully without delay or default in March 2020, at which time all Cuban hotels were ordered to be closed as a result of the Covid-19 pandemic. The Company subsequently granted a further grace period to FINTUR and consolidated all amounts outstanding under the two existing tranches into a new Tranche C. As at 30 June 2020, the principal amount of €1,750,000 (US$1,989,792) was outstanding under the Company's participation in Tranche C of the facility

15. 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 interim condensed consolidated financial statements relate.

Market risk

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

(i) Foreign currency risk

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

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

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

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

15. Financial risk management (continued)

Market price risk (continued)

(i) Foreign currency risk (continued)

The sensitivity of the income (loss) to a variation of the exchange rate (EUR/US$) in relation to Euro denominated assets is the following:

Effect of the variation in the foreign exchange rate %	Income (loss) **30 Jun 2020** US$	Income (loss) **30 Jun 2019** US$
+15	1,368,760	2,461,484
+20	1,825,014	3,281,979
-15	(1,368,760)	(2,461,484)
-20	(1,825,014)	(3,281,979)

(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.

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 and therefore no sensitivity analysis has been presented.

The interest rate risk profile of the Group's consolidated financial assets was as follows:

	Total US$	**Fixed rate** US$	**Non-interest bearing** US$
30 June 2020			
Equity investments (US$)	180,517,685	-	180,517,685
Loans and lending facilities (€)	3,589,116	3,589,116	-
Loans and lending facilities (US$)	13,614,722	13,614,722	-
Accounts receivable and accrued income (US$)	10,552,525	-	10,552,525
Accounts receivable and accrued income (€)	113,099	-	113,099
Cash at bank (€)	7,691,045	-	7,691,045
Cash at bank (US$)	264,750	-	264,750
Cash at bank (GBP)	1,643,227	-	1,643,227
Cash on hand (€)	680	-	680
Cash on hand (US$)	661	-	661
Cash on hand (CUC)	4,952	-	4,952

15. Financial risk management (continued)

Market price risk (continued)

(ii) Interest rate risk (continued)

	Total US$	**Fixed rate** US$	**Non-interest bearing** US$
31 December 2019			
Equity investments (US$)	227,340,559	-	227,340,559

Loans and lending facilities (€)	3,230,171	3,230,171	-
Loans and lending facilities (US$)	9,915,549	9,915,549	-
Accounts receivable and accrued income (US$)	7,736,695	-	7,736,695
Accounts receivable and accrued income (€)	121,621	-	121,621
Cash at bank (€)	11,230,891	-	11,230,891
Cash at bank (US$)	1,191,898	-	1,191,898
Cash at bank (GBP)	663,606	-	663,606
Cash on hand (€)	996	-	996
Cash on hand (US$)	1,724	-	1,724
Cash on hand (CUC)	13,463	-	13,463

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 consider both historical analysis and forward looking information in determining an expected credit loss. Refer to note 6 for the assessment 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 2020	**31 Dec 2019**
	US$	US$
Loans and lending facilities	17,203,838	13,145,720
Future loan commitments (TosCuba Construction Facility) (i)	26,885,278	30,584,451
Accounts receivable and accrued income	10,665,624	2,142,673
Cash and cash equivalents	9,605,315	13,102,578
Total maximum exposure to credit risk	**64,360,055**	**58,975,422**

(i) The TosCuba Construction Facility is secured by future income of the hotel under construction and 50% of the principal construction amount is further secured by a guarantee given by Cubanacán S.A, Corporación de Turismo y Comercio Internacional, the Cuban shareholder of TosCuba S.A, backed by income from another hotel in Cuba.

The Group holds its cash and cash equivalents at financial institutions located in the countries listed below. Also included in the following table are the credit ratings of the corresponding financial institutions, as determined by Moody's:

	Credit Rating	**30 Jun 2020**	**31 Dec 2019**
		US$	US$
Cash at bank			
Cuba	Caa2	263,392	1,083,763
Guernsey	A2	1,727,723	725,110
Spain	Ba3	4,495,109	2,678,694
Spain	A2	18,873	18,913
Spain	Baa2	3,093,925	8,579,915
		9,599,022	**13,086,395**
Cash on hand			
Spain		-	100

Cuba	6,293	16,083
	6,293	**16,183**
Total cash and cash equivalents	**9,605,315**	**13,102,578**

At 30 June 2020 and 31 December 2019, all cash and short-term deposits that are held with counter-parties have been assessed for probability of default, as a result no loss allowance has been recognised based on 12-month expected credit losses as any such impairment would be wholly insignificant to the Group.

Guarantees received

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

Liquidity risk

Liquidity risk is the risk that the Group will encounter in realising its non-cash assets or otherwise raising funds to meet financial commitments. Assets principally consist of unlisted securities and loans, which are not readily realisable. If the Group, for whatever reason, wished to dispose of these assets quickly, the realisation values may be lower than those at which the relevant assets are held in the consolidated statement of financial position. (For maturities of financial assets and liabilities refer to note 5, 6, 7 and 9).

Although the Group has a number of liabilities (see note 9 - Accounts payable and accrued expenses, note 7 short term financing and note 14 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 and has sufficient cash inflows from dividend income to meet current liabilities.

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 Playa Hotel (see note 6). The Construction Facility is in the maximum principal amount of US$45,000,000 of which US$17,018,406 (31 December 2019: US$10,928,702) was disbursed as at 30 June 2020 of which the participation of the Group was US$13,614,722 (31 December 2019: US$9,915,549). It is assumed that the principal amount will be required to be disbursed under the Construction Facility by the Company will be approximately US$40,500,000. The Group has the right to syndicate Tranche B of the Construction Facility to other lenders.

The principal of the Construction Facility is to be disbursed on a monthly basis on the percentage of construction completed in each preceding month. It is anticipated that the full amount of the Construction Facility will be disbursed by the end of 2021. The Group currently does not have sufficient cash and cash equivalents to cover the full disbursement of the Construction Facility. Therefore, the disbursement of the Construction Facility will be financed in part by the future operating income of the Group. If future operating income is not sufficient to allow for the disbursement of the Construction Facility, the Group may syndicate a portion of the facility to other lenders or seek short-term financing to cover any shortfall.

The estimated timing of future ash outflows under the TosCuba Construction Facility are as follows:

	30 Jun 2020	**31 Dec 2019**
	US$	US$
Between 31 and 90 days	1,829,678	1,151,827
Between 91 and 180 days	4,500,000	1,317,800
Between 181 and 1 year	17,555,600	2,400,000
Between 1 and 1 1/2 years	3,000,000	25,714,823
	26,885,278	**30,584,450**

16. 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.

Our valuation has been prepared in a period of significant market instability as a result of the Covid-19 pandemic. The impact on the Cuban tourism sector has been dramatic with almost no international tourist arriving for the past few months, and the Cuban economy in general is certainly suffering as a result. As it is not possible to ascertain with any certainty when the tourism sector and the economy will recover to anywhere near previous levels , there is a high degree of uncertainty as to the valuation of the subject property.

When valuing a hotel, the level of uncertainty attached to an opinion of value is directly related to the projections of income and expense. We have diligently prepared our projections of income and expense and consider that they are reasonable when compared to other hotels in the marketplace. In that regard, we consider the level of uncertainty attached to our opinion of value to be low.

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 2020 US$			
	Level 1	**Level 2**	**Level 3**	**Total**
Financial assets at fair value through profit or loss				
Equity investments	-	-	180,517,685	180,517,685
	-	**-**	**180,517,685**	**180,517,685**

	31 December 2019 US$			
	Level 1	**Level 2**	**Level 3**	**Total**
Financial assets at fair value through profit or loss				
Equity investments	-	-	227,340,559	227,340,559
	-	**-**	**227,340,559**	**227,340,559**

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:

Unlisted private equity investments	**30 Jun 2020** US$	**31 Dec 2019** US$
Initial balance	227,340,559	238,795,681
Total losses recognised in income or loss	(46,879,952)	(14,658,562)
Foreign currency translation reserve	57,078	3,203,440
Acquisitions and capital contributions	-	-
Final balance	**180,517,685**	**227,340,559**
Total losses for the year/period included in income or loss relating to assets and liabilities held at the end of the reporting year/period	(46,879,952)	(14,658,562)
	(46,879,952)	**(14,658,562)**

17. Classifications of financial assets and liabilities

The table below provides a reconciliation of the line items in the Group's consolidated statement of financial position to the categories of financial instruments.

		30 June 2020 US$			
	Note	Fair value through profit or loss	Cash and Financial assets at amortised cost	Financial liabilities at amortised cost	Total carrying amount
Cash and cash equivalents	4	-	9,605,315	-	9,605,315
Accounts receivable and accrued income	5	-	10,665,624	-	10,665,624
Loans and lending facilities	6	-	17,203,838	-	17,203,838
Equity investments	8	180,517,685	-	-	180,517,685
		180,517,685	**37,474,777**	**-**	**217,992,462**
Accounts payable	9	-	-	2,210,550	2,210,550
Short-term borrowings	7	-	-	1,551,727	1,551,727
		-	**-**	**3,762,277**	**3,762,277**

		31 December 2019 US$			
	Note	Fair value through profit or loss	Cash and Financial assets at amortised cost	Financial liabilities at amortised cost	Total carrying amount
Cash and cash equivalents	4	-	13,102,578	-	13,102,578
Accounts receivable and accrued income	5	-	7,858,316	-	7,858,316
Loans and lending facilities	6	-	13,145,720	-	13,145,720
Equity investments	8	227,340,559	-	-	227,340,559
		227,340,559	**34,106,614**	**-**	**261,447,173**
Accounts payable	9	-	-	2,066,213	2,066,213
		-	**-**	**2,066,213**	**2,066,213**

There were no reclassifications of financial assets during the six month period for 30 June 2020 (31 December 2019: nil).

18. Dividend per share

Dividends per share are calculated by dividing the dividends paid by the number of shares in issue on the dividend record date. There have been no dividend declarations in 2020.

19. Events after the reporting period

There were no significant events after the reporting period.

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.

NAV Per Share

The net asset value ('NAV') is the value of the investment company's assets, less any liabilities it has. The NAV per share is the NAV divided by the number of shares in issue.

The NAV per share was US$1.29 / 104.3p as at 30 June 2020.

NAV Total Return

NAV total return involves investing any dividends paid by the Company back into the NAV of the Company on the date on which that share price was declared ex-dividend.

The table below provides information relating to the NAV of the Company on the dividend reinvestment dates during the period ended 30 June 2020 and 30 June 2019.

NAV at 31 December 2019	206,734,334
Net comprehensive income for the period[1]	(29,235,798)
IFRS NAV 30 June 2020	177,498,536
Non-IFRS adjustment	3,333,333
Non-IFRS NAV at 30 June 2020	180,831,869

[1] Net comprehensive income for the period includes a net loss on changes in the fair value of equity investments of (US$ 46,879,952).
Premium (Discount) to NAV

As at 30 June 2020, the share price was 64.5p /US$0.80 and the net asset value per share was 104.3p / US$1.29, the discount was therefore (38.2%).

For further information, please contact:

Aberdeen Standard Fund Managers Limited Tel: +44 (0)20 7463 6000
Sebastiaan Berger / Evan Bruce-Gardyne / Christian Pittard

N+1 Singer Tel: +44 (0)20 7496 3000
James Maxwell / James Moat (Corporate Finance)
James Waterlow (Sales)

JTC Fund Solutions (Guernsey) Limited Tel: +44 (0) 1481 702400

END