CEIBA INVESTMENTS Ltd

Annual Report & Consolidated Financial Statements
For the year ended 31 December 2022

abrdn

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THIS DOCUMENT IS IMPORTANT AND REQUIRES YOUR IMMEDIATE ATTENTION.

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

DIRECTORS, MANAGEMENT AND ADVISERS

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

REGISTERED OFFICE
CEIBA Investments Limited
Les Echelons Court, Les Echelons
St Peter Port
Guernsey GY1 1AR

Alternative Investment Fund Manager ("AIFM")
abrdn Fund Managers Limited
280 Bishopsgate
London EC2M 4AG

INVESTMENT MANAGER
abrdn Alternative Investments Limited
280 Bishopsgate
London EC2M 4AG

ADMINISTRATOR AND SECRETARY
NSM Funds Limited
Les Echelons Court, Les Echelons
St Peter Port
Guernsey GY1 1AR

DEPOSITARY
NSM Funds Limited
Les Echelons Court, Les Echelons
St Peter Port
Guernsey GY1 1AR

REGISTRAR
Link Market Services (Guernsey) Limited
Mont Crevelt House, Bulwer Avenue
St Sampson
Guernsey GY2 4LH

TRANSFER AGENT
Link Group
10th Floor, Central Square
29 Wellington Street
Leeds LS1 4DL

AUDITOR
Grant Thornton Limited
St James Place, St James Street
St Peter Port, Guernsey, GY1 2NZ

FINANCIAL ADVISER & BROKER
Singer Capital Markets Advisory LLP
1 Bartholomew Lane
London EC2N 2AX

ADVOCATES TO THE COMPANY
(AS TO GUERNSEY LAW)
Carey Olsen (Guernsey) LLP
Carey House, Les Banques
St. Peter Port, Guernsey GY1 4BZ

SOLICITORS TO THE COMPANY
(AS TO ENGLISH LAW)
Gowling WLG (UK) LLP
4 More London Riverside
London SE1 2AU

BOND REGISTRAR
NSM Funds Limited
Les Echelons Court, Les Echelons
St Peter Port
Guernsey GY1 1AR

BOND LISTING AGENT AT THE INTERNATIONAL STOCK EXCHANGE
Carey Olsen Corporate Finance Limited
Carey House, Les Banques
St Peter Port, Guernsey GY1 4BZ

COMPANY OVERVIEW

GENERAL

CEIBA Investments Limited ("**CEIBA**" or the "**Company**") is a Guernsey-incorporated, closed-ended investment company, with registered number 30083. The Ordinary Shares of the Company are listed on the Specialist Fund Segment ("**SFS**") of the London Stock Exchange's Main Market under the symbol CBA (ISIN: GG00BFMDJH11). The Company's Bonds are listed on The International Stock Exchange, Guernsey under the symbol CEIB1026 (ISIN: GG00BMV37C27). The Company is an investment company and is governed by a Board of non-executive Directors, the majority of whom are independent, and has no employees. Like many other investment companies, the investment management and administration functions are outsourced to third party providers. Through its consolidated subsidiaries (together with the Company, the "**Group**"), the Company invests in Cuban real estate and other assets by acquiring shares in Cuban joint venture companies or other entities that have direct interests in the underlying properties. The Company also arranges and invests in financial instruments granted in favour of Cuban borrowers.

FINANCIAL HIGHLIGHTS AS AT 31 DECEMBER 2022 IN £ AND US$ (FOREX: £/US$ = 1.2039)

The Company's Net Asset Value ("**NAV**") and share price are quoted in Sterling (£) but the functional currency of the Company is the U.S. Dollar (US$). As such, the financial highlights of the Group set out below are being provided in U.S. Dollar for NAV related highlights and Sterling for share price related highlights, applying the applicable exchange rate as at 31 December 2022 of £1:US$1.2039 (2021: £1=US$1.3477).

USD [2]	31 Dec 2022	31 Dec 2021	% change
Total Net Assets (m)	$142.1	$160.3	(11.4)%
NAV per Share [1]	$1.03	$1.16	(11.4)%
Net Loss to shareholders of the Parent (m)	($14.3)	($28.8)	50.3%
Basic and Diluted Loss per Share	($0.10)	($0.21)	50.3%

GBP	31 Dec 2022	31 Dec 2021	% change
Market Capitalisation (m)	£55.8	£88.1	(36.7)%
Share price	40.5p	64.0p	(36.7)%
NAV per Share [1, 2]	85.7p	86.4p	(0.8)%
Discount [1]	(52.7)%	(25.9)%	
Ongoing charges [1]	3.04%	2.80%	

1 These are considered Alternative Performance Measures. See glossary on page 95 for more information.
2 The impact of the weakening of Sterling relative to the U.S. Dollar during the year under review translates to a smaller decrease in the net assets in Sterling terms than in U.S. Dollar terms.

MANAGEMENT

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

FINANCIAL CALENDAR

28 June 2023	Annual General Meeting 2023
30 September 2023	Announcement of half-yearly results for the six months ending 30 June 2023
31 December 2023	Financial year end

CHAIRMAN’S STATEMENT

During 2022, as Cuba moved out of the Covid-19 pandemic, it was hit by a succession of very unfortunate events, including a large explosion at Havana’s Saratoga Hotel in May, causing significant loss of life, as well as a catastrophic fire at the Matanzas oil facilities in early August, leading to regular subsequent power blackouts across the island. This was then followed in late September by Hurricane Ian, which swept through the Pinar del Rio province in western Cuba, causing damage to over 100,000 homes, multiple power networks as well as to standing crops and in particular to the tobacco crop, one of the country’s major exports.

While the consequent frequent energy blackouts throughout the country have now significantly decreased, the country has also experienced a significant exodus of more than 2% of the population during 2022 – around 250,000 persons – most of who have emigrated to the US, primarily young people and professionals. This has also had a negative impact on a country seeking to drive growth and development.

Given this backdrop the economy has understandably not performed well in 2022, with the GDP growing at some 2%, while the forecast for 2023 is a little higher at 3%. These growth rates, although comparable to some developed economies, have not yet been strong enough to bring Cuba back to its pre-pandemic position.

Tourism, which is amongst Cuba’s main sources of foreign currency, continued to pick up through 2022, although not at the rate forecast early in the year. In 2022, there were some 1.6 million tourist arrivals, significantly lower than the initial forecast of 2.5 million and the 4.6 million who visited Cuba in 2019. There are good indications that a continuation of growth in Cuba’s tourism industry can be expected in 2023, although this does very much depend upon a further improvement in the number of flights into the country. Current forecasts are for tourist numbers to increase to 3.5 million in 2023, but this is still materially below pre-pandemic levels.

Monetary reforms

As has been noted in previous reports, the unification of the two Cuban currencies and other reforms that came into effect in early 2021 have proved to be very unfortunate timing-wise, taking place in the middle of the Covid-19 pandemic when there was effectively no tourism, which is always one of the prime providers of foreign currency to the country. Since then, the liquidity position of the country has continued to deteriorate and there are ongoing shortages of vital imported products, a very high inflation rate and a material devaluation of the street value of the Cuban Peso. These issues have unquestionably played a role in the recent surge in emigration.

The main impact of these reforms on CEIBA continues to be in relation to the Company’s ability to realise the income generated by Inmobiliaria Monte Barreto S.A. (“**Monte Barreto**”) in the form of hard currency dividend payments.

Relations with the United States

In the first two years of the Biden administration, there was disappointment in Cuba that the promises made in his election campaign to reverse the damaging Cuban policies enacted by the Trump administration, aimed at foreign investment and trade, tourism and remittances, did not get addressed. However, since May 2022 there have been some modest positive moves, with the $1,000 per quarter limit of remittances being removed as well as the resumption of charter and commercial flights to airports outside of Havana.

In October, U.S. Secretary of State Antony Blinken said that the U.S. was also willing to review whether Cuba deserves to remain on the list of countries that sponsor terrorism, which is a very damaging status for Cuba’s economy and the removal of which would be hugely important to Cuba’s standing in the world.

It is hoped that now that the mid-term elections are out of the way in the U.S. that further measures to open up relations will be seen.

Trading review

In spite of the very challenging conditions, CEIBA’s assets continue to trade as well as could be exptected and this is illustrated by the over five-fold increase to $15.8m in the dividend income receivable by the Company. The comparative figure of $3.1m was materially affected by the impact of the Covid-19 pandemic, but nonetheless the income is close to the amounts generated in 2018. While this is evidence of significant improvements in the tourism market in Cuba, for Monte Barreto the issues with distributing dividend income received in Cuban Pesos (“**CUP**”) remain.

The largest individual asset in the portfolio is the 49% interest in Monte Barreto, which owns the Miramar Trade Centre. Occupancy has fallen very modestly but remains at almost 95% and profitability remains near the record levels achieved in 2020 and 2021.

However, the prime challenge, and the main uncertainty for the Company, is the difficulty that Monte Barreto has in distributing the income generated from the property in the form of hard currency dividend payments to the Company. Over the course of the year, with the present liquidity crisis in the Cuban banking system, Monte Barreto has not been able to transfer significant dividends outside the country.

The Company continues to discuss solutions to this problem with its Cuban counterparts in order to alleviate this issue, including receiving some dividends in local currency, which can be applied against locally incurred costs.

While this uncertainty remains, the discount rates applied to future cash flows for the purpose of arriving at a valuation for Monte Barreto have increased further, resulting in a lower valuation for CEIBA's present interest and accordingly the valuation of the participation in Monte Barreto has been reduced to US$50.2 million, which compares to US$67.7 million as at 31 December 2021, largely as a result of a high discount rate of 18.2% (2021 – 12.8%) being applied to future forecast post-tax earnings.

CEIBA's main hotel interests are held through its 32.5% interest in the Cuban joint venture company Miramar S.A. ("**Miramar**"). Miramar owns three hotels in Varadero and one hotel in Havana. In spite of the slow build up in tourist numbers outlined above, trading at each of the four hotels has been very robust. All four hotels were reopened by early 2022 and have achieved significantly better results than was budgeted. Furthermore, as the hotels generate external revenue in hard currency, the liquidity constraints affecting the country's financial and banking system are less impactful and the Company has been able to receive its dividends in hard currency throughout the year and this should continue to be the case. The high season is from November through to the end of March and the results have been very promising.

CEIBA's other hotel interest is in the Cuban joint venture company TosCuba S.A. ("**TosCuba**"), which is very close to finalising the construction of the 401 room Meliã Trinidad Península Hotel. In September 2022, the Company sold a 7.5% interest in Toscuba to Meliã Hotels International (together with a corresponding participation in Tranche A of the construction finance facility), which brought its interest in the project down to 32.5%, with the proceeds applied towards the completion of the hotel. This hotel is situated on the south coast of Cuba close to the historic city of Trinidad, a UNESCO world heritage site, and will be the first modern international-standard luxury beach resort hotel in the area. Despite the challenging backdrop, the hotel construction has proceeded very well over the last year and the hotel is nearing completion, expected to take place during the next few months. Following soft opening activities, the hotel will subsequently be fully operational for Cuba's coming high season.

Dividends

Since the onset of the Covid-19 pandemic in 2020, the revenues generated by the Company's hotel interests have been severely impacted by the absence of tourists on the island and, as described above, have only recently begun to return to good profitability. In 2020, the Board agreed that it was vital that CEIBA should retain sufficient cash balances to meet all of its existing and forecast future undertakings and accordingly took the decision to suspend the Company's dividend. No dividend has been paid since then. It is a high priority of the Board to reinstate the payment of dividends to the Company's shareholders, but this is unlikely in the short to medium term given the economic challenges facing the country. In addition, the Board needs to ensure that sufficient funds are available to meet the repayment of the convertible bond, which falls due in 2026. Accordingly, while it remains a very high priority to place the Company in a position to restart the payment of dividends, the Board is not declaring a dividend for the year and it is presently not envisaged that any dividends will be paid in respect of the 2023 financial year.

Share price

The Board is acutely aware of the poor share price performance since the Company gained its listing on the London Stock Exchange in 2018. As at 31 December 2022, the level of discount to the underlying NAV that the shares were trading at reached a level of 52.7%. In many respects, this share price performance is a reflection of the very difficult macro environment in which the Company has been trading and the particular challenges which Cuba has faced.

While the normal approach of the Board of an investment trust to a persistently wide discount would be to look at buying back some of its shares in order to try to correct the imbalance in the demand and supply of the Company's shares, and / or realising certain assets, however, this is much easier to do when (a) the assets of the company are liquid and (b) easily divisible. This is more problematic when the assets, as is the case with CEIBA, are illiquid and lumpy. The Directors, most of whom are also shareholders, recognise that the situation is extremely uncomfortable, but believe that CEIBA is at, or is close to the eye of the perfect storm, and that the focus of the Company needs to be on re-establishing the profitability of the Company and working with its Cuban partners to restore the payment of dividends from Monte Barreto.

NSM Funds Limited

I announced in the 2022 Interim Report that the Company was in in the process of appointing NSM Funds Limited ("**NSM**") as its Administrator, Company Secretary, Depositary and Bond Registrar. The Company's Registered Office has also moved to NSM's office. The process was completed on 1 December 2022. I would like to thank the team at NSM for the efficient way in which the transfer of responsibilities was undertaken and look forward to working with NSM. I also extend my thanks to JTC Fund Solutions (Guernsey) Limited, the outgoing service provider, for their years of dedication.

Internalisation of Management

Your Board has recently made the decision to bring the management of the Company in-house. abrdn Fund Managers Limited, a wholly owned subsidiary of abrdn plc, has acted as alternative investment fund manager of the Group's portfolio of assets since the Company listed in 2018 and it will be stepping down from this role on or before 30 June 2023. There will however be no change in the underlying key operational management personnel of the Company and this team continues to be headed by Sebastiaan Berger, who is exclusively focused on the Company's assets and business and has acted in this role for some 20 years. He will become a full-time employee of the Company. In addition, there will be no change to the team in Cuba and overall, the Board feels that the transition should prove to be relatively seamless. 4K Keys Limited, which in the past provided consultancy services to AAIL regarding local market knowledge and expertise on the ground in Cuba in respect to the investment portfolio, will continue to provide these services. The Board have approved an incentive scheme that is based on the Company making future distributions to Shareholders, which we believe will increase the appeal of the Company to the market and which should gradually, and over time, help increase demand and thereby reduce the discount.

This decision has been made after lengthy discussions with AFML and it is considered to be in the interests of both parties. As regards the Company, it will result in an immediate savings in management costs of approximately $1.2 million per annum.

The Board would like to extend its sincere thanks to the Investment Manager for its work and support to the Company since 2018 in what have often proved to be very difficult times.

Board

I am grateful to the Board for their commitment and input during another challenging year. It is the Board's policy to undertake a regular review of its own performance to ensure that it has an appropriate mix of relevant experience and skills to ensure the effective overall operation of the Company.

John Herring
Chairman
26 April 2023

INVESTMENT OBJECTIVE

The investment objective of the Company is to provide a regular level of income and substantial capital growth.

INVESTMENT POLICY

The Company is a country fund with a primary focus on Cuban real estate assets. The Company seeks to deliver the investment objective primarily through investment in, and management of, a portfolio of Cuban real estate assets, with a focus on the tourism and commercial property sectors. Cuban real estate assets may also include infrastructure, industrial, retail, logistics, residential and mixed-use assets (including development projects).

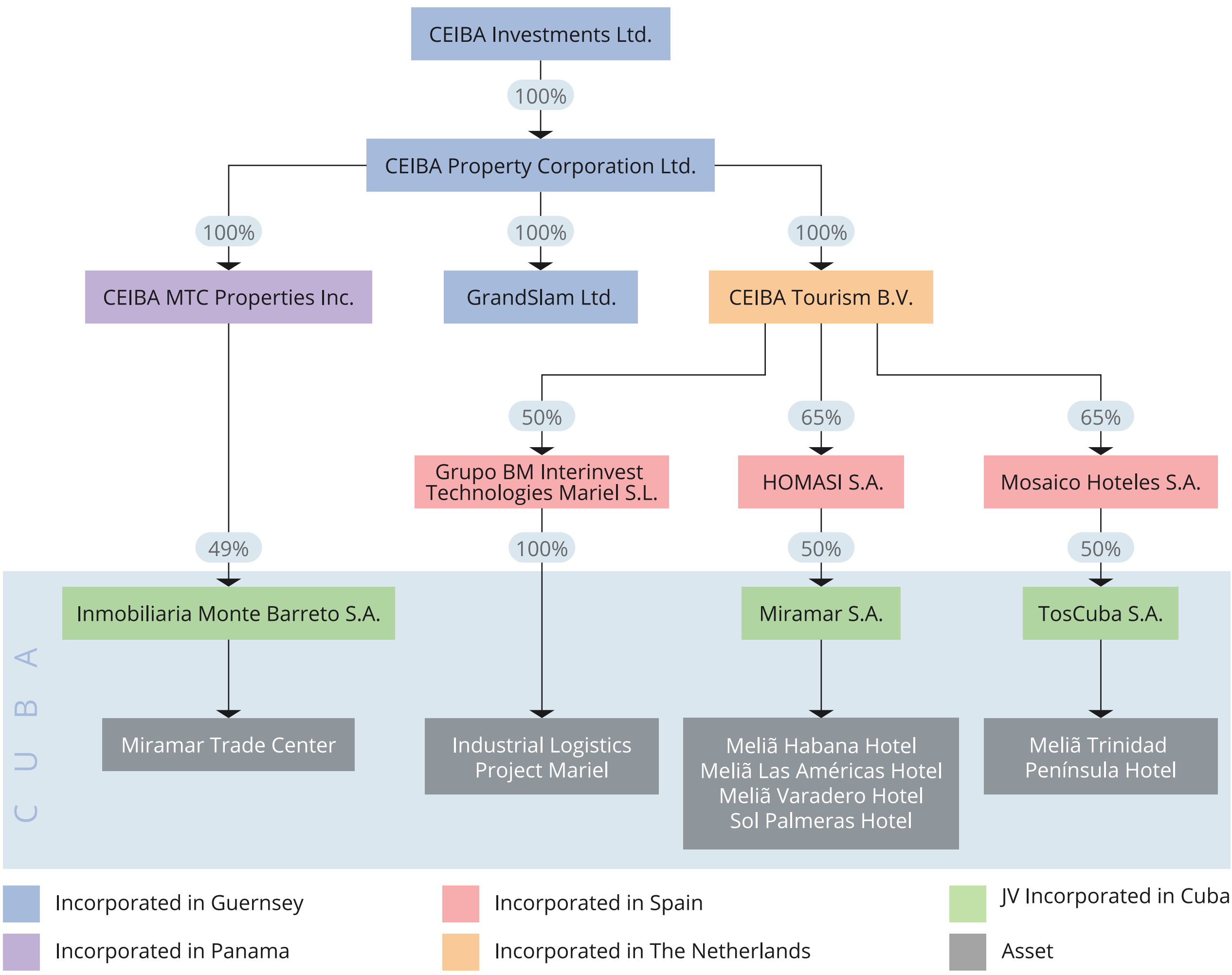
The Company may also invest in any type of financial instrument or credit facility secured by Cuba-related cash flows.

In addition, subject to the investment restrictions set out below, the Company may invest in other Cuba-related businesses, where such are considered by the Investment Manager to be complementary to the Company's core portfolio ("**Other Cuban Assets**"). Other Cuban Assets may include, but are not limited to, Cuba-related businesses in the construction or construction supply, logistics, energy, technology and light or heavy industrial sectors.

Investments may be made through equity investments, debt instruments or a combination of both.

The Company will invest either directly or through holdings in special purpose vehicles ("**SPV**s"), joint venture vehicles, partnerships, trusts or other structures. The Cuban Foreign Investment Act (Law 118 / 2014) guarantees that the holders of interests in Cuban joint venture companies may transfer their interests, subject always to agreement between the parties and the approval of the Cuban government.

GROUP STRUCTURE



INVESTMENT RESTRICTIONS

The following investment limits and restrictions apply to the Company and its business which, where appropriate, will be measured at the time of investment:

- the Company will not knowingly or intentionally use or benefit from confiscated property to which a claim is held by a person subject to U.S. jurisdiction;
- the Company may invest in Cuban and non-Cuban companies, joint ventures and other entities that earn all or a substantial part of their revenues from activities outside Cuba, although such investments will, in aggregate, be limited to less than 10% of the Gross Asset Value;
- save for Monte Barreto (see the Investment Manager's Review for more information on this asset), the Company's maximum exposure to any one asset will not exceed 30 per cent. of the Gross Asset Value;
- no more than 20 per cent. of the Gross Asset Value will be invested in Other Cuban Assets; and
- no more than 20 per cent. of the Gross Asset Value will be exposed to "greenfield" real estate development projects, being new-build construction projects carried out on undeveloped land.

The restrictions above apply at the time of investment and the Company will not be required to dispose of any asset or to re-balance the portfolio as a result of a change in the respective valuations of its assets. The investment limits detailed above will apply to the Group as a whole on a look-through basis, i.e. where assets are held through subsidiaries, SPVs, or equivalent holding vehicles, the Company will look through the holding vehicle to the underlying assets when applying the investment limits.

KEY PERFORMANCE INDICATORS ("KPIS")

The KPIs by which the Board measures the Company's economic performance include:

- Total income
- Net income
- Total net assets
- Net asset value per share*
- Net asset value total return*
- Market capitalisation
- Premium / Discount to NAV*
- Dividend per share
- Gain / Loss per share

* These are considered Alternative Performance Measures.

In addition to the above measures, the Board also regularly monitors the following KPIs of the joint venture companies in which the Company is invested and their underlying real estate assets, all of which are Alternative Performance Measures.

In the case of commercial properties, other KPIs include:

- Occupancy levels
- Average monthly rate per square meter (AMR)
- Net income after tax

In the case of hotel properties, other KPIs include:

- Occupancy levels
- Total revenue per room sold (TrevPRS)
- Total revenue per available room (TRevPAR)
- Net income after tax

The Board also monitors the financial performance of the Cuban joint venture companies that own the commercial and hotel properties using these KPIs. The Board and the Investment Manager seek to influence the management decisions of the Cuban joint venture companies through representation on their corporate bodies with the objective of generating reliable and growing cash flow for the Cuban joint venture companies, which in turn will be reflected in reliable and growing dividend streams in favour of the Company.

For an analysis of the Company's performance against it's KPIs, please see the Chairman's Statement on page 4 and the Investment Manager's Report on page 20.

PRINCIPAL RISKS

Introduction

The Company is exposed to a variety of risks and uncertainties. The Board, through the Audit Committee, is responsible for the management of risk and has put in place a regular and robust process to identify, assess and monitor the principal risks and uncertainties facing the business. A core element of this process is the Company's risk register which identifies the risks facing the Company and identifies how these may impact on operations, performance and solvency and what mitigating actions, if any, can be taken. There are a number of risks which, if they occurred, could have a material adverse effect on the Company and its financial condition, performance and prospects. As part of its risk process, the Board also seeks to identify emerging risks to ensure that they are effectively managed as they develop. In the event that an emerging risk has gained significant weight or importance, that risk is categorised and added to the Company's risk register and is monitored accordingly.

Principal Risks

The Company invests in Cuba, a frontier or pre-emerging market, which may increase the risk as compared to investing in similar assets in other jurisdictions.

In addition to the general country risk, the most significant risks faced by the Company during the financial year appear in the table below, together with a description of the possible impact thereof, mitigating actions taken by the Company and an assessment of how such risks are trending at the present time.

The Board relies upon its external service providers to ensure the Company's compliance with applicable regulations and, from time to time, employs external advisers to advise on specific concerns. The operation of key controls in the Investment Manager's and other third-party service providers risk management processes and how these apply to the Company's business are reviewed regularly by the Audit Committee along with internal control reports from these entities.

Type of Risk	Description and Possible Impact	Mitigating Action	Trend
Emerging Risks relating to the Cuban Financial System			
Cuban Financial Reforms – Financial Autonomy Rules	During the second half of 2020 and continuing throughout 2021 and 2022, the Cuban government adopted new financial reforms aimed at creating a new objective system for the allocation of limited liquidity reserves within the economy and intending to provide "real financial autonomy" to Cuban entities, including foreign investment vehicles such as the joint venture companies in which the Company invests. However, these measures have not been successfully implemented in full and do not at present apply to all economic sectors or to all joint venture companies. As a result, Monte Barreto (in which the Company has a 49% interest) remains almost fully dependent on centrally assigned liquidity for its international payments. In addition, an exception to the general rules has been adopted for the tourism sector and is presently being implemented. It remains uncertain whether the financial reforms will be fully implemented or whether new measures will be adopted which modify them. They may take time to show the intended effect or may not have the stated positive impact on the liquidity position of the country, or their application may not be fully extended to all of the joint venture companies in which the Company has a participation, all of which may have a negative effect of the affairs of the Company.	The Investment Manager has closely followed all developments relating to the adoption and implementation of these new measures and communicates its concerns and interacts regularly at all appropriate levels in order to extend their application to the operations of the joint venture companies in which the Company has a participation. The Investment Manager, together with its Cuban partners, seeks at all times to adapt operations and develop creative solutions to deal with the new circumstances created by the financial reforms being adopted.	↑

Type of Risk	Description and Possible Impact	Mitigating Action	Trend
Emerging Risks relating to the Cuban Financial System (continued)			
Currency Devaluation Risk	As part of the 2020-2021 economic reform package adopted by the Cuban government in order to continue modernising the Cuban economy, new currency reforms aimed at harmonising exchange rates and eliminating Cuba's dual currency system required all foreign investment vehicles to convert and denominate their assets and legal obligations, and to carry out all transactions previously denominated and carried out in US$ in Cuban Pesos ("**CUP**"). The Cuban Peso has a fixed (non-market) exchange rate of US$1.00:CUP24, which may be subject to further devaluation at the discretion of the Cuban Central Bank. As from the adoption of new rules for the tourism sector presently being implemented, a second exchange rate of US$1.00:CUP120 has been established, thereby providing a first indication that a more general devaluation may follow. Any future devaluation of the CUP might have a negative impact on the assets and operations of the Cuban joint venture companies in which the Company has an interest.	The currency devaluation risk associated with the imposition of the CUP as sole currency for operations is new and significant. The cash and currency positions of each of the joint venture companies in which the Company has a participation are continuously monitored for the purpose of reducing currency risk to the greatest extent possible. Wherever possible, in order to mitigate devaluation risk, the Investment Manager requires that the joint venture companies in which the Company has an interest declare and distribute dividends, on an interim basis, as frequently as possible. There are presently no hedging mechanisms available to mitigate this new risk.	↑
General Liquidity of the Cuban Financial System and Repatriation Risk	The continued high levels of tension between the United States and Cuba and the maintenance by the Biden administration of harsh U.S. sanctions imposed during the Trump administration, which have resulted in steep reductions in U.S. family remittances and travellers to Cuba, as well as the global fall in international tourism and other economic shocks associated with the Covid-19 pandemic, together with numerous transitional difficulties associated with the implementation of the financial and currency reform measures described above, have had strong negative impacts on the fragile economic and liquidity positions in Cuba. Throughout 2022 there have been significant delays in the timing of international transfers from Cuba. The duration of these negative effects is unknown, and they may in turn have a continuing negative impact on the ability of the joint venture companies in which the Company has an interest to make distributions abroad, which in turn may have a negative impact on the ability of the Company to carry out its investment programme.	The Investment Manager actively monitors and manages the liquidity position of the Company, its subsidiaries and the joint ventures in which it invests to the greatest extent possible so that cashflows of the Company are transferred to bank accounts outside Cuba. The Investment Manager has no control or influence over the execution or timing of payments to be transferred by Cuban banks to the Company's international bank accounts.	↑
Risks relating to the War in Ukraine	Cuba maintains strong historical, political and economic ties to Russia and to Ukraine. The Russian-Ukrainian conflict that erupted in February 2022 resulted in an abrupt halt in Russian and Ukrainian tourism to the island. Further aspects of the Russia-Cuba relationship may eventually be affected by the conflict, including Russian investments in Cuba, banking relationships and other areas.	Although the conflict resulted in an abrupt halt of the tourists travelling from Russia and Ukraine to Cuba, the operator of the Company's tourism assets has ensured that the focus of its marketing efforts is on attracting tourists from its historical principal tourist suppliers (Canada and Europe) and other countries.	→

Type of Risk	Description and Possible Impact	Mitigating Action	Trend
Public Health Risk			
Global Pandemic Risk	Although the Covid-19 pandemic is now fully under control in Cuba, the continued effects of the public health risks associated with the Covid-19 pandemic, including the arrival of new variants, may have a lasting and as yet unquantifiable negative impact on the global tourism industry, the economy of Cuba, and the operations and performance of the assets of the Company. The pandemic may directly or indirectly affect all other risk categories mentioned in this matrix.	The Board discusses current issues with the Investment Manager to limit the impact of the Covid-19 pandemic on the business of the Company and recognises that the tourism sector is particularly affected by the various travel restrictions that have been imposed to fight the Covid-19 pandemic in numerous countries and that such restrictions may re-emerge in the future. The Board's actions are targeted at (i) protecting the welfare of the various teams involved in the affairs of the Company, (ii) ensuring operations are maintained to the extent possible and to protect and support the assets of the Company for the duration of any future crisis, and (iii) to mitigate insofar as possible the longer-term negative impact of economic and operational disruption caused by this and future pandemics.	↓
Risks relating to the Company and its Investment Strategy			
Investment Strategy and Objective	The setting of an unattractive strategic proposition to the market and the failure to adapt to changes in investor demand may lead to the Company becoming unattractive to investors, a decreased demand for shares and a widening discount.	The Company's investment strategy and objective is subject to regular review to ensure that it remains attractive to investors. The Board considers strategy regularly and receives strategic updates from the Investment Manager, as well as investor relations reports and updates on the market from the Company's Broker. At each Board meeting, the Board reviews the shareholder register and any significant movements. The Board considers shareholder sentiment towards the Company with the Investment Manager and Broker, and the level of discount at which the Company's shares trade. In the event that the Board believes that a majority of shareholders requires a change in strategy, it will modify its investment strategy accordingly.	→
Investment Restrictions	Investing outside of the investment restrictions and guidelines set by the Board could result in poor performance and inability to meet the Company's objectives, as well as a discount.	The Board sets, and monitors, its investment restrictions and guidelines, and receives regular reports which include performance reporting on the implementation of the investment policy, the investment process and application of the guidelines. The Investment Manager attends all Board meetings. The Board monitors the share price relative to the NAV.	→

Type of Risk	Description and Possible Impact	Mitigating Action	Trend
Portfolio and Operational Risks			
Joint Venture Risk	The investments of the Group in Cuban real estate assets are made through Cuban joint venture companies in which Cuban government entities hold an equity interest, giving rise to risks relating to the liquidity of investments, government approval, corporate governance and deadlock.	Prior to entering into any agreement to acquire an investment, the Investment Manager will perform or procure the performance of due diligence on the proposed acquisition target. The Group tries to structure its equity investments in Cuban joint venture companies so as to include a viable exit strategy. The Investment Manager, or the members of the on-the-ground team, regularly attend the Board meetings of the joint venture companies through which Group interests are held, and actively manage relations with the management teams of each joint venture company, the relevant Cuban shareholders and relevant third parties to ensure that Group interests are enhanced.	→
Real Estate Risk	As an indirect investor in real estate assets, the Company is subject to risks relating to property investments, including access to capital and finance, global capital and financial market conditions, acquisition and development risk, competition, tenant risk, environmental risk and others, and the materialisation of these risks could have a negative effect on specific properties, development projects or the Group generally.	The Investment Manager regularly monitors the level of real estate risk in the Cuban market and reports to the Board at each meeting regarding recent developments. The Investment Manager works closely with the on-the-ground team, the external hotel managers and the joint venture managers to identify, monitor and actively manage local real estate risk. In the case of Monte Barreto, tenant risk has been augmented by the new financial autonomy rules, which result amongst others in certain categories of tenants paying their rents with varying degrees of liquidity. The Investment Manager, together with the management team of Monte Barreto, now assesses the impact of the new financial autonomy rules in all new leasing decisions.	↑
Construction Risk	As a developer and investor in new construction as well as refurbishment projects, the Company is subject to risks relating to the planning, execution and cost of construction works, including the availability and transportation of materials and the cost thereof, inclement weather, contractor risk, execution risk and the risk of delay. The materialisation of these risks could have a negative effect on the implementation of development projects of the Group.	The Investment Manager regularly monitors all construction and refurbishment activities carried out within Group companies and works closely with the on-the-ground management team and the joint venture managers to identify, monitor and actively manage all construction risks. The Investment Manager reports to the Board at each meeting regarding recent developments in this respect. In the construction context, the availability and transportation of construction materials have been significantly affected by the Covid-19 pandemic worldwide, thereby increasing construction costs.	↑

Type of Risk	Description and Possible Impact	Mitigating Action	Trend
Portfolio and Operational Risks (continued)			
Tourism Risk	As an indirect investor in hotel assets, the Company is subject to numerous risks relating to the tourism sector, both in outbound and inbound markets, including the cost and availability of air travel, the imposition of travel restrictions by overseas governments, seasonal variations in cash flow, demand variations, changes in or significant disruptions to travel patterns, risk related to the manager of the hotel properties, and the materialisation of these risks could have a negative impact on specific properties or the Company generally.	The Investment Manager regularly monitors the local and regional tourism markets and meets regularly with the external hotel management to identify, monitor and manage global and local tourism risk and to develop appropriate strategies for dealing with changing conditions. The Company aims to maintain a diversified portfolio of tourism assets spanning various hotel categories (city hotel / beach resort, business / leisure travel, luxury / family) in numerous locations across the island. As the world re-emerges from the Covid-19 pandemic the Investment Manager is working closely with the external hotel management to optimise the resumption of full-scale operations at the hotels in which the Company has an interest.	↓
Insurance Risk	The Company invests in real estate assets in Cuba through Cuban joint venture companies and as a consequence of U.S. sanctions the Cuban joint venture companies have not been successful in obtaining adequate hard currency insurance coverage for their real estate assets, which may in turn have a negative impact on the Company in the case of occurrence of insured events.	The Investment Manager regularly monitors the availability of local and international hard currency insurance coverage for the Cuban joint venture companies in which it has an interest.	↑
Valuation Risk	In the absence of regular market indicators regarding the pricing of real estate assets, the independent third-party RICS valuers of the assets of the Company determine the values of the assets in which the Company holds an interest on the basis of discounted cash flow projections, which under the present circumstances and in an unpredictable future may provide less accurate and highly volatile results.	As part of the valuation process, the Investment Manager engages an independent third-party valuer to provide an independent valuation report on each of the indirectly owned real estate assets of the Group. The valuations are also subject to review by the executive management team, the Investment Manager's Alternatives Pricing Committee, the Board and the auditors of the Company.	↑
Dependence on Third Party Service Providers	The Company is dependent on the Investment Manager and other third parties for the provision of all systems and services relating to its operations and investments, and any inadequacies in design or execution thereof, control failures or other gaps in these systems and services could result in a loss or damage to the Company. In addition, the continued high level of aggression of U.S. sanctions may limit the pool of service providers willing or able to work with the Company.	The Board receives reports from its service providers on internal controls and risk management at each Board meeting. It receives assurance from all its significant service providers as well as back-to-back assurances where activities are themselves sub-delegated to other third-party providers with which the Company has no direct contractual relationship. In the course of its activities, the Management Engagement Committee of the Board reviews the engagements of all third-party service providers on an annual basis. Further details of the internal controls which are in place are set out in the Directors' Report on pages 32 to 38.	→
Loss of Key Fund Personnel	The loss of key managers contracted by the Investment Manager to manage the portfolio of investments of the Group could impact performance of the Company.	Under the Management Agreement, the Investment Manager has the obligation to provide at all times personnel with adequate knowledge, experience and contacts in the Cuban market. In order to mitigate key manager risk, the Investment Manager makes every effort to spread knowledge and experience of the Cuban market within the organisation so as to reduce reliance on a small team of individuals.	→

Type of Risk	Description and Possible Impact	Mitigating Action	Trend
Risks relating to Investment in Cuba and the U.S. Embargo			
General Economic, Political, Legal and Financial Environment within Cuba	The Group's underlying investments are situated and operate within a unique economic and legal market, with a comparatively high level of uncertainty, and a sensitive political environment.	The Company benefits from the services of its highly experienced on-the-ground management team consisting of eight members. With a well-balanced mix of Cuban and foreign professionals who all have long-standing expertise in the country, the team is one of the most practised investment groups focused exclusively on investment in the Cuban market, which constantly monitors the economic, political and financial environment within Cuba. The subsidiaries of the Company have been structured to benefit from existing investment protection and tax treaties to which Cuba is a party.	↑
U.S. government restrictions relating to Cuba	Tensions remain high between the governments of the United States and Cuba and the U.S. government maintains numerous legal restrictions aimed at Cuba, including the inclusion of Cuba on the U.S. list of state sponsors of terrorism. Contrary to pre-election campaign statements and widely held initial expectations, the Biden administration has only taken modest steps to soften or ease the restrictions against Cuba, although it is possible that it might accelerate efforts to do so in the future. The rise of further tensions with the United States or the adoption by the U.S. government of further restrictions against Cuba could negatively impact the operations of the Company and its access to third-party service providers, the value of its investments, the liquidity or tradability of its shares, or its access to international capital and financial markets.	The Investment Manager closely follows developments relating to the relationship between the United States and Cuba and monitors all new restrictions adopted by the United States to measure their possible impact on the assets of the Group. The Group has adapted its investment model to the existing sanctions, but the risk remains of further sanctions being adopted in the future.	↓
State Sponsor of Terrorism Designation	As one of its last foreign policy moves, the outgoing Trump administration returned Cuba to the U.S. list of state sponsors of terrorism just prior to the inauguration of President Biden. Contrary to expectation, the Biden administration has not reversed this designation, which entails numerous negative impacts for Cuba and makes it extremely difficult for the country, as well as for the Company and all of its subsidiaries and joint venture companies, to obtain regular financial and other administrative services from international banks, insurance companies and many other service providers. The continued designation of Cuba as a state sponsor of terrorism may make it increasingly difficult for the Company, as well as its subsidiaries and joint venture companies, to receive basic services in the future.	The Investment Manager follows all developments relating to the designation of Cuba as a state sponsor of terrorism and remains moderately optimistic that domestic and international pressure will lead to a reversal of this nakedly political designation in the coming period. The Investment Manager also structures group operations in a manner to minimise the negative impact of the designation to the greatest extent possible.	↑

Type of Risk	Description and Possible Impact	Mitigating Action	Trend
Risks relating to Investment in Cuba and the U.S. Embargo (continued)			
Helms-Burton Risk	On 2 May 2019, Title III of the Helms-Burton Act was brought fully into force by the Trump administration following 23 years of successive uninterrupted suspensions. Numerous legal claims were subsequently launched before U.S. courts against U.S. and foreign investors in Cuba, which has had and could have a further negative impact on the foreign investment climate in Cuba and may hinder the ability of the Company to access international capital and financial markets in the future. In light of the political nature of the Helms-Burton Act, and the fact that under Title III of the Act, Cuban persons who were not U.S. Persons at the time their property was expropriated but subsequently became U.S. Persons have the right to make claims, there is also a risk that legal claims might be initiated against the Company or its subsidiaries before U.S. courts. The Biden administration has not taken any steps to suspend or repeal Title III of the Helms-Burton Act, although it is possible that it might do so in the future.	At the time of acquiring each of its interests in Cuban joint venture companies, the Company carried out extensive due diligence investigations in order to ensure that no claims existed under applicable U.S. legislation, and in particular that there were no claims certified by the U.S. Foreign Claims Settlement Commission under its Cuba claims program with respect to any of the properties in which the Company acquired an interest. However, given the broad definitions and terms of the Helms-Burton Act and its purpose of creating legal uncertainty on the part of investors in Cuba, as well as the absence of any register of uncertified claims or case law, there is no certain way for the Company to verify beyond doubt whether or not a Helms-Burton action under Title III could be brought in respect to a particular property, or whether the Company may be deemed to indirectly profit or benefit from certain activities carried out by other parties. The Company does not have any property or assets in the United States that could be subject to seizure.	→
Transfer Risk – U.S. Sanctions	Numerous U.S. legal restrictions contained in the Cuban Assets Control Regulations and other legal provisions target financial transactions, instruments, and other assets in which there is a Cuban connection. As a result, U.S. and international banks, clearing houses, brokers and other financial intermediaries may refuse to deal with the Company or may freeze, block, refuse to honour, reverse or otherwise impede legitimate transactions or assets of the Company, even where no U.S. link is established.	The Investment Manager is conscious of and closely follows developments concerning the U.S. legal restrictions that target financial transactions and assets. The Company does not carry out any international transfers in U.S. Dollars or through U.S. banks or intermediaries. The Investment Manager manages the banking relationships of the Company and generally acts at all times so as to minimise the impact of these legal provisions on the legitimate transactions and assets of the Company.	→
Currency Risk	As a result of U.S. sanctions prohibiting the use of the U.S. dollar, the Group deals in numerous currencies and fluctuations in exchange rates can have a negative impact on the performance of the Group, as well as the expression of the Company's NAV in Sterling and/or USD. The risk relating to monetary reforms recently adopted by the Cuban government imposing the use of the CUP are described elsewhere in this table.	The Company does not hedge its foreign currency risks due to difficulties in agreeing hedging arrangements with third parties.	→

Type of Risk	Description and Possible Impact	Mitigating Action	Trend
Risks relating to Regulatory and Tax Framework			
Tax Risk	Changes in the Group's tax status or tax treatment in any of the jurisdictions where it has a presence may adversely affect the Company or its shareholders.	The Investment Manager regularly reviews the tax rules that may affect the operations or investments of the Company and seeks to structure the activities of the Company in the most tax efficient manner possible. However, the Company holds investment structures in numerous jurisdictions arising from past acquisitions, and the general direction of change in many jurisdictions is not favourable.	↑

The financial risks associated with the Company include market risk, liquidity risk and credit risk, all of which are described in greater detail in note 19 to the consolidated financial statements.

The Board will continue to assess these risks on an ongoing basis and is confident that the procedures that the Company has put in place are sufficient to ensure that the necessary monitoring of risks and controls has been carried out throughout the reporting period.

VIABILITY STATEMENT

The Board considers the Company, with no fixed life, to be a long-term investment vehicle.

The Board continually considers the prospects for the Company over the longer term. Based on the Company's current financial position, its operating model and track record, as well as the experience of the Investment Manager from both a Cuban investment and closed-ended investment company perspective, the Board believes that the Company has a sound basis upon which to continue to deliver capital growth and returns over the long term.

The Board considers that the Company is a long-term investment vehicle and, for the purposes of this viability statement, has decided that a period of four years is an appropriate period over which to consider its viability. The Board considers this to be an appropriate period for a closed-end investment company, listed on the London Stock Exchange, which invests in Cuban real estate assets. Disbursements under the Company's current development plans and other commitments fall within this projection period, including the repayment of the Bonds on 31 March 2026 plus one subsequent year.

In assessing the viability of the Company over the review period, the Directors have conducted a robust review of the principal risks focusing upon the following factors:

- The principal and emerging risks as detailed in the Principal Risks reported on pages 9 to 16;
- The ongoing relevance of the Company's investment objective in the current environment;
- The level of income generated by the Company and forecast income; and
- The valuation of the Company's property portfolio, the Investment Manager's portfolio strategy for the future and the market outlook.

The Board has considered the ongoing impact of US-Cuban relations and associated sanctions, the global geopolitical environment including the Russia-Ukraine conflict, local conditions in the Cuban market and the long-term effects of the Covid-19 pandemic on the portfolio when assessing the viability of the Company and, in particular, considered:

- The impact on the general liquidity position of Cuba and the ability of Miramar and Monte Barreto to distribute dividends to their shareholders, including the Group;
- The impact on the Cuban tourism industry and the financial results of Miramar; and
- The impact on the timing of construction of the TosCuba Project due in part to delays in the receipt of construction imports from Europe.

Following review, the Directors have a reasonable expectation that the Company will be able to continue in operation and meet its liabilities as they fall due for the period of assessment, which is four years from the date of this Annual Report. While US-Cuban relations, Covid-19 related travel restrictions and the Russian invasion of Ukraine have had an impact on tourist numbers and are expected to continue doing so going forward, to a lesser extent, the first quarter 2023 results of the Hotels are above budget and the Trinidad hotel is expected to begin making payments under the TosCuba Construction Facility in early 2024, so the Directors are confident that the Company remains viable. In addition, the above expectation has been tested under a variety of scenarios, including delays in the receipt of projected dividend income, and it has been determined that in such circumstances the Company has at its disposal actions that can be taken to ensure that sufficient cash resources will be available if necessary, such that the Company will be able to continue in operation and meet its liabilities as they fall due for the period under analysis. In making this assessment, the Board is conscious that the prolongation or escalation of the Russia-Ukraine conflict, a deterioration of the outlook for Cuba, the further strengthening of the U.S embargo, the resurgence of health and economic impacts of the pandemic, or changes in investor sentiment could have an impact on the accuracy of its assessment of the Company's prospects and viability in the future.

GOING CONCERN

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

The Directors are mindful of the principal and emerging risks and uncertainties disclosed on pages 9 to 16 and the Viability Statement on page 17. The Directors have reviewed cash flow projections that detail revenue and liabilities and will continue to receive cashflow projections as part of the full-year reporting and monitoring processes. The Directors believe that the Company has adequate financial resources to continue its operational existence for the foreseeable future and at least 12 months from the date of the approval of these financial statements.

Accordingly, the Directors believe that it is appropriate to continue to adopt the going concern basis in preparing the financial statements.

DIRECTORS' RESPONSIBILITIES

Stakeholder Engagement

Although the Company is domiciled in Guernsey, in accordance with the guidance set out in the AIC Code, the Directors describe in this annual report how the matters set out in Section 172 of the UK Companies Act 2006 have been considered in their board discussions and decision-making. This section therefore serves as the Company's section 172 statement and explains how the Directors have promoted the success of the Company for the benefit of its stakeholders as a whole during the financial year to 31 December 2022, taking into account the likely long-term consequences of decisions, the need to foster relationships with all stakeholders, the desire for high standards of business conduct, the impact of the Company's operations on the environment, and the need to act fairly as between shareholders of the Company.

The Role of the Directors

The Company is a closed-ended investment company, has no executive directors or direct employees and is governed by the Board of Directors. Its main stakeholders are shareholders in the Company, the holders of Bonds issued by the Company ("**Bondholders**"), the Investment Manager, investee companies, service providers and the environment and community.

As set out in the Directors' Report, the Board has delegated day-to-day management of the assets to the Investment Manager and, either directly or through the Investment Manager, the Company has engaged key suppliers to provide services in relation to valuation, legal and tax requirements, auditing, company secretarial, depositary obligations and share registration, amongst others. All decisions relating to the Company's investment policy, investment objective, dividend policy, gearing, corporate governance and strategy in general are reserved to the Board. The Board meets quarterly and receives full information on the Company's performance, financial position and any other relevant information. At least once a year, the Board also holds a meeting specifically to review the Group's strategy.

The Board regularly reviews the performance of the Investment Manager, and its other service providers, to ensure they manage the Company, and its relations with its stakeholders, effectively and that their continued appointment is in the best long-term interests of the stakeholders as a whole.

Shareholders and Bondholders

The Board's primary focus is to promote the long-term success of the Company for the benefit of its stakeholders as a whole. The Board oversees the delivery of the investment objective, policy and strategy, as agreed by the Company's shareholders.

Shareholders and Bondholders are key stakeholders and the Board places great importance on communication with them. The Board welcomes all shareholder and Bondholder views and aims to act fairly on them. Through investment in the Company, the Board believes that the Company's shareholders seek exposure to Cuban real estate assets, substantial capital growth, a well-executed sustainable investment policy, responsible capital allocation and value for money.

The Investment Manager and the Company's broker regularly meet with shareholders, and prospective shareholders, to discuss Company initiatives and seek feedback. The views of shareholders and Bondholders are discussed by the Board at every Board meeting, and action is taken to address any concerns raised. The Board and the Investment Manager provide regular updates to shareholders and Bondholders and the market through the Annual Report, Half-Yearly Report, quarterly Net Asset Value announcements and its website.

In the event of any changes to strategy, the Board will proactively engage with major shareholders to determine their appetite for any such change. The Chairman offers to meet with key shareholders at least annually, and other Directors are available to meet shareholders as required. This allows the Board to hear feedback directly from shareholders. During the financial year to 31 December 2022, the Board members, and the Investment Manager, participated in meetings with large shareholders to provide reports on the progress of the Company and receive feedback, which was then provided to the full Board.

The Company's AGM provides a forum, both formal and informal, for shareholders to meet and discuss issues with the Directors and Investment Manager of the Company. The Board encourages as many shareholders as possible to attend the Company's AGM and to provide feedback on the Company. In the event that any situation should affect plans to hold the AGM on 28 June 2023 the Company will update shareholders through an announcement to the London Stock Exchange and will provide further details on the Company's website.

Investee Companies

Another key stakeholder group is that of the special purpose vehicles, joint venture vehicles, partnerships, trusts and other structures through which the Company invests. Representatives of the Company are appointed to the boards of the underlying investment vehicles and, acting in the best interests of the Company's stakeholders, influence management decisions to ensure that the investee companies are run in accordance with the Company's expectations.

The Board believes that the companies in which the Company invests would like a positive and trusting working relationship with the Investment Manager and the Board, sustainable and long-term investment, positive governance practices, and value creation for all stakeholders.

In addition to engagement with the investee companies, the Investment Manager works closely with the external hotel managers and managers of office complexes who are responsible for running the Company's properties. This allows the Investment Manager to fully understand the operational risks associated with the management of the Company's underlying assets. The Board oversees the Investment Manager's interactions with the investee companies and receives reports on engagement, interaction and revenue streams at every Board meeting.

Investment Manager

The Investment Manager's Report on pages 20 to 26 details the key investment decisions taken during the year and subsequently. The Investment Manager has continued to manage the Company's assets in accordance with the mandate provided by shareholders, with the oversight of the Board. The Board receives presentations from the Investment Manager at every Board meeting to help it to exercise effective oversight of the Investment Manager and the Company's strategy. The Board formally reviews the performance of the Investment Manager, and the fees it receives, at least annually. More details on the conclusions from the Board's review are set out on page 33.

Other Service Providers

The Board seeks to maintain constructive relationships with the Company's suppliers, either directly or through the Investment Manager, with regular communications and meetings. The Board, via the Management Engagement Committee, also ensures that the views of its service providers are considered and at least annually reviews these relationships in detail. The aim is to ensure that contractual arrangements remain in line with best practice, services being offered meet the requirements and needs of the Company and performance is in line with the expectations of the Board, Investment Manager and other relevant stakeholders. Reviews will include those of the company secretary, broker, share registrar and auditor.

The Community and the Environment

The Board and the Investment Manager are committed to investing in a responsible manner. There are a number of geopolitical, technological, social and demographic trends underway that can, and do, influence real estate investments – many of these changes fall under the umbrella of the Environment and Community, or Environmental, Social and Governance ("**ESG**"), considerations. As a result, the Investment Manager will integrate ESG factors into its investment decision-making and governance process.

The Board has instructed the Investment Manager to develop an appropriate ESG Policy and associated operational procedures and is committed to environmental management in all phases of the investment process. The status of this effort is described below in the section entitled Environmental Social Governance Strategy. The Company aims to invest responsibly, to achieve environmental and social benefits alongside returns.

Strategic Activity during the Year

The Chairman's Statement and Investment Manager's Report on pages 4 to 6 and pages 20 to 26, respectively, detail the key decisions taken during the year and subsequently. Notable actions where the interests of stakeholders were actively considered include:

- Dividend – with the ongoing inherent uncertainty surrounding the operation of many of the Company's assets, the payment of dividends continues to be suspended. The Board views the recommencement of the payment of dividends as a priority and the policy is kept under constant review.

- Construction of TosCuba Project – the principal investment activity of the Company during the year was the ongoing construction of the Meliã Trinidad Península Hotel. Following the termination of the original turn-key construction contract in 2021 (as a result of non-compliance by the constructor), the joint venture company took full direct control over the construction process and all purchasing decisions. Construction continued throughout 2022 at full pace and the Hotel is expected to be completed during the summer of 2023.

As set out above, the Board considers the long-term consequences of its decisions on its stakeholders to ensure the long-term sustainability of the Company.

INVESTMENT MANAGER'S REVIEW

2022 PERFORMANCE

As at 31 December 2022, the total Net Asset Value of CEIBA Investments Limited ("**CEIBA Investments**" or the "**Company**") was US$142,078,505 (31 December 2021: US$160,322,589) and the NAV Total Return for the year was -11.4% (2021: -17.5%). The total income of the Company for 2022 rose to US$19,095,234 from the prior year figure of US$4,981,763, primarily as a result of higher dividends from Miramar S.A. The total dividend income from the Cuban joint venture companies during 2022 was US$15,864,494 (2021: US$ US$3,050,124). The loss on the change in the fair value of the equity investments during the year was US$16,098,664 (2021: loss of US$13,843,717). The net loss of the Company attributable to the shareholders for 2022 was US$14,283,039 (2021: loss of US$28,811,901). The decrease in the net loss compared to the prior year is primarily attributable to the increase in dividend income and lower expected credit loss expense in 2022 related to the dividends receivable from Immobiliaria Monte Barreto S.A.

During the year, the NAV per Ordinary Share of CEIBA Investments decreased from 86.4 pence to 85.7 pence. In contrast, the share price of the Ordinary Shares of the Company decreased from 64.0 pence to 40.5 pence, increasing the discount from 25.9% to 52.7%.

As at 31 December 2022, the valuations of the Havana and Varadero hotels in which the Company has an interest increased despite a small increase in the discount and capitalization rates that were applied in connection with these assets. By contrast, the fair value of the Miramar Trade Center, the principal commercial real estate asset in which CEIBA Investments has a holding, and the investment in the new hotel construction project in Trinidad, decreased substantially. In both cases this was the result of a larger increase in the discount and capitalization rates, reflecting not only the higher levels of perceived risks in respect of the country in general, but also of these assets in particular. In addition, in the case of the Trinidad hotel, the decrease was magnified by the fact that in valuing the asset, with construction now nearly complete, the Company has started to apply the fair value method (instead of holding this asset at cost as was previously the case). Projected income levels are expected to be relatively low during the first start-up period of operations.

Under the current circumstances, the perceived risks of investing in Cuba are considered higher than in previous years due to the ongoing impact of U.S. sanctions and the designation of Cuba as a State Sponsor of Terrorism, the liquidity issues faced by the country, the increased threat of a substantial devaluation of Cuba's official currency, the unpredictability and lack of effectiveness of monetary reforms, and the ongoing inability of Cuba to honour its own financial obligations and to execute international bank transfers. The latter makes it very difficult for Cuban companies to pay suppliers and distribute dividends to overseas shareholders. These risks are most acute for the Miramar Trade Centre, where a large part of the total rentable area is leased to Cuban (national and joint venture) companies, those rents are collected in Cuban Pesos, and existing monetary legislation restricts Cuban commercial real estate companies from generating Cuban Pesos that may be exchanged for, or transferred abroad as, hard currency.

Reaching bottom - the only way to go from here seems to be up

It is important to acknowledge the past to understand the present better and to form a balanced opinion of the future – the future of Cuba and by extension the future of CEIBA Investments as a foreign investor in the country.

Between 2018 and 2023, Cuba experienced an extremely challenging geopolitical and macro-economic environment, which included a strengthened U.S. Cuban embargo, the Covid-19 pandemic, a tourism recovery hindered by the designation of Cuba as a State Sponsor of Terrorism (SST), badly timed and poorly executed monetary reforms, and a mass exodus triggered by political and economic considerations. These in turn all led to significant economic decline and a reduction in much-needed foreign aid and investment.

As a country fund, CEIBA Investments has suffered the consequences of this unfortunate mix of circumstances. Not only has the performance of the Company's assets been affected, but so have the Company's day-to-day operations with banks, insurance companies and other service providers. Even shareholders have faced numerous challenges trading and holding shares in the Company. Most importantly, these events affecting the country have caused a steady increase in the levels of perceived risk and a corresponding decline in Company asset valuations over recent years, triggered by repeated increases to the discount rates used in the calculation of the present value of future cash flows of the Company.

Without doubt 2022 was another extremely challenging year for Cuba and also for the Company. It is the year in which I believe Cuba hit bottom.

Cuba remains hindered by U.S. foreign policy and by U.S. domestic politics

Throughout the Trump administration, the United States steadily reversed the normalization steps previously taken by President Obama and returned to a very aggressive policy towards Cuba. This included the creation of new sanctions lists aimed at penalizing military entities, the imposition of new travel and remittance restrictions, the activation of Title III of the Helms Burton Act and finally, less than two weeks before the inauguration of President Biden (and without any sort of formal review), the reinstatement of Cuba to the U.S. list of State Sponsors of Terrorism (SST). Of all the U.S. restrictions that are presently in place, the inclusion of Cuba on the SST list (together with Iran, North Korea and Syria) is surely the most aggressive and disproportionate measure, imposing extreme negative consequences on the country, its people, and anyone doing business or otherwise interacting with Cuba. As a consequence of the designation, given its extended reach and implications, Cuban entities and foreign investors face substantial difficulties in obtaining standard banking, insurance and other international financial services necessary for regular operations. The operations of the Company have been seriously impacted by the SST designation and this is likely to continue until the country is removed from the SST list once again.

Following president Biden's election in 2021, it was generally assumed that Cuba's relationship with the U.S. would rapidly improve, since Biden's campaign promises included the commitment that his administration would "immediately reverse the failed Trump Cuba policies" and reinstate the Obama-era policies of engagement with Cuba. Instead, President Biden has so far left in place nearly all of the amplified Trump sanctions against Cuba and even added a new one – directly related to Cuba's SST designation – prohibiting European and other travelers who have visited Cuba since 2021 from applying electronically for (ESTA) visas under the U.S. Visa Waiver Program.

In mid-May 2022, the Biden administration finally began easing certain measures that restricted travel from the U.S. to Cuba and re-allowed the sending of remittances to Cuba. However, to date these steps have not included removing Cuba from the SST list or suspending Title III of the Helms Burton Act.

Outlook Cuba 2023 – A mixed bag

Any sustained recovery of the Cuban economy will likely depend primarily on a significant increase in remittances to Cuban citizens from their families based in the U.S. and other remittances, increased airlift and continued growth in the number of international tourists travelling to Cuba, together with internal factors such as an increase in the levels of agricultural and mining production, rapid acceleration of commercial activities by Cuba's nascent SME sector and the successful adoption of new reforms. That in turn, will have a direct effect on the country's liquidity position and the successful implementation of monetary and other reform efforts.

A number of these important factors now appear poised and ready, although not yet fully implemented or felt. The Biden administration has begun relaxing the prohibitions against U.S. remittances and taking other tentative steps, the tourism industry is recovering slowly but steadily, monetary and other reforms continue to be adopted and thousands of new SMEs have been incorporated and have started up operations over the course of last year. It is to be hoped that positive winds will now blow on all of these initiatives.

In the meantime, the liquidity position of the country remains extremely fragile and the risk of further devaluation of the Cuban Peso remains very high. The Cuban banking system, the electricity grid and other key infrastructure are extremely feeble and may easily fall into further crisis if the above positive forces do not successfully move the country forward quickly, which may compound existing problems. Add to the above uncertainties from the war in Ukraine, the continuing support of the Cuban government from Russia and China, the growing rapprochement between Venezuela and the U.S., the apparent necessity of Brazil's president Lula to establish good relations with the U.S. and other geopolitical factors, and one will understand that it is far from easy to predict how 2023 will turn out for Cuba.

In my view, the most likely scenario for 2023 will include: improved U.S.-Cuba relations and some good news from the Biden administration, a slowing of emigration, continued recovery of Cuba's tourism sector, an official but possibly modest devaluation of the Cuban Peso, a slow improvement of Cuba's liquidity situation, and the continuation of monetary reforms that will continue to feel chaotic until the country's liquidity position is improved.

Under such a scenario, with completion of the Meliá Trinidad Península hotel expected during the summer, the Company's four existing hotels in Varadero and in Havana maintaining and further increasing their profit margins and the Miramar Trade Centre resuming the distribution of cash dividends to its shareholders, the future would look a lot better than the recent past!

PORTFOLIO ACTIVITY

The Miramar Trade Centre / Monte Barreto

3rd Avenue in the Miramar neighbourhood: Miramar Trade Center 6-building complex on the right, Meliã Habana Hotel on the left.

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

The valuation of Monte Barreto has been adjusted downwards at 31 December 2022 by US$17.5 million, representing a 25.8% decline as compared with the December 2021 valuation. This was driven not by a fall in performance but mainly by a further increase of 5.3% in the discount rate applied to the discounted cash flow model of Monte Barreto in order to take into account the present state of the Cuban economy and the increased transfer and currency risk faced by Monte Barreto and its shareholders.

Overall, the performance of the Miramar Trade Centre during 2022 remained strong with only a modest decrease in occupancy rates that remained in the mid to high nineties throughout the year. It was also able to obtain a slight increase in average monthly rent per square meter of US$26.17, compared to US$25.95 in the prior year. Monte Barreto registered net income after tax of US$14.7 million for 2022 (2021: US$15.6 million), representing a 5.8% decrease as compared to the prior year. The decrease was due primarily to a one-time gain recorded in the prior year of US$734 thousand as a result of changes in the Cuban monetary system.

Demand for international-standard office accommodation in Havana remains strong, predominantly from multinational companies, joint ventures, NGOs and foreign diplomatic missions. Monte Barreto remains the dominant option in this market segment. As a consequence, the outlook for Monte Barreto in 2023 remains encouraging, as we expect occupancy levels to remain in the mid to high nineties throughout the year. However, in light of the present market conditions, the joint venture has temporarily halted its general strategy of rental increases when leases are being renewed.

In accordance with the provisions of Ministry of Economy and Planning Resolution 115 dealing with financial autonomy and the allocation of hard currency resources, commercial real estate activities have been excluded from some of the general rules relating to "liquid" payments (the ability to transfer funds abroad on an autonomous basis, without foreign exchange controls), and consequently the local currency payments of many tenants of the joint venture are not easily converted into foreign currency for payment abroad.

Given the present limited financial autonomy of Monte Barreto, in combination with the current economic situation and liquidity difficulties faced by the country, we do not expect that the presently outstanding dividends will be paid during the current year. Nevertheless, we expect that the pace of distribution of dividends will pick up when the country re-emerges from the present difficulties. Although outstanding dividends owed to the Company have been fully provisioned, over the course of the year management has held numerous discussions with the Cuban shareholder in the joint venture company in order to find alternative ways to unlock payments due to the Company. These discussions are ongoing and the outcome is uncertain. Dividend income recognised by the Company from Monte Barreto during the year was US$8.2 million, compared to US$2.6 million in 2021.

The Hotels of Miramar

Miramar Hotels views (Clockwise from top left: Meliã Habana, Meliã Las Americas, Sol Palmeras and Meliã Varadero Hotels)

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

- the 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.

The Hotels are operated by Meliã Hotels International S.A. ("**Meliã Hotels International**"), which also has a 35% equity interest in HOMASI (which translates to a 17.5% interest in Miramar).

Performance of the Hotels

The valuation of Miramar and its four hotels has been adjusted upwards at 31 December 2022 by US$4.1 million, representing a 4.4% increase as compared with the December 2021 valuation. This was driven mainly by increased cash flow projections, offset by a 1.4% increase in the discount rate applied to the discounted cash flow model of Miramar.

As a result of the Covid-19 pandemic and the resulting collapse of the worldwide travel industry, the Hotels faced an extremely challenging business environment during 2020 and 2021, but they recovered extremely well during 2022. With all four hotels fully operational throughout the financial year and benefitting from reduced operational costs and other financial advantages resulting from the monetary reforms implemented during the prior year, and with occupancy levels largely recovered from pandemic lows at two of the Hotels (the Meliá Habana and Meliá las Américas hotels), Miramar delivered substantially higher income than in the prior year. The average room occupancy of the four hotels in 2022 rose to 55%, compared to 20% in 2021. The four hotels on average recorded a substantial increase in total revenue per room sold in 2022 of US$204.38, compared to US$150.39 in 2021, and total revenue per available room of US$112.70, compared to US$90.73 in the prior year.

The net income after tax of Miramar was US$18.6 million (2021: net loss US$9.6 million), resulting in higher dividend income earned by the Company from Miramar during the year of US$7.7 million, compared to US$500 thousand in the prior year. During 2022, HOMASI received a total amount of US$8.0 million in dividend payments from Miramar outside Cuba, the bulk of which related to the year 2022 and a smaller portion of dividends receivable from the prior year. Although the timing of dividend payments varies and does not exactly coincide with the hotel results during the financial year, the dividend payments received in 2022 as a percentage of the present holding value of the Miramar was 8.1%.

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

We expect the income directly generated by the operations of Miramar under the current liquidity rules, under which international tourism income is treated as direct export income (of which 70-80% of the liquidity can be retained by the joint venture) to be sufficient to allow Miramar to distribute all profits to be generated during the year. However, the need to increase the salaries of the employees of Miramar, as a result of local inflation which reached 39% in 2022 according to official statements, and a possible devaluation of the official foreign exchange rate of the Cuban Peso as well as a possible roll-back of some of the monetary reform measures that are presently benefitting the joint venture, could negatively affect the profitability of the Hotels in 2023.

The TosCuba Project

Clockwise from top: Meliã Trinidad Península Hotel South courtyard, rooftop climate control systems and solar arrays, main entrance.

During the year, CEIBA Tourism B.V. (a subsidiary of the Company) sold a 15% equity holding in Mosaico Hoteles S.A. ("**Mosaico Hoteles**"), representing a 7.5% indirect interest in TosCuba, the Cuban joint venture company that is constructing the 401 room Meliã Trinidad Península Hotel, to Meliã Hotels International. The purpose of the transaction was to secure the full funding for the construction of the hotel and to align the shareholdings of the Company and Meliã Hotels International in TosCuba with their shareholdings in Miramar. As a result, the Company now has a 65% (formerly 80%) interest in Mosaico Hoteles, representing a 32.5% indirect interest in TosCuba. Similarly, the Company sold a corresponding 15% participation in Tranche A of the construction finance facility to Meliã Hotels International.

As at 31 December 2022, all structural works had been completed and the project is almost complete. The project progressed slowly during the Covid-19 pandemic but returned to a normal rate of construction towards the end of 2021 and throughout 2022. Present works are now focused on the completion of mechanical systems and interior finishing works, as well as the supply of startup consumables and the training of staff, etc. It is now estimated that completion of construction of the hotel will take place during the summer of 2023. Following soft opening activities, the full ramp-up of operations is expected prior to the start of the 2023-2024 high season.

The Company arranged and executed a US$51.5 million construction finance facility to be disbursed under two tranches of US$22.5 million and US$29 million, respectively. At 31 December 2022, the amount disbursed under the Company's participation in Tranche A was US$18 million. The amount disbursed under the Company's participation in Tranche B of the facility was US$20.9 million, of which US$15.7 was a direct participation and US$5.2 million represents its interest in the participation of HOMASI, in which the Company has an indirect 65% participation.

The increased principal of Tranche B includes an amount that may be used for the purchase and installation of solar panels to limit the hotel's dependence on electricity from the national grid and contribute to CEIBA's strategic ESG goals.

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

During the year, Homasi took a $5.2 million participation in Tranche B of the construction finance facility, representing an 18% interest therein. The participation of Homasi has been fully disbursed.

The total cost of the project – including incorporation of the joint venture company, acquisition of surface rights, construction of the hotel and pre-construction expenditures – is currently estimated at US$78.7 million. Of this amount, US$16 million represents the share capital invested in TosCuba by the shareholders, of which the Company contributed US$5.2 million (32.5%), and US$11.2 million represents grants received under the Spanish Cuban Debt Conversion Programme. The remaining funds necessary to complete the project will be disbursed under the construction finance facility.

Given that construction works are nearing completion and the start-up of operations of the hotel during the current year is highly probable, the Company has changed the methodology of valuing its equity interest in this asset from cost to fair value. The result of this change is that at 31 December 2022, the holding value of the equity interest has decreased substantially. Expressed in amounts invested, granted and financed, the cost of the Company's investment in TosCuba is US$78.7 million. The fair value of the equity interest in TosCuba was determined by first estimating the value of the completed hotel as at 1 July 2023 and discounting that value to 31 December 2022. Then from this value the amount of loans extended to TosCuba and the estimated remaining cost to complete the hotel at 31 December 2022 were deducted. The resulting value of the equity interest in TosCuba in the financial statements at 31 December 2022 is US$5.4 million, compared to US$13.6 million in the prior year.

On 27 March 2023, the Provincial Court of Sancti Spiritus Province rejected the appeal of the constructor under the original 2018 turnkey construction contract for construction of the Meliã Trinidad Península Hotel and upheld in full the earlier decision by the Municipal Court of Sancti Spiritus Province dated 30 November 2022 awarding damages in favour of TosCuba in the amount of US$8,811,969 in connection with the termination of the turnkey construction contract in 2021. This decision fully vindicates the position taken by TosCuba in deciding to terminate the contract. Due to uncertainty regarding the timing of payment of this award, there will be no immediate impact on the financial position of the joint venture.

GBM Interinvest Technologies Mariel S.L.

Renderings of the GBM Mariel Project

The Company holds a 50% interest in GBM Interinvest Technologies Mariel S.L., a Spanish company that is developing a new multi-phase industrial park real estate project in the Special Development Zone of Mariel, Cuba. The Company paid an initial amount of US$303,175 for its 50% interest and subsequently executed a convertible loan agreement and disbursed the principal amount of €500,000 (US$533,300). The full investment of the Company in this project is expected to be approximately US$1.5 million.

Groundworks on the 11.3-hectare site for the construction of the first four warehouses of the project were completed in June 2021. This project is presently on hold, awaiting the completion of discussions with potential tenants with a view to coordinating the start of construction works with the existence of real demand.

FINTUR Facility

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

This facility generates an 8.00% interest rate and operated successfully without delay or default until the closure of all Cuban hotels in March 2020 following the outbreak of the Covid-19 pandemic. At that time, the income from the hotels that serve as the basis for payments under the FINTUR facility ceased. In the face of the difficulties caused by the pandemic, the payment schedule was amended and the borrower was granted certain grace periods affecting principal and interest until recovery of the hotel payment streams. By 31 December 2022, operations under the facility were fully returned to normal and payments of both principal and interest are up-to-date.

Only two of the hotels originally granted as security for the repayment of the FINTUR facility are currently open, and discussions are presently ongoing with FINTUR to determine whether this income is deemed sufficient to meet all remaining obligations under the facility, which is scheduled to be repaid in full by September 2023, or whether additional security should be granted. The Investment Manager meets regularly with FINTUR in order to gauge the performance of the cash flows serving as security for the facility.

As at 31 December 2022, the principal amount of US$1,295,693 (2021: US$1,943,760) was outstanding under the Company's participation in the Facility.

OUTLOOK

We expect that the very difficult economic circumstances faced by Cuba during 2022 will continue throughout 2023, and that the local market conditions in which the Company and its subsidiaries operate will remain very challenging. Liquidity and cash flows are closely monitored in order to ensure full compliance with operational obligations while in parallel finalising construction of the Meliá Trinidad Península Hotel so that it becomes an income-generating asset as soon as possible.

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

In that respect, the savings in management costs of approximately US$1.2million per annum as a result of the internalisation of management of the Company is very welcome. In addition, as Cuba's liquidity position improves, we expect that the office complex of Monte Barreto, all four of the Miramar hotels, and the TosCuba hotel in Trinidad (following its opening) will benefit from the improved market conditions, both in terms of revenue generation and valuations.

Sebastiaan A.C. Berger
abrdn Alternative Investments Limited
26 April 2023

ENVIRONMENTAL SOCIAL GOVERNANCE (ESG) STRATEGY

The Investment Manager is committed to the development of a comprehensive Environmental Social Governance (ESG) Strategy, to be updated regularly and fully implemented by the Company across all of its activities. In recent years, formal strategic thinking in this area and the development of a complete ESG policy was delayed by the Covid-19 pandemic, with the resulting world-wide travel restrictions and the closing of Cuba's international borders, as well as by the ongoing liquidity problems faced by the country (and by extension also by the Company).

However, as a real estate development company, CEIBA has long demonstrated a strong commitment to the incorporation of ESG principles to its investment program and continues to integrate ESG principles into its daily decisions, at all levels. This dedication is most visible in the case of the Meliã Trinidad Península Hotel project, the most significant large-scale new investment made by the Company in recent years. Throughout the project, the Company has ensured that the design, construction and future operations of the hotel conform to industry-leading practices in the hotel development sector, all aimed at being a first mover and market leader in the Cuban sustainable tourism segment. Some of the measures taken in this project include:

- Self-generation and management of a significant part of the energy to be consumed through the large-scale installation of solar panels and integrated battery systems
- Installation of energy efficient backup generators
- Generation of hot water by solar energy
- Smart management of energy resources of the hotel (solar panels, batteries, grid, generators)
- Adoption of new offers made by the Cuban grid to acquire green energy
- Highly efficient water-based air conditioning systems
- Efficient water management systems
- Use of natural materials and elimination of plastics to the greatest extent possible
- Smart management of integrated climate, illumination, gardening/watering and other systems
- Use of recycled water for gardening/watering
- Energy efficient computer, TV and telecommunications networks
- Zero-paper hotel management system
- Hotel management systems aiming for prioritised use of durable and recyclable materials and elimination of single-use and petroleum products

The hotel manager, together with the Company, will closely monitor the performance of the hotel and the success of these actions to determine the extent and manner in which they should be applied to the other investments of the Company.

The Company views the implementation of these and similar initiatives in each of its new investments as a fundamental component of the success of its ESG commitment and one of the main drivers of long-term sustainable financial returns going forward. In addition, the Board remains fully dedicated to its stated undertaking of adding further strategic goals encompassing other ESG factors and topics for focus in the future and presenting a comprehensive ESG policy to Shareholders in the coming year.

Cuba and ESG Strategy

In order to set the ESG policy and approach for the Company, it is important to understand the backdrop of ESG issues within Cuba and its current legislative framework and how they might impact the investments of the Company, now and in the future. It will also enable both the Company and its shareholders to understand the ESG performance within Cuba and align the ESG approach with both the wider context and the Investment Manager's best practice approach.

In past reports, a summary overview of Cuba's performance in different ESG areas was presented. As in prior years, our general conclusion today is that there are a large number of areas in which Cuba's performance stands out in a positive way, especially compared to other Latin American and Caribbean countries, but there are other areas where its ESG results are weaker, particularly in respect of the country's single-party political system and its low score on political rights and civil liberties.

At present, notwithstanding the profound disruption to all aspects of the Cuban economy resulting from the Covid-19 pandemic and the maintenance of a very aggressive sanctions regime against Cuba by the United States, Cuba appears to be accelerating its steps forward in areas of general ESG concern. In the last three years, the country has adopted numerous measures aimed at advancing its own ESG goals, including the adoption of a new Constitution, new Family and Penal Codes recognizing same-sex marriage and other new social arrangements and prohibiting gender-based violence, the introduction of new legislation that regulates ongoing reforms, small private enterprise (and the subsequent approval of thousands of new private companies thereunder), large-scale monetary and other economic reforms (including currency unification), the sustained roll out of internet services to the population, the allowance of hard currency bank accounts and the slow development of digital means of payment, as well as private import-export rights. At the beginning of 2022, Cuba opened its first two hotels that are specifically geared toward members of the LGBTQ+ community.

Other recent measures encourage and incentivize the import and use of electric vehicles, the development of sustainable energy resources and other public policies aimed at climate mitigation and sustainable development of the economy. In 2020 Cuba was the 13th country to submit its nationally determined contribution (“**NDC**”). The updated NDC, which has a ten-year time frame from 2020-2030, outlines Cuba’s strengthened climate change mitigation and adaptation policies and actions. The NDC prioritizes the energy and the Agriculture, Forestry, and Other Land Use (“**AFOLU**”) sectors, and notes that mitigation actions will require financial support in technology transfer and capacity building. The NDC builds on Cuba’s 2017 state plan to confront climate change, known as the 100-year plan, ‘Tarea Vida’ (Life Task) – a roadmap that includes a ban on new home construction in potential flood zones, the introduction of heat-tolerant crops to cushion food supplies from droughts, and the restoration of Cuba’s sandy beaches to help protect the country against coastal erosion. It also notes that Cuba’s Constitution of 2019 explicitly mentions the goal of responding to climate change through, among others, “the eradication of irrational patterns of production and consumption.” Although the updated NDC still lacks a binding greenhouse gas (GHG) emission reduction target, in the energy sector, Cuba commits to:

- generate 24% of electricity from renewable sources by 2030, to avoid the emission of an estimated 30.6 million kilotons of carbon dioxide equivalent (ktCO2eq);
- to increase energy efficiency in commercial, institutional, residential, and agriculture sectors, to avoid the emission of an estimated 700,000 ktCO2eq; and
- to reduce carbon-intensive ground transportation, to avoid the emission of an estimated one million ktCO2eq annually, by cutting fossil fuel consumption in vehicles by 50% by 2030.

In the AFOLU sector, Cuba has committed itself, inter alia, to increase its forest coverage to 33%, or by 165,000 hectares, in the period 2019-2030, removing 169.9 million tons of atmospheric CO2. In the agricultural sector, Cuba plans to install 5,000 solar pumping systems by 2030 for livestock and irrigation. In the swine sector, Cuba commits to 100% treatment of waste waters in order to reduce an estimated 8 million ktCO2eq in emissions annually in the period 2020-2030.

THE BOARD OF DIRECTORS

The current Directors' details, all of whom are non-executive and are considered by the Board to be independent in character, are set out below. The Directors supervise the management of the Company and represent the interests of shareholders.

JOHN HERRING

Status: Non-Executive Chairman of the Board, Chairman of the Management Engagement Committee

Length of service: 13 years, appointed on 12 November 2009

Experience: John qualified as a Chartered Accountant in 1982. In 1986, John joined the corporate finance department of Kleinwort Benson, where he was involved in the IPOs on the LSE for several companies. In 1996 he established his own private equity advisory business and joined the boards of a number of public and private companies including JD Wetherspoon plc where he became deputy chairman and served as a non-executive director for 14 years.

Last re-elected to the Board: 16 June 2022

Committee membership: Management Engagement Committee (Chairman)

Remuneration: £40,000 (US$48,156) per annum

All other public company directorships: None

Employment by the Investment Manager: None

Other connections with Investment Manager: None

Shared Directorships with any other Directors: None

Shareholding in Company: 40,000 Ordinary Shares, held indirectly, representing 0.03 per cent. of the existing issued share capital of the Company. John also acts as a Consultant to Northview Investments Ltd which currently owns 37,862,018 Ordinary Shares representing 27.50 per cent. of the existing issued share capital of the Company.

Contribution: The Board has reviewed John's contribution in light of his proposed re-election as a Director at the AGM, and the Board has concluded that John remains a good and effective Chairman, with extensive knowledge of the Company and Cuba that is invaluable in determining the strategy of the Company, and helps foster a collaborative spirit between the Board and Investment Manager, whilst ensuring that meetings remain focused on key areas of stakeholder relevance.

TREVOR BOWEN

Status: Independent Non-Executive Director, Chairman of the Audit Committee

Length of service: 4 years and 10 months, appointed on 18 June 2018

Experience: Trevor has over 30 years' experience spanning a variety of industries. Trevor spent 11 years as a partner of KPMG and 17 years as a partner of Principle Management managing artists in the music industry. Trevor has acted as a non-executive director on a number of boards, most notably as a director on the board of Ulster Bank for nine years, which included six years as the Chairman of its Audit Committee. He is an Irish national and a Chartered Accountant.

Last re-elected to the Board: 16 June 2022

Committee membership: Management Engagement Committee, Nomination Committee and Audit Committee (Chairman)

Remuneration: £40,000 (US$48,156) per annum

All other public company directorships: Kennedy Wilson Inc.

Employment by the Investment Manager: None

Other connections with Investment Manager: None

Shared Directorships with any other Directors: None

Shareholding in Company: 43,600 Ordinary Shares held indirectly representing 0.03 per cent. of the existing issued share capital of the Company.

Contribution: The Board has reviewed Trevor's contribution in light of his proposed re-election as a Director at the AGM. The Board has concluded that Trevor has chaired the Audit Committee effectively and continues to provide significant financial and risk management insight to Board discussions.

KEITH CORBIN

Status: Independent Non-Executive Director, Chairman of the Nomination Committee

Length of service: 4 years and 10 months, appointed on 18 June 2018

Experience: Keith is Executive Chairman of Nerine International Holdings Limited, a network of trust and fiduciary services companies which is a wholly owned subsidiary of PraxisIFM Group Limited and serves as a director of a number of regulated financial services companies. Keith is an Associate of the Chartered Institute of Bankers (ACIB) and a Member of the Society of Trust and Estate Practitioners (STEP).

Last re-elected to the Board: 16 June 2022

Committee membership: Management Engagement Committee, Nomination Committee (Chairman) and Audit Committee

Remuneration: £35,000 (US$42,137) per annum

All other public company directorships: None

Employment by the Investment Manager: None

Other connections with Investment Manager: None

Shared Directorships with any other Directors: None

Shareholding in Company: None

Contribution: The Board has reviewed Keith's contribution in light of his proposed re-election as a Director at the AGM. The Board has concluded that Keith continues to provide significant insight to the Board and knowledge of the investment management sector and continues to chair the Nomination Committee effectively.

PETER CORNELL

Status: Senior Independent Director – Non-Executive

Length of service: 4 years and 10 months, appointed on 18 June 2018

Experience: Peter was Global Managing Partner of Clifford Chance until 2006. During his tenure with Clifford Chance his roles also included managing partner for Singapore, Spain and Continental Europe. He then became managing director of Terra Firma, a European private equity firm until 2011. Peter is a founding partner of Metric Capital, a pan-European special situations fund. He is also president of Delta Capital, a US based litigation finance firm.

Last re-elected to the Board: 16 June 2022

Committee membership: Management Engagement Committee and Nomination Committee

Remuneration: £35,000 (US$42,137) per annum

All other public company directorships: None

Employment by the Investment Manager: None

Other connections with Investment Manager: None

Shared Directorships with any other Directors: None

Shareholding in Company: 100,000 Ordinary Shares held indirectly representing 0.07 per cent of the existing issued share capital of the Company.

Contribution: The Board has reviewed Peter's contribution in light of his proposed re-election as a Director at the AGM. The Board has concluded that Peter is an effective Senior Independent Director and his contribution to the Board, from an industry, legal and corporate governance perspective, has been invaluable.

COLIN KINGSNORTH

Status: Non-Executive Director

Length of service: 21 years, appointed on 10 October 2001

Experience: Colin previously worked for Robert Fleming Asset Management, headed the investment trust research at Olliff & Partners and managed the emerging markets fund of Buchanan Partners Limited. In 1995, Colin co-founded Regent Kingpin Capital Management. In 1997, he founded Laxey Partners Ltd. Colin holds a BSc in Economics and is a CFA Charterholder.

Last re-elected to the Board: 16 June 2022

Committee membership: Management Engagement Committee

Remuneration: £35,000 (US$42,137) per annum

All other public company directorships: None

Employment by the Investment Manager: None

Other connections with Investment Manager: None

Shared Directorships with any other Directors: None

Shareholding in Company: Colin is a director of Ursus Capital Limited which owns 12,253,680 Ordinary Shares representing 8.9007 per cent of the issued share capital of the Company.

Contribution: The Board has reviewed Colin's contribution in light of his proposed re-election as a Director at the AGM. The Board has concluded that Colin continues to be an effective Director, providing support and challenge to the Investment Manager on behalf of all shareholders.

JEMMA FREEMAN

Status: Independent Non-Executive Director

Length of service: 1 year and 7 months, appointed on 1 October 2021

Experience: Jemma is the Executive Chair of Hunters & Frankau Limited, the appointed distributor for Habanos S.A.'s cigar portfolio in the United Kingdom. She joined the business of Hunters & Frankau in 2002, was appointed Managing Director in 2008 and Executive Chair in 2019. Before going into the cigar business Jemma was a Strategic Planner in the advertising industry. She currently holds the position of Vice Chair of ITPAC, an Advisory Council established to support the tobacco trade in the United Kingdom. In 2013, Jemma was named "Habanos Man of the Year", one of the most prestigious and illustrious prizes in the cigar world. Jemma also acts as a Trustee of a Cancer charity focused on immunotherapy research.

Appointed to the Board: 1 October 2021

Committee membership: Management Engagement Committee, Nomination Committee and Audit Committee

Remuneration: £35,000 (US$42,137) per annum

All other public company directorships: None

Employment by the Investment Manager: None

Other connections with Investment Manager: None

Shared Directorships with any other Directors: None

Shareholding in Company: None

Contribution: The Board has reviewed Jemma's contribution in light of her proposed re-election as a Director at the AGM. The Board has concluded that Jemma continues to bring a wealth of experience, skills and diversity to the Board, complementing those of the existing directors.

DIRECTORS' REPORT

The Directors present their Report and the audited Consolidated Financial Statements for the year ended 31 December 2022.

The investment objective and purpose of the Company is to provide a regular level of income and substantial capital growth. The Company is a country fund with a primary focus on Cuban real estate assets. The Company seeks to deliver the investment objective primarily through investment in, and management of, a portfolio of Cuban real estate assets, with a focus on the tourism-related and commercial property sectors. A description of the activities for the Company for the year under review is provided in the Chairman's Statement on pages 4 to 6 and the Investment Manager's Review on pages 20 to 26.

STATUS

The Company is a Guernsey company which was incorporated on 10 October 1995 with registered number 30083. With effect from 11 September 2018, the Company became a Registered Closed-ended Collective Investment Scheme pursuant to The Protection of Investors (Bailiwick of Guernsey) Law, 2020, as amended and the Registered Collective Investment Schemes Rules 2021 issued by the Guernsey Financial Services Commission.

The Company invests either directly or through holdings in special purpose vehicles, joint venture vehicles, partnerships, trusts or other structures. As at 31 December 2022, the Group held the following interests in joint venture companies and other investments in Cuba:

- an indirect 49% interest in Inmobiliaria Monte Barreto S.A., which is the Cuban joint venture company that owns and operates the Miramar Trade Centre, a 56,000m2 mixed-use office and retail complex in Havana;
- an indirect 32.5% interest in Miramar S.A., which is the Cuban joint venture company that owns the Meliã Habana Hotel and the Varadero Hotels;
- an indirect 32.5% interest in TosCuba S.A., which is the Cuban joint venture company that owns and is constructing the Meliã Trinidad Península Hotel; and
- an indirect 50% interest in Grupo B.M. Interinvest Technologies Mariel S.A., a Spanish company that is developing the industrial logistics project in the Special Development Zone of Mariel.

The Directors are of the opinion that the Company has conducted its affairs from 1 January 2022 to 31 December 2022 as a registered collective investment scheme so as to comply with the Registered Collective Investment Scheme Rules 2021.

The Directors, having considered the Group's objectives and available resources along with its projected income and expenditure, are satisfied that the Group has adequate resources to continue in operational existence for the foreseeable future. The Directors continue to monitor market developments relating to Covid-19 and any possible future impact on the Group's investment portfolio and financing arrangements, and following enquiries with the Group's advisors, the Directors remain confident that the going concern basis remains appropriate in preparing the consolidated financial statements.

RESULTS

Details of the Company's results are shown on pages 50 to 53 of this Report.

CAPITAL STRUCTURE AND ISSUANCE

The Company's capital structure is summarised in note 13 to the financial statements.

At 31 December 2022, there were 137,671,576 fully paid Ordinary Shares (2021: 137,671,576) in issue.

On 31 March 2021, the Company completed the issue of €25,000,000 10% senior unsecured convertible bonds due 2026 ("**Bonds**"). The Bonds were listed on The International Stock Exchange (Channel Islands) on 13 April 2021. Interest payments on the Bonds take place on a quarterly basis and early redemption of the Bonds by the Company, in whole or in part, is possible in principal amounts of €2,500,000 as from the third anniversary of the issue date. The Bonds are repayable in full on 31 March 2026.

VOTING RIGHTS

Shareholders are entitled to vote on all resolutions which are proposed at general meetings of the Company. The Ordinary Shares carry a right to receive dividends. On a winding up, after meeting the liabilities of the Company, the surplus assets will be paid to shareholders in proportion to their shareholdings.

Holders of the Bonds are not entitled to attend or vote at meetings of the Company.

MANAGEMENT AGREEMENT

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

Pursuant to the terms of the Management Agreement, AFML is responsible for portfolio and risk management on behalf of the Company and will carry out the on-going oversight functions and supervision and ensure compliance with the applicable requirements of the AIFMD.

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

MANAGEMENT FEE

Under the terms of the Management Agreement, AFML is entitled to receive an annual management fee at the rate of 1.5 per cent. of Total Assets. For this purpose, the term Total Assets means the aggregate of the assets of the Company less liabilities on the last business day of the period to which the fee relates payable within 14 days (excluding from liabilities any proportion of principal borrowed for investment and treated in the accounts of the Company as current liabilities).

The annual management fee payable by the Company to the AIFM will be reduced by deduction of the running costs of the Havana operations of CEIBA Property Corporation Limited, a subsidiary of the Company.

In addition, the AIFM is entitled to reimbursement for all costs and expenses properly incurred by the AIFM and / or the Investment Manager in the performance of its duties under the Management Agreement.

In connection with execution of the Management Agreement, AFML paid the Company US$5,000,000 to compensate the Company for the costs relating to its public offering and listing on the SFS as well as for releasing and making available the Company's internal management team to AFML. In the event that the Management Agreement is terminated prior to the fifth anniversary of its coming into effect, the Company must pay AFML a pro-rated amount of the US$5,000,000 payment 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. At 31 December 2022 the liability was US$833,333 (2021: US$1,833,333). The amount amortised each period is accounted for as a reduction of the management fee.

The Management Engagement Committee is responsible for undertaking a review of the Management Agreement on a regular basis and providing a recommendation on the continued appointment of the AIFM to the Board.

POLITICAL AND CHARITABLE DONATIONS

The Company does not make political donations and has not made any charitable donations during 2022 (2021: Nil).

RISK MANAGEMENT

Details of the financial risk management policies and objectives relative to the use of financial instruments by the Company are set out in note 19 to the financial statements.

THE BOARD

The names and short biographies of the Directors of the Company, all of whom are non-executive, at the date of this report are shown on pages 29 to 31. John Herring is the Chairman and Peter Cornell is the Senior Independent Director. Trevor Bowen, Keith Corbin, Peter Cornell and Jemma Freeman are considered independent non-executive Directors. The Board considers that John Herring and Colin Kingsnorth continue to be independent in character and judgement and bring a wealth of experience. However, due to John's longstanding connection with Northview Investments Ltd (the Company's largest shareholder), and his length of service on the Board, John is not considered independent for the purposes of the AIC Code of Corporate Governance (published in February 2019) (the "**AIC Code**"). In addition, Colin, having served on the Board for an extended period of time and as a representative of Laxey Partners Limited and Ursus Capital Limited, past and present major shareholders in the Company, is also not considered independent for the purposes of the AIC Code.

The Board, which comprises six directors, regularly reviews the composition of the Board and succession planning through the Nomination Committee. A key topic for the Nomination Committee during 2023 will be succession planning and board evaluation. The Board will be looking to kick off a review of tenure, as in addition to the role that John fulfils, it is recognised that three of CEIBA's other directors all joined the Board in June 2018 and that all will reach their 9 year limit at the same time. The Nomination Committee will advise the Board on how it might stagger the changes of directors to ensure that any new Directors can be properly integrated. The role of the Chairman and plans for his succession will also be discussed at that time.

ROLE OF THE CHAIRMAN AND SENIOR INDEPENDENT DIRECTOR

The Chairman is responsible for providing effective leadership to the Board, demonstrating objective judgement and promoting a culture of openness and debate. The Chairman facilitates the effective contribution, and encourages active engagement, by each Director. In conjunction with the Company Secretary, the Chairman ensures that Directors receive accurate, timely and clear information to assist them with effective decision-making. The Chairman leads the evaluation of the Board and individual Directors and acts upon the results of the evaluation process by recognising strengths and addressing any weaknesses. The Chairman also engages with major shareholders and ensures that all Directors understand shareholders' views.

The Senior Independent Director acts as a sounding board for the Chairman and acts as an intermediary for other directors, when necessary. Working closely with the Nomination Committee, the Senior Independent Director takes responsibility for an orderly succession process for the Chairman and leads the annual appraisal of the Chairman's performance. The Senior Independent Director is also available to shareholders to discuss any concerns they may have.

ELECTION OF THE BOARD

In accordance with corporate governance best practice, the Board has agreed that all Directors will retire annually and, if appropriate, will seek re-election at the annual general meeting of the Company. All Directors will stand for re-election at the forthcoming Annual General Meeting. The Board has reviewed the skills and experience of each Director and believes that each contributes to the long-term sustainable success of the Company. The Board has no hesitation in recommending their re-election, or election, to shareholders.

CORPORATE GOVERNANCE

The Company is committed to high standards of corporate governance. As the Company is listed on the SFS, the Company has voluntarily undertaken to comply with provision 9.8 of Chapter 9 of the Listing Rules regarding corporate governance and the principles and provisions of the AIC Code for the year ended 31 December 2022.

The AIC Code addresses all the principles and provisions set out in the UK Corporate Governance Code, as well as setting out additional principles and provisions on issues that are of specific relevance to investment companies. The Board considers that reporting in accordance with the principles and provisions of the AIC Code provides more relevant and comprehensive information to shareholders. The AIC Code is available on the AIC website at: https://www.theaic.co.uk.

The Company has complied throughout the accounting period with the relevant provisions contained within the AIC Code, except provisions relating to:

- the independence and tenure of the chairman (provisions 11 and 12); and
- executive directors' remuneration and establishment of a remuneration committee (provisions 37, 38 and 42).

The Board considers that provisions 37, 38 and 42 are not relevant to the Company, as an externally managed investment company. The Company does not have any employees, and the Board is comprised of non-executive Directors. As set out on page 35, the Board has not established a separate Remuneration Committee given the size of the Board. In addition, as set out above, the Board has not complied with provisions 11 and 12 and, with support from the Nomination Committee, has resolved that John remains a good and effective Chairman, with extensive / detailed knowledge of the Company and Cuba that is invaluable in determining the strategy of the Company and therefore given the current economic conditions, John's continued appointment as Chairman is in the best interests of the Company and shareholders as a whole. The Board evaluates appointments, including the Chairman, on an annual basis.

Directors have attended the following scheduled meetings during the year ended 31 December 2022.

Director	Nº of Board Meetings Attended	Nº of Audit Committee Meetings Attended	Nº of Nomination Committee Meetings Attended	Nº of Management Engagement Committee Meetings Attended
John Herring	4 of 4	n/a	n/a	1 of 1
Keith Corbin	4 of 4	3 of 3	2 of 2	1 of 1
Trevor Bowen	4 of 4	3 of 3	2 of 2	1 of 1
Peter Cornell	2 of 4	n/a	1 of 2	1 of 1
Colin Kingsnorth	3 of 4	n/a	n/a	1 of 1
Jemma Freeman	4 of 4	3 of 3	n/a*	n/a*

*Jemma Freeman was appointed as a member of the committees with effect from April 2023.

The Board meets more frequently when business needs require.

Policy on Tenure

The Board's policy on tenure is that Directors need not serve on the Board for a limited period of time only. The Board does not consider that the length of service of a Director is as important as the contribution he or she has to make, and therefore the length of service will be determined on a case-by-case basis. The Board strives to ensure that any changes to its composition, including succession planning for Directors, be managed without undue disruption to the Company's operations. Directors are able and encouraged to provide statements to the Board of their concerns and ensure that any items of concern are recorded in the Board minutes and the Chairman encourages all Directors to present their views on matters in an open forum.

The Board notes that some shareholders may see longevity on the Board as a negative. The Board has a mix of longer serving and more recently appointed Directors and the Board believes that the experience of the longer-serving Directors has served the Company well through numerous investment cycles and is valued by the Board as a whole.

The Board has a schedule of matters reserved to it for decision. Such matters include strategy, gearing, treasury and the Company's dividend policy. Full and timely information is provided to the Board to enable the Directors to function effectively and to discharge their responsibilities. The Board also reviews the financial statements, performance and revenue budgets.

There is an agreed procedure for Directors to take independent professional advice if necessary, at the Company's expense. This is in addition to the access which every Director has to the advice and services of the Company Secretary, which is responsible to the Board for ensuring that Board procedures are followed and that applicable rules and regulations are complied with.

Board and Committee Evaluation

Each year, the Company undertakes a performance evaluation of the Board and its committees as a whole as well as an appraisal of the Chairman and a Director's self-evaluation. During the year, the evaluation was carried out by the Nomination Committee, with support from the Company Secretary. The evaluation concluded that the Board and committees were operating effectively, and no corporate governance concerns existed. On the basis of the results of the evaluation process, the Board has no hesitation in recommending to shareholders the re-election of all Directors.

Board Committees

The Board has established an Audit Committee, a Management Engagement Committee and a Nomination Committee. These committees undertake specific activities through delegated authority from the Board. Terms of reference for each committee may be found on the Company's website (www.ceibalimited.co.uk) and copies are available from the Company Secretary upon request. The terms of reference are reviewed and re-assessed by the Board for their adequacy on an annual basis.

The Board has not appointed a separate remuneration committee but, as set out below, delegates the consideration of the remuneration of the Directors to the Nomination Committee.

Details of the activities of each of the committees are set out below.

Audit Committee

Information regarding the composition, responsibilities and activities of the Audit Committee is detailed in the Report of the Audit Committee on pages 42 to 44 of this Annual Report.

Nomination Committee

All appointments to the Board are considered by the Nomination Committee, which is chaired by Keith Corbin. All of the independent non-executive Directors are members. The function of the Nomination Committee is to ensure that the Company undertakes a formal process of reviewing the structure, size and composition (including the skills, knowledge, experience and diversity) of the Board, identifying the experience and skills which may be needed and those individuals who might best provide them and to ensure that the individual has sufficient available time to undertake his or her responsibilities as a Director. When considering the composition of the Board, members will be mindful of diversity, inclusiveness and meritocracy. Whilst the Board agrees that it is entirely appropriate that it should seek diversity, it does not consider that this can be best achieved by establishing specific quotas and targets and appointments will continue to be made based primarily on merit. The Board's overriding priority in appointing new directors to the Board is to identify the candidate with the best range of skills and experience to complement those of existing Directors. Once appointed, the successful candidate will receive a formal and tailored induction.

The remuneration of the Directors is reviewed on an annual basis by the Nomination Committee and compared with the level of remuneration for directorships of other similar companies. All Directors receive an annual fee and there are no share options or other performance-related benefits available to them. The remuneration of the Directors has been set in order to attract individuals of a calibre appropriate to the future development of the Company. The Company's policy on Directors' remuneration, together with details of the remuneration of each Director, is detailed in the Directors' Remuneration Report on pages 39 to 41.

The Nomination Committee meets at least once per year and otherwise as required. The outside directorships and broader commitments of Directors are also monitored by the Nomination Committee.

During the year the Nomination Committee met twice, matters considered were the remuneration of the Directors, board composition and succession planning for the role of the Chairman.

Management Engagement Committee

The Management Engagement Committee comprises the entire Board of Directors and is chaired by John Herring. The principal duties of the Management Engagement Committee are to review the performance of the Investment Manager and its compliance with the terms of the Management Agreement. The terms and conditions of the Investment Manager's appointment, including an evaluation of fees, are reviewed by the Management Engagement Committee on an annual basis.

The Management Engagement Committee also reviews the terms of appointment of other key service providers to the Company.

The Management Engagement Committee meets at least once per year and otherwise as required.

During the year, the Management Engagement Committee met once to consider the performance of, and the contractual arrangements with, the key service providers of the Company, including the Investment Manager, the AIFM, the Company Secretary and the Administrator. With effect from 1 December 2022, the Company's Depositary, Administrator, Company Secretary and Bond Registrar was changed to NSM Funds Limited from JTC Global AIFM Solutions Limited, JTC Fund Solutions (Guernsey) Limited and JTC Registrars Limited who previously fulfilled these functions.

INTERNAL CONTROL AND RISK MANAGEMENT

The Board is ultimately responsible for the Company's system of internal control and for reviewing its effectiveness and confirms that there is an ongoing process for identifying, evaluating and managing the significant risks faced by the Company. This process has been in place during the year under review and up to the date of approval of this Annual Report. It is regularly reviewed by the Board and accords with the Financial Reporting Council Guidance.

The Board has reviewed the effectiveness of the system of internal control focussing in particular on the process for identifying and evaluating the principal risks affecting the Company and policies by which these risks are managed.

The Directors have delegated the investment management of the Company's assets to AFML within overall guidelines, and this embraces implementation of the system of internal control, including financial, operational and compliance controls and risk management. Internal control systems are monitored and supported by the Investment Manager's internal audit function which undertakes periodic examination of business processes, including compliance with the terms of the management agreement, and ensures that recommendations to improve controls are implemented.

Risks are identified and documented through a risk management framework by each function within the Investment Manager's group activities. Risk includes financial, regulatory, market, operational and reputational risk. This helps the internal audit risk assessment model identify those functions for review. Any weaknesses identified are reported to the Board, and timetables are agreed for implementing improvements to systems. The implementation of any remedial action required is monitored and feedback provided to the Board.

The principal and emerging risks and uncertainties faced by the Company are detailed on pages 9 to 16.

The key components of the process designed by the Directors to provide effective internal control are outlined below:

- the Investment Manager prepares forecasts and management accounts which allow the Board to assess the Company's activities and review its performance;

- the Board and Investment Manager have agreed clearly defined investment criteria, specified levels of authority and exposure limits. Reports on these issues, including performance statistics and investment valuations, are regularly submitted to the Board and there are meetings with the Investment Manager as appropriate;

- as a matter of course the Investment Manager's compliance department continually reviews the Investment Manager's operations and reports to the Audit Committee on a six-monthly basis;

- written agreements are in place which specifically define the roles and responsibilities of the Investment Manager and other third-party service providers and, where relevant, ISAE3402 Reports, a global assurance standard for reporting on internal controls for service organisations, or their equivalents are reviewed;

- the Board has considered the need for an internal audit function but, because of the compliance and internal control systems in place within the Investment Manager, has decided to place reliance on the Investment Manager's systems and internal audit procedures; and

- the Audit Committee carried out an annual assessment of internal controls for the year ended 31 December 2022 by considering documentation from the Investment Manager, and the Depositary, including their internal audit and compliance functions and taking account of events since 31 December 2022. The results of the assessment, that internal controls are satisfactory, will be reported to the Board at the next Board meeting.

- Internal control systems are designed to meet the Company's particular needs and the risks to which it is exposed. Accordingly, the internal control systems are designed to manage rather than eliminate the risk of failure to achieve business objectives and by their nature can only provide reasonable and not absolute assurance against misstatement and loss.

MANAGEMENT OF CONFLICTS OF INTEREST

The Board has a procedure in place to deal with a situation where a Director has a conflict of interest. As part of this process, the Directors prepare a list of other positions held and all other conflict situations that may need to be authorised either in relation to the Director concerned or his connected persons. The Board considers each Director's situation and decides whether to approve any conflict, taking into consideration what is in the best interests of the Company and whether the Director's ability to act in accordance with his wider duties is affected. Each Director is required to notify the Company's Secretary of any potential, or actual, conflict situations that will need authorising by the Board. Authorisations given by the Board are reviewed at each Board meeting. No Director has a service contract with the Company although Directors are issued with letters of appointment upon appointment. The Directors' interests in contractual arrangements with the Company are as shown in note 15 to the financial statements. No Directors had any interest in contracts with the Company during the period or subsequently. The conflicts of the non-independent directors are well known to the Board and reviewed regularly.

The Board has adopted appropriate procedures designed to prevent bribery. The Company receives periodic reports from its service providers on the anti-bribery policies of these third parties. It also receives regular compliance reports from the Investment Manager and the Administrator.

The Criminal Finances Act 2017 has introduced a new corporate criminal offence of "failing to take reasonable steps to prevent the facilitation of tax evasion". The Board has confirmed that it is the Company's policy to conduct all of its business in an honest and ethical manner. The Board takes a zero-tolerance approach to facilitation of tax evasion, whether under Guernsey law or under the law of any foreign country.

SUBSTANTIAL INTERESTS

The Company has been advised that the following shareholders owned 5% or more of the issued Ordinary share capital of the Company at 31 December 2022:

Shareholder	Number of shares held	% held
Northview Investments Ltd	37,764,018	27.4
POP Investments Limited	12,253,681	8.9
Ursus Capital Limited	12,253,680	8.9
abrdn plc	9,838,532	7.1
Citco Global Custody NV	8,373,144	6.1

On 6 February 2023 POP Investments Limited increased its interest in the Company to 13,881,374 Shares representing a 10.08% shareholding. There have been no other significant changes notified in respect of shareholdings between 31 December 2022 and 26 April 2023.

ANNUAL GENERAL MEETING

The Notice of the Annual General Meeting ("**AGM**") is included within this Annual Report and Consolidated Financial Statements. The AGM will take place at the registered office of the Company, Les Echelons Court, Les Echelons, St Peter Port, Guernsey, GY1 1AR Channel Islands on 28 June 2023 at 2.00 p.m. An explanation of each resolution to be proposed at the AGM is included in the Letter from the Chairman on page 100. All shareholders will have the opportunity to put questions to the Board or the Investment Manager at the Company's AGM. Shareholders are encouraged to vote on the resolutions proposed in advance of the AGM and to submit questions to the Board and the Investment Manager by emailing CEIBA.Investments@abrdn.com.

The Company Secretary is also available to answer general shareholder queries at any time throughout the year.

RELATIONS WITH STAKEHOLDERS

The Directors place a great deal of importance on communication with shareholders. The Board welcomes feedback from all shareholders. The Chairman meets periodically with the largest shareholders to discuss the Company. Any correspondence from shareholders to the Board is typically circulated to all Directors and included in the next available Board papers. Shareholders can contact the Board by email to CEIBA.Investments@abrdn.com. The Annual Report and Consolidated Financial Statements are widely distributed to other parties who have an interest in the Company's performance. Shareholders may obtain up to date information on the Company through the Company's website www.ceibalimited.co.uk.

The Board's policy is to communicate directly with shareholders and their representative bodies without the involvement of the Investment Manager in situations where direct communication is required and usually a representative from the Board is available to meet with major shareholders on an annual basis in order to gauge their views.

Approved by the Board of Directors on 26 April 2023 and signed on its behalf:

Keith Corbin
Director

Trevor Bowen
Director

DIRECTORS' REMUNERATION REPORT

As the Company is listed on the SFS, the Board has prepared this remuneration report on a voluntary basis.

The Company's auditor has not audited any of the disclosures provided in this Directors' Remuneration Report.

REMUNERATION POLICY

This part of the Remuneration Report provides details of the Company's Remuneration Policy for Directors of the Company. As the Board is comprised wholly of non-executive Directors and given the size and nature of the Company, the Board has not established a separate Remuneration Committee. Directors' remuneration is determined by the Board as a whole.

The Directors are non-executive and the Company's Articles of Incorporation limit the annual aggregate fees payable to the Board of Directors to no more than £500,000 (US$601,950) per annum. The aggregate level of the fees payable to the Directors may only be increased by way of shareholder resolution. Subject to this overall limit, the Board's policy is that the remuneration of non-executive Directors should reflect the nature of their duties, responsibilities and the value of their time spent and be fair and comparable to that of other investment companies that are similar in size, have a similar capital structure and have a similar investment objective. Fees are reviewed annually against the Company's peer group and increased accordingly if considered appropriate. There have been no changes to the Directors' Remuneration Policy since 2018 nor are there any proposals for changes in the foreseeable future. In the past year, aggregate fees of £220,000 were paid to the Directors. The table below shows the fees agreed per annum.

	31 Dec 2022 (£)	31 Dec 2021 (£)
Chairman	40,000	40,000
Chairman of Audit Committee	40,000	40,000
Director	35,000	35,000

APPOINTMENT

- The Company only intends to appoint non-executive Directors.
- All the Directors are non-executive appointed under the terms of Letters of Appointment.
- Directors must retire and be subject to re-election at each annual general meeting.
- New appointments to the Board will be placed on the fee applicable to all Directors at the time of appointment (currently £35,000 per annum).
- No incentive or introductory fees will be paid to encourage a Directorship.
- The Directors are not eligible for bonuses, pension benefits, share options, long term incentive schemes or other benefits.
- Directors are entitled to re-imbursement of out-of-pocket expenses incurred in connection with the performance of their duties, including travel expenses.
- The Company indemnifies its Directors for all costs, charges, losses, expenses and liabilities which may be incurred in the discharge of their duties as a Director of the Company.

PERFORMANCE AND SERVICE CONTRACTS

- The Directors' remuneration is not subject to any performance-related fee.
- No Director has a service contract.
- Although John Herring and Colin Kingsnorth are linked to large shareholders of the Company, no Director had an interest in any contracts with the Company during the period or subsequently.
- The terms of appointment provide that a Director may be removed subject to three months' notice.
- Compensation will not be due upon leaving office.
- No Director is entitled to any other monetary payment or to any assets of the Company.

Directors' and Officers' liability insurance cover is maintained by the Company on behalf of the Directors. Under the Articles, the Company indemnifies each of the Directors out of the assets of the Company against any liability incurred by them as a Director in defending proceedings or in connection with any application to the Court in which relief is granted and separate deeds of indemnity exist in this regard between the Company and each Director.

IMPLEMENTATION REPORT

Directors' Fees

In December 2022 the Nomination Committee reviewed the Directors' fees and agreed that no changes were required for the financial year ended 31 December 2022 but will keep this under review. There are no further fees to disclose as the Company has no direct employees, chief executive or executive directors.

The total fees paid to, and received by, the Directors for the financial years to 31 December 2021 and 31 December 2022 are shown below.

Director	2022 £	2022 US$	2021 £	2021 US$
John Herring	40,000	48,156	40,000	53,908
Keith Corbin	35,000	42,137	35,000	47,170
Peter Cornell	35,000	42,137	35,000	47,170
Trevor Bowen	40,000	48,156	40,000	53,908
Colin Kingsnorth	35,000	42,137	35,000	47,170
Jemma Freeman	35,000	42,137	8,750	11,792
Total	220,000	276,898	193,750	261,118

Sums Paid to Third Parties

No fees were paid to third parties for services as non-executive Directors.

Directors' Interests in the Company

The Directors are not required to have a shareholding in the Company. The Directors' interests in contractual arrangements with the Company are as shown in note 15 to the financial statements. The Directors (including connected persons) at 31 December 2022 are shown in the table below.

Director	31 December 2022 Ordinary Shares	31 December 2021 Ordinary Shares
John Herring	40,000	40,000
Keith Corbin	-	-
Peter Cornell	100,000	100,000
Trevor Bowen	43,600	43,600
Colin Kingsnorth	12,253,680	12,252,338
Jemma Freeman	-	-

1 At 31 December 2022 Colin Kingsnorth is a director and shareholder of Ursus Capital Limited. Ursus holds 12,253,680 shares.

The above interests are unchanged at 26 April 2023, being the nearest practicable date prior to the signing of this Report.

ANNUAL STATEMENT

On behalf of the Board, I confirm that the above Report on Remuneration Policy and Remuneration Implementation summarises, as applicable, for the year ended 31 December 2022:

- the major decisions on Directors' remuneration;
- any substantial changes relating to Directors' remuneration made during the year; and
- the context in which the changes occurred and in which decisions have been taken.

For and on behalf of the Board,

John Herring
Chairman
26 April 2023

REPORT OF THE AUDIT COMMITTEE

COMMITTEE COMPOSITION

The Audit Committee (the "**Committee**") presents its report for the year ended 31 December 2022.

The Committee is comprised of Trevor Bowen as Chairman, Keith Corbin and Jemma Freeman.

The Committee have satisfied themselves that at least one of the Committee's members has recent and relevant financial experience. Trevor Bowen is a Chartered Accountant and previously spent 11 years as a partner at KPMG and has recent and relevant financial experience. The Committee is also considered, as a whole, to have competence relevant to this sector. The Committee continues to consider that the Company does not require an internal audit function of its own as it delegates its day-to-day operations to third parties from whom it receives regular internal controls reports.

FUNCTIONS OF THE COMMITTEE

The principal function of the Committee is to assist the Board in relation to the reporting of financial information, and to ensure that the internal control procedures are robust and that risk management processes are appropriate.

The Committee has defined terms of reference which will be reviewed and re-assessed for their adequacy on an annual basis. Copies of the terms of reference are published on the Company's website.

The Committee's main audit review functions are:

- to monitor the integrity of the financial statements of the Company, including its annual and half-yearly reports and any other formal announcement relating to its financial performance, reviewing significant financial reporting issues and judgements which they contain;
- to review the content of the annual financial report and advise the Board on whether, taken as a whole, it is fair, balanced and understandable and provides the information necessary for shareholders to assess the Company's position and performance, business model and strategy;
- to review the adequacy and effectiveness of the Company's internal financial controls and risk management systems, for example including the risks of misappropriation or loss of assets, of misstatement of accounting records or of non-compliance with accounting standards, and monitor the proposed implementation of such controls;
- to review the Company's procedures for detecting fraud, the systems and controls in place for prevention of bribery, the adequacy of the Company's anti-money laundering systems and controls and the Company's compliance function;
- to monitor and review whether an internal audit function is required;
- to oversee the relationship with the external auditor and review the effectiveness of the external audit process, including the remuneration of the auditor as well as their independence and any non-audit services provided by them. The Committee will monitor the performance of the auditor with the aim of ensuring a high quality and effective audit;
- to develop and implement policy on the engagement of the auditor to supply non-audit services. No non-audit fees were paid to the auditor during the year under review;
- to make recommendations to the Board, to be put to shareholders for approval in general meeting, in relation to the appointment, re-appointment and removal of the Company's external auditor;
- to develop and oversee the selection process for new external auditors and if an external auditor resigns, investigate the issues leading to this and decide whether any action is required; and
- to ensure that at least once every ten years the audit services contract is put out to tender to enable the Committee to compare the quality and effectiveness of the services provided by the incumbent auditor with those of other audit firms and, in respect of such tender, oversee the selection process and ensure that all tendering firms have such access as is necessary to information and individuals during the tendering process.

FREQUENCY OF MEETINGS DURING THE YEAR

The Committee meets at least twice a year at appropriate times in the Company's reporting and audit cycle and otherwise as required.

ACTIVITIES DURING THE YEAR

The Committee met three times during the last year and reported to the Board on its activities and on matters of particular relevance to the Board.

The Committee also undertook a review of the Company's Auditor during the year. More details on this are set out in the Tenure of the Auditor section.

The Committee also assisted the Board in carrying out its responsibilities in relation to financial reporting requirements.

REVIEW OF INTERNAL CONTROL SYSTEMS AND RISK

At its meeting on 13 April 2023, the Committee reviewed the internal control systems and considered the Company's principal and emerging risks. The Committee will consider the internal control systems and a matrix of risks at each of its meetings.

FINANCIAL STATEMENTS AND SIGNIFICANT ISSUES

During its review of the Company's financial statements for the year ended 31 December 2022, the Committee considered the following significant issues, including, in particular, those communicated by the Auditor as key areas of audit emphasis during their planning and reporting of the year end audit.

Valuation of Investments

The fair value of the equity investments, driven by underlying investment property valuations, are the most substantial figures on the Consolidated Statement of Financial Position. The underlying valuations of the investment properties and investment properties under construction require significant judgements and estimates to be made. This is a key risk that requires the attention of the Audit Committee.

The fair values of the equity investments of the Company are determined by the Investment Manager and the Board primarily on the basis of the valuation reports prepared by Arlington Consulting – Consultadoria Imobiliaria Limitada, trading as "Abacus", and subsequently reviewed in detail and challenged by the Audit Committee. The valuation reports were prepared in accordance with RICS Valuation – Global Standards 2017 and are reviewed by the Committee on a six-monthly basis and by the Auditor at least annually.

In determining the fair value of each equity investment, the Investment Manager and the Directors may also take into account additional relevant information that impacts the fair value of the relevant joint venture company that has not been considered in the valuation report 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 of the property, the existence of any Excess Cash needs to be included as an additional component of the fair value of the joint venture company. To determine the amount of Excess Cash, the Investment Manager and the Board estimate the amount of cash required by the property for working capital needs and deduct this amount from the cash and cash equivalents held by the joint venture. The above estimates are also reviewed by the Committee.

Revenue Recognition

As dividend income is the Company's major source of income and a significant item on the Consolidated Statement of Comprehensive Income, the recognition of dividend income from the underlying equity investments is another key risk considered by the Committee. The Company's policy is that dividend income arising from equity investments is recognised when the Company's right to receive payment of the dividend is established or cash amounts have been received. The Committee reviewed the controls in place at the Investment Manager in respect of recognition of dividend income and intends to do so at least every six months.

Consideration and Approval of Principal Risks & Uncertainties

The Audit Committee considered, in detail, the principal risks & uncertainties, and emerging risks, facing the Company, particularly in light of the volatility impacting the economy and tourism industry in Cuba, as well as the ongoing U.S. sanctions. The Audit Committee considered emerging risks relating to the Cuban financial system, public health risk, risks relating to the Company and its investment strategy, portfolio and operational risks, risks relating to investment in Cuba and the U.S. Embargo and risks relating to regulatory and tax framework, and the disclosure of these risks in the Annual Report. The output from the risk assessment is set out in the Principal Risks & Uncertainties section on pages 9 to 16. The Committee will review the matrix of risks at each committee meeting.

REVIEW OF FINANCIAL STATEMENTS

The Committee is responsible for the preparation of the Company's Annual Report. The process is extensive, requiring input from a number of different third-party service providers. The Committee reports to the Board on whether, taken as a whole, the Annual Report and Consolidated Financial Statements are fair, balanced and understandable. In so doing, the Committee has considered the following matters:

- the existence of a comprehensive control framework surrounding the production of the Annual Report and Consolidated Financial Statements which includes a number of different checking processes;
- the existence of extensive levels of reviews as part of the production process involving the Administrator, the Investment Manager, the Company Secretary and the auditor as well as the Committee's own expertise;
- the controls in place within the various third-party service providers to ensure the completeness and accuracy of the financial records and the security of the Company's assets;
- the externally audited internal control reports of the Investment Manager, Administrator and any other related service providers.

The Committee has reviewed the Annual Report and the work undertaken by the third-party service providers and is satisfied that, taken as a whole, the Annual Report and Consolidated Financial Statements are fair, balanced and understandable. In reaching this conclusion, the Committee has assumed that the reader of the Annual Report would have a reasonable level of knowledge of the investment industry in general. The Committee has reported its findings to the Board which in turn has made its own statement in this regard in the Directors' Responsibility Statement on page 45.

REVIEW OF AUDITOR

The Committee has reviewed the effectiveness of the auditor including:

- Independence: the Committee ensures that there is a discussion with the auditor, at least annually, in regards to the steps it takes to ensure its independence and objectivity and to make the Committee aware of any potential issues, explaining all relevant safeguards;
- Quality of audit work: (i) the ability to resolve issues in a timely manner – the Committee is confident that identified issues are satisfactorily and promptly resolved; (ii) its communications/presentation of outputs – the Committee is satisfied that the explanation of the audit plan, any deviations from it and the subsequent audit findings are comprehensive and comprehensible; and (iii) working relationship with management – the Committee is satisfied that the auditor has a constructive working relationship with the Investment Manager; and,
- Quality of people and service including continuity and succession plans: the Committee is satisfied that the audit team is made up of sufficient, suitably experienced staff with provision made for knowledge of the investment trust sector and retention on rotation of the partner.

TENURE OF THE AUDITOR

Grant Thornton has been the Company's external auditor since 3 December 2019 and its appointment has been approved by shareholders each year, the last time being at the Annual General Meeting on 16 June 2022. The current audit partner has been in place since 3 December 2019.

The Audit Committee performed a review of the external audit processes provided by the Auditor during the last year and can confirm that they are satisfied that Grant Thornton is a suitable independent Auditor and therefore supports the recommendation to the Board that the re-appointment of Grant Thornton be put to shareholders for approval at the Annual General Meeting. The Committee is mindful of the EU audit legislation which requires the rotation of long-serving auditors. The Company will be required to put its audit contract out to tender again by no later than 2029.

ACCOUNTABILITY AND AUDIT

Each member of the Committee confirms that, so far as they are aware, there is no relevant audit information of which the Company's Auditor is unaware, and that they have taken all the steps that they ought to have taken as a Director in order to make themselves aware of any relevant audit information and to establish that the Company's Auditor is aware of that information. Additionally, there are no important events since the period end other than as disclosed in the notes to the financial statements.

The Committee has reviewed the level of non-audit services provided by the Company's Auditor during the year and remains satisfied that the Auditor's objectivity and independence is being safeguarded.

Trevor Bowen
Audit Committee Chairman
26 April 2023

STATEMENT OF DIRECTORS' RESPONSIBILITIES

The Directors are responsible for preparing the Annual Report and Consolidated Financial Statements, in accordance with applicable law and regulations.

The Companies (Guernsey) Law, 2008, as amended (the "**Law**") requires the Directors to prepare financial statements for each financial year. Under the Law, the Directors have elected to prepare the Consolidated Financial Statements in accordance with IFRS as issued by the IASB. Under the Law, the Directors must not approve the Consolidated Financial Statements unless they are satisfied that they give a true and fair view of the state of affairs of the Group and of the profit or loss of the Group for that period.

In preparing these Consolidated Financial Statements, the Directors are required to:

- select suitable accounting policies and then apply them consistently;
- make judgments and estimates that are reasonable and prudent;
- prepare the Consolidated Financial Statements on a going concern basis unless it is inappropriate to presume that the Company will continue in business; and
- state whether all applicable IFRS standards have been followed, subject to any material departures disclosed and explained in the financial statements.

The Directors are responsible for keeping proper accounting records that are sufficient to show and explain the Company's transactions and which disclose with reasonable accuracy at any time the financial position of the Company and enable them to ensure that its Consolidated Financial Statements comply with the Law. They are also responsible for taking such steps as are reasonably open to them to safeguard the assets of the Company and to prevent and detect fraud and other irregularities.

The Directors listed on page 29 to 31, being the persons responsible, hereby confirm to the best of their knowledge that:

- the 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 taken as a whole;
- in the opinion of the Directors, the Annual Report and Consolidated Financial Statements taken as a whole, is fair, balanced and understandable and it provides the information necessary to assess the Company's position and performance, business model and strategy;
- the General Information section and Directors' Report include a fair review of the development and performance of the business and the position of the Company and all the undertakings included in the consolidation taken as a whole, and the Principal Risks section provides a description of the principal risks and uncertainties that they face; and
- there is no additional information of which the Company's Auditor is not aware.

For CEIBA Investments Limited

Keith Corbin
Director
26 April 2023

Trevor Bowen
Director

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF CEIBA INVESTMENTS LIMITED

Opinion

We have audited the consolidated financial statements of CEIBA Investments Limited and its subsidiaries (the "Group"), which comprise the consolidated statement of financial position, the consolidated statement of comprehensive income, the consolidated statement of cash flows, the consolidated statement of changes in equity for the year then ended, and notes to the consolidated financial statements, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and International Financial Reporting Standards (IFRSs) as issued by the International Accounting Standards Board (IASB).

In our opinion, the consolidated financial statements:

- give a true and fair view of the state of the Group's affairs as at 31 December 2022 and of the Group's loss for the year then ended;
- are in accordance with IFRSs as issued by the IASB; and
- comply with the Companies (Guernsey) Law, 2008

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (ISAs) and applicable law. Our responsibilities under those standards are further described in the 'Auditor's responsibilities for the audit of the consolidated financial statements' section of our report. We are independent of the Group in accordance with the International Ethics Standards Board for Accountants' International Code of Ethics for Professional Accountants (including International Independence Standards) (IESBA Code), together with the ethical requirements that are relevant to our audit of the consolidated financial statements in Guernsey, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the IESBA Code. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Key audit matters

Key audit matters are those matters that, in our professional judgement, were of most significance in our audit of the consolidated financial statements of the current period. These matters were addressed in the context of our audit of the financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

The key audit matter	How the matter was addressed in our audit
Fair value of equity investments (2022: $154,221,877, 2021: US$175,828,034) As at 31 December 2022, the Group had equity investments in joint venture companies comprising 68% (2021: 71%) of the Group's total assets. The valuation of the equity investments comprises the value of the underlying Cuban real estate assets plus the working capital in excess of operating requirements (excess cash) held within the joint ventures. We identified fair value of equity investments as one of the most significant assessed risks of material misstatement due to fraud and error. As explained in notes 2, 7 and 18, the investments are carried at fair value, determined using a valuation methodology which involves a high degree of management judgments and estimates. The valuation of the underlying real estate assets have been prepared during ongoing market instability due to slower than expected post Covid-19 recovery of Cuba's tourism sector, continuing US Cuba sanctions and the designation of Cuba as a State Sponsor of Terrorism, the adoption of unpredictable legislative efforts in Cuba aimed at implementing new monetary reforms and Cuba's ongoing liquidity crises, which results in uncertainty in valuing the underlying Cuban real estate assets.	Our audit work included, but was not restricted to the following: • We updated our understanding of the valuation process and methodology used through detailed discussions with management and their external valuation expert and performed walkthroughs to confirm our understanding of the systems and to test the design and implementation of relevant key controls over the valuation process. • We assessed the independence, competence, and objectivity of the Group's external valuation expert; • We obtained a copy of the valuation report prepared by the valuation expert and confirmed this was reviewed by management by inspecting board minutes; • We involved our valuation expert to perform the below procedures: – Read and assessed the valuation report, the methodology and associated cash flow statements, checked the reasonableness of key assumptions such as the discount and occupancy rates, checked the revenues including but not limited to room and parking charges, capex, contingency, checked any estimates and judgements involved, and checked the mathematical accuracy of the calculation;

The key audit matter (continued)

There is a risk that the fair value of these financial assets may be materially misstated due to the use of incorrect or inappropriate judgements, estimates and assumptions in determining the fair value of the underlying real estate assets that could have a significant impact on the Group's net asset value and net income, which are key performance indicators used by management and on the actual return generated for the shareholders.

Refer to the Audit Committee Report (pages 42-44); Accounting policies in pages 57-63, and Note 2.3, Use of estimates and judgements, to the Financial Statements.

How the matter was addressed in our audit (continued)

  - Held discussions with CEIBA management and the group's external valuation expert to obtain an understanding of the discount rates applied on the valuations considering the economic climate when the valuation was prepared;
  - assessed and corroborated management's valuation by deriving independent mark to market valuation based on inputs for comparable real estate assets; and
  - Ascertained whether the fair value of the underlying real estate assets is deemed satisfactory in accordance with the Royal Institution of Chartered Surveyors (RICS) Valuation Global Standards 2019 based on our knowledge and experience and the result of our independent review of the valuation;

- We checked management's valuation working including the excess cash calculation by agreeing to the supporting documents (i.e., audited financial statements of the joint venture) obtained.
- We performed sensitivity analysis on the inputs (i.e., discount rate, occupancy rates, rental daily rates and excess cash) used in the valuation to understand the impact on the fair value of the equity investments.
- We assessed the reasonableness of the relevant valuation disclosures and notes to the consolidated financial statements, including the adequacy of the disclosures required in the financial statements (i.e., summarised financial information) for interests in joint venture companies; and
- We reviewed management's assessment for measuring its equity investments (i.e., interest in joint venture companies) at fair value in accordance with the exception for venture capital entities under International Accounting Standard 28 (IAS 28) - Investments in Associates and Joint Ventures.

Our results

Based on our work, we did not identify any material misstatement of the valuation of the equity investments. The assumptions and estimates used were reasonable in the circumstance and the Group's disclosures were adequate.

Other information in the Annual Report

The Directors are responsible for the other information. The other information comprises the information included in the Annual Report and consolidated financial statements, but does not include the consolidated financial statements and our auditor's report thereon.

Our opinion on the consolidated financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the consolidated financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the consolidated financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in this regard.

Matters on which we are required to report by exception

We have nothing to report in respect of the following matters in relation to which the Companies (Guernsey) Law, 2008 requires us to report to you if, in our opinion:

- proper accounting records have not been kept by the Company; or
- the Company's Financial Statements are not in agreement with the accounting records; or
- we have not obtained all the information and explanations, which to the best of our knowledge and belief, are necessary for the purposes of our audit.

Responsibilities of the directors for the consolidated financial statements

As explained more fully in the Statement of Directors' Responsibilities set out on page 45, the Directors are responsible for the preparation of the consolidated financial statements which give a true and fair view in accordance with IFRSs as issued by the International Accounting Standards Board (IASB), and for such internal control as the Directors determine is necessary to enable the preparation of consolidated financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the consolidated financial statements, the Directors are responsible for assessing the Group's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the Directors either intend to liquidate the Group or to cease operations, or have no realistic alternative but to do so.

Auditor's responsibilities for the audit of the consolidated financial statements

Our objectives are to obtain reasonable assurance about whether the consolidated financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance but is not a guarantee that an audit conducted in accordance with ISAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these consolidated financial statements.

As part of an audit in accordance with ISAs, we exercise professional judgment and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the consolidated financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Group's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the Directors.
- Conclude on the appropriateness of the Directors' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the consolidated financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Group to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the Group audit. We remain solely responsible for our audit opinion.

We communicate with the directors regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide the directors with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, actions taken to eliminate threats or safeguards applied.

From the matters communicated with the directors, we determine those matters that were of most significance in the audit of the consolidated financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor’s report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

Use of our report

This report is made solely to the Company’s members, as a body, in accordance with section 262 of the Companies (Guernsey) Law, 2008. Our audit work has been undertaken so that we might state to the Company’s those matters we are required to state to them in an auditor’s report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the Company and the Company’s members as a body, for our audit work, for this report, or for the opinions we have formed.

Cyril Swale
For and on behalf of Grant Thornton Limited
Chartered Accountants
St Peter Port
Guernsey

Date: 26 April 2023

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

As at 31 December 2022

	Note	31 Dec 2022 US$	31 Dec 2021 (restated)* US$
Assets			
Current assets			
Cash and cash equivalents	4	8,454,247	26,228,072
Accounts receivable and accrued income	5	3,400,612	3,781,329
Loans and lending facilities	6	8,971,160	3,411,825
Total current assets		**20,826,019**	**33,421,226**
Non-current assets			
Accounts receivable and accrued income	5	223,721	39,546
Loans and lending facilities	6	44,268,916	22,292,311
Equity investments	7	154,221,877	175,828,034
Investment in associate	8	113,507	303,175
Property, plant and equipment	9	497,062	515,608
Total non-current assets		**199,325,083**	**198,978,674**
Total assets		**220,151,102**	**232,399,900**
Liabilities			
Current liabilities			
Accounts payable and accrued expenses	10	7,185,742	4,347,187
Short-term borrowings	11	3,946,551	1,004,673
Deferred liabilities	17	833,333	1,000,000
Total current liabilities		**11,965,626**	**6,351,860**
Non-current liabilities			
Convertible bonds	12	26,665,000	28,299,353
Deferred liabilities	17	-	833,333
Total non-current liabilities		**26,665,000**	**29,132,686**
Total liabilities		**38,630,626**	**35,484,546**
Equity			
Stated capital	13	106,638,023	106,638,023
Revaluation surplus		319,699	319,699
Retained earnings		32,518,443	46,801,482
Accumulated other comprehensive income		2,602,340	6,563,385
Equity attributable to the shareholders of the parent		**142,078,505**	**160,322,589**
Non-controlling interest	13	39,441,971	36,592,765
Total equity		**181,520,476**	**196,915,354**
Total liabilities and equity		**220,151,102**	**232,399,900**
NAV	13	142,078,505	160,322,589
NAV per share	13	1.03	1.16

* See note 23 for details regarding the restatement because of a reclassification of the loan interest receivable.

See accompanying notes 1 to 24, which are an integral part of these consolidated financial statements. These audited Financial Statements on pages 50 to 53 were approved by the board of Directors and authorised for issue on 26 April 2023. They were signed on the Company's behalf;

Keith Corbin, Director *Trevor Bowen*, Director

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

For the year ended 31 December 2022

	Note	31 Dec 2022 US$	31 Dec 2021 US$
Income			
Dividend income	7	15,864,494	3,050,124
Interest income		2,952,459	1,924,110
Travel agency commissions		8,970	7,529
Foreign exchange gain		269,311	-
		19,095,234	**4,981,763**
Expenses			
Realised loss on equity investments		(49,130)	-
Foreign exchange loss		-	(130,198)
Interest expense on bonds		(2,628,228)	(2,176,931)
Loss on change in fair value of equity investments	7	(16,098,664)	(13,843,717)
Share of loss of associate	8	(189,668)	-
Expected credit losses	5	(6,763,633)	(12,281,408)
Management fees	17	(1,758,501)	(2,276,574)
Other staff costs		(97,321)	(72,958)
Travel		(80,163)	(54,204)
Operational costs		(286,797)	(317,361)
Legal and professional fees		(1,078,600)	(1,487,338)
Administration fees and expenses		(400,128)	(344,620)
Audit fees	22	(266,768)	(321,625)
Miscellaneous expenses		(337,572)	(305,075)
Directors' fees and expenses	15	(320,603)	(276,111)
Depreciation	9	(24,279)	(29,792)
		(30,380,055)	**(33,917,912)**
Net loss before taxation		**(11,284,821)**	**(28,936,149)**
Income taxes	3.7	-	-
Net loss for the year		**(11,284,821)**	**(28,936,149)**
Other comprehensive income			
to be reclassified to profit or loss in subsequent periods			
Loss on exchange differences of translation of foreign operations		(6,093,916)	(8,140,191)
Total comprehensive loss		**(17,378,737)**	**(37,076,340)**
Net loss for the year attributable to:			
Shareholders of the parent		(14,283,039)	(28,811,901)
Non-controlling interest		2,998,218	(124,248)
Total comprehensive gain/(loss) attributable to:			
Shareholders of the parent		(18,244,083)	(34,103,025)
Non-controlling interest		865,346	(2,973,315)
Basic and diluted loss per share	16	(0.10)	(0.21)

See accompanying notes 1 to 24, which are an integral part of these consolidated financial statements.

CONSOLIDATED STATEMENT OF CASH FLOWS

For the year ended 31 December 2022

	Note	31 Dec 2022 US$	31 Dec 2021 US$
Operating activities			
Net loss for the year		(11,284,821)	(28,936,149)
Items not affecting cash:			
Depreciation	9	24,279	29,792
Expected credit losses	5	6,763,633	12,281,408
Change in fair value of equity investments	7	16,098,664	13,843,717
Share of loss of associate	8	189,668	-
Dividend income		(15,864,494)	(3,050,124)
Interest income		(2,952,459)	(1,924,110)
Realised loss on equity investments		49,130	-
Interest expense		2,628,228	2,176,931
Foreign exchange (gain) / loss		(269,312)	130,198
		(4,617,484)	**(5,448,337)**
(Increase)/decrease accounts receivable and accrued income		(114,054)	810,460
Increase in accounts payable and accrued expenses		2,838,555	2,131,888
Non-cash movement in amortisation of deferred liability	17	(1,000,000)	(1,000,000)
Dividend income received		9,411,458	641,756
Interest income received		696,544	622,884
Net cash flows from operating activities		**7,215,019**	**(2,241,349)**
Investing activities			
Purchase of property, plant & equipment	9	(5,733)	(11,802)
Loans and lending facilities disbursed		(25,841,799)	(3,168,711)
Loans and lending facilities recovered		561,774	833,736
Net cash flows from investing activities		**(25,285,758)**	**(2,346,777)**
Financing activities			
Short term borrowings received		2,941,878	1,004,673
Issue of convertible bonds		-	29,312,500
Interest paid on convertible bonds		(2,628,228)	(2,176,931)
Cash distribution to non-controlling interest	13	-	(257,668)
Net cash flows from financing activities		**313,650**	**27,882,574**
Change in cash and cash equivalents		**(17,757,089)**	**23,294,448**
Cash and cash equivalents at beginning of the period		26,228,072	4,270,860
Foreign exchange on cash		(16,736)	(1,337,236)
Cash and cash equivalents at end of the period		**8,454,247**	**26,228,072**

See accompanying notes 1 to 24, which are an integral part of these consolidated financial statements.

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

For the year ended 31 December 2022

FOR THE YEAR ENDED 31 DECEMBER 2022	Notes	Stated Capital US$	Revaluation Surplus US$	Retained Earnings US$	Other comprehensive income[1] US$	Total Equity attributable to the parent US$	Non-controlling interest US$	Total Equity US$
Opening Balance		106,638,023	319,699	46,801,482	6,563,385	160,322,589	36,592,765	196,915,354
Revaluation of assets / Net other comprehensive income/(loss) to be reclassified to profit or loss in subsequent periods	7, 13	-	-	-	(3,961,045)	(3,961,045)	(2,132,871)	(6,093,916)
Net loss for the year	13	-	-	(14,283,039)	-	(14,283,039)	2,998,218	(11,284,821)
Capital increase/contributions during the period	13	-	-	-	-	-	1,983,859	1,983,859
Balance at 31 December 2022		**106,638,023**	**319,699**	**32,518,443**	**2,602,340**	**142,078,505**	**39,441,971**	**181,520,476**

FOR THE YEAR ENDED 31 DECEMBER 2021	Notes	Stated Capital US$	Revaluation Surplus US$	Retained Earnings US$	Other comprehensive income[1] US$	Total Equity attributable to the parent US$	Non-controlling interest US$	Total Equity US$
Opening Balance		106,638,023	319,699	75,613,383	11,854,509	194,425,614	39,823,748	234,249,362
Revaluation of assets / Net other comprehensive income/(loss) to be reclassified to profit or loss in subsequent periods	7, 13	-	-	-	(5,291,124)	(5,291,124)	(2,849,067)	(8,140,191)
Net loss for the year	13	-	-	(28,811,901)	-	(28,811,901)	(124,248)	(28,936,149)
Capital increase/contributions during the period	13	-	-	-	-	-	-	-
Cash distribution to non-controlling interest	13	-	-	-	-	-	(257,668)	(257,668)
Balance at 31 December 2021		**106,638,023**	**319,699**	**46,801,482**	**6,563,385**	**160,322,589**	**36,592,765**	**196,915,354**

[1] Relates to exchange differences on translation of foreign operations.

See accompanying notes 1 to 24, which are an integral part of these consolidated financial statements.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

1. CORPORATE INFORMATION

These consolidated financial statements for the year ended 31 December 2022 include the accounts of CEIBA Investments Limited and its subsidiaries, which are collectively referred to as the "**Group**" or "**CEIBA**".

CEIBA was incorporated in 1995 in Guernsey, Channel Islands as a registered closed-ended collective investment scheme with registered number 30083. In May 2013, the status of CEIBA changed to an unregulated investment company rather than a regulated investment fund. The status of CEIBA was changed back to a registered closed-ended collective investment scheme on 11 September 2018 under The Protection of Investors (Bailiwick of Guernsey) Law, 2020 as amended. The registered office of CEIBA is located at Les Echelons Court, Les Echelons, St Peter Port, Guernsey, GY1 1AR.

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

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

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

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

On 22 October 2018, CEIBA completed an initial public offering and listed its ordinary shares ("**Shares**") on the Specialist Fund Segment of the London Stock Exchange, where it trades under the symbol "**CBA**". The Group also entered into a management agreement, with effect from 1 November 2018, under which the Group has appointed abrdn Fund Managers Limited (previously called Aberdeen Standard Fund Managers Limited) ("**AFML**" or the "**AIFM**") as the Group's alternative investment fund manager to provide portfolio and risk management services to the Group. The AIFM has delegated portfolio management to abrdn Alternative Investments Limited (previously called Aberdeen Asset Investments Limited) (the "**Investment Manager**"). Both the AIFM and the Investment Manager are wholly-owned subsidiaries of abrdn (see note 17).

2. BASIS OF PREPARATION

2.1. Statement of compliance and basis of measurement

These consolidated financial statements have been prepared under the historical cost convention, except for certain financial instruments as disclosed in note 3.8 and certain property, plant and equipment as disclosed in note 3.11 which are measured at fair value, in accordance with International Financial Reporting Standards ("**IFRS**") as issued by the International Accounting Standards Board ("**IASB**").

2.2. Functional and presentation currency

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

2.3. Use of estimates and judgments

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

Management judgements

The key management judgements made by management in relation to the financial statements are:

a) That the Group is not an Investment Entity (see note 3.15);

b) That the Group is a Venture Capital Organisation (see note 3.16).

c) That the functional currency of the parent company (CEIBA Investments Limited) is US$ (see note 3.18).

Management estimates – valuation of equity investments

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

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

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

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

Change in Management estimates – 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.

With regards to the 31 December 2022 valuations of the properties held by Monte Barreto, Miramar and TosCuba performed by the independent valuers, the valuers have noted in their reports that their valuations have been prepared in a period of ongoing market instability as a result of the slower than expected post Covid-19 recovery of Cuba's tourism sector, continuing US Cuba sanctions and the designation of Cuba as a State Sponsor of Terrorism, the adoption of unpredictable legislative efforts in Cuba aimed at implementing new monetary reforms and Cuba's ongoing liquidity crisis. The impact on the Cuban tourism sector and the economy in general has been dramatic. In 2022, there has been a clear sign of the general recovery of the hotel industry throughout the country. However, since the tour operator business has not yet fully returned following two years of virtual closure it is still difficult to ascertain when Cuba's tourism sector and economy will fully recover to pre-pandemic levels. Any material variation from the projections of income and expense, upon which the values are based, will likely have a material impact on the valuations of the properties.

Expected credit losses in respect of dividends receivable

As explained in note 5, due to the current liquidity constraints placed upon Monte Barreto as a result of the recent Cuban monetary reforms, the timing of receipt of the historical dividends receivable is uncertain. Management has determined that, in addition to the amount impaired in the prior year, a further impairment in the amount of US$6,763,633 is appropriate.

The total amount of credit impaired receivables at year end is US$19,045,041 (2021: US$12,281,408).

Expected credit losses in respect of loans and lending facilities

Management has made an assessment of the expected credit loss over the lifetime of the loans and lending facilities, disclosed in note 6, taking into account all reasonable and supportable information that is available that includes both internal and external information and this has resulted in an assessed expected credit loss that is immaterial to the Group.

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: Recognition and Measurement ("**IFRS 9**"), on the basis of the option to do so as 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 issued but not effective for the financial year beginning 1 January 2022 and not early adopted that are relevant to the Group

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

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

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

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

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

2.8. Convertible Bonds

The 10% unsecured convertible bonds 2026 (the "**Bonds**") issued by the Company have been classified as a liability as per IAS 32. The Bonds were initially recognised at fair value and are subsequently measured at amortised cost using the effective interest rate methodology.

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

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

3.1. Consolidation

The consolidated financial statements comprise the financial statements of CEIBA and its subsidiaries as at 31 December 2022. 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 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 31 December 2022 and 31 December 2021:

Entity Name	Country of Incorporation	Equity interest held indirectly by the Group or holding entity 31 Dec 2022	31 Dec 2021
1. CEIBA Property Corporation Limited (a) (i)	Guernsey	100%	100%
1.1. GrandSlam Limited (a) (ii)	Guernsey	100%	100%
1.2. CEIBA MTC Properties Inc. (a) (iii)	Panama	100%	100%
1.2.1 Inmobiliaria Monte Barreto S.A. (b) (iv)	Cuba	49%	49%
1.3. CEIBA Tourism B.V. (a) (vii)	Netherlands	100%	100%
1.3.1. HOMASI S.A. (a) (iii)	Spain	65%	65%
1.3.1.1. Miramar S.A. (b) (v)	Cuba	50%	50%
1.3.2. Mosaico Hoteles S.A. (a) (iii)	Spain	65%	80%
1.3.2.1 TosCuba S.A. (b) (vi)	Cuba	50%	50%
1.3.3 Grupo BM Interinvest Technologies Mariel S.L. (c) (viii)	Spain	50%	50%

(a) Company consolidated at 31 December 2022 and 31 December 2021.

(b) Company accounted at fair value at 31 December 2022 and 31 December 2021.

(c) Company accounted for as an investment in associate at 31 December 2022 and 31 December 2021.

(i) Holding company for the Group's interests in real estate investments in Cuba that are facilitated by a representative office in Havana.
(ii) Operates a travel agency that provides services to international clients for travel to Cuba.
(iii) Holding company for underlying investments with no other significant assets. On 19 September 2022 the Company agreed to sell a 15% equity interest in Mosaico Hoteles S.A. to Meliã Hotels International, the sale was completed on 24 October 2022.
(iv) Joint venture company that holds the Miramar Trade Centre as its principal asset.
(v) Joint venture company that holds the Meliã Habana Hotel, Meliã Las Americas Hotel, Meliã Varadero Hotel and Sol Palmeras Hotel as its principal assets.
(vi) Joint venture company incorporated to build a beach resort hotel near Trinidad, Cuba.
(vii) Netherlands company responsible for the holding and management of the Group's investments in tourism.
(viii) Spanish company that is developing an industrial logistics warehouse project in the Special Development Zone of Mariel, Cuba.

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

3.2. Foreign currency translation

Transactions denominated in foreign currencies during the period are translated into the functional currency using the exchange rates prevailing at the date of the transactions. Monetary assets and liabilities denominated in foreign currencies are translated at the reporting date into functional currency at the exchange rate at that date. Foreign currency differences arising on translation are recognised in the consolidated statement of comprehensive income as foreign exchange income (loss).

The financial statements of foreign subsidiaries included in the consolidation are translated into the reporting currency in accordance with the method established by IAS 21, *The Effects of Changes in Foreign Exchange Rates*. Assets and liabilities are translated at the closing rates at the statement of financial position date, and income and expense items at the average rates for the period. Translation differences are taken to other comprehensive income and shown separately as foreign exchange reserves on consolidation without affecting income. Translation differences during the year ended 31 December 2022 were losses of US$6,093,916 (2021: losses of US$8,140,191).

The exchange rate used in these consolidated financial statements at 31 December 2022 is 1 Euro = US$1.0666 (2021: 1 Euro = US$1.1326).

3.3. Dividend income

Dividend income arising from the Group's equity investments is recognised in the consolidated statement of comprehensive income when the Group's right to receive payment is established.

3.4. Interest income

Interest income is accrued on a time basis, by reference to the principal outstanding and at the effective interest rate applicable. Interest income is recognised in the consolidated statement of comprehensive income.

3.5. Travel agency commissions

GrandSlam, a wholly-owned subsidiary of the Group, is a travel agency that acts as an intermediary between the customer and airlines, tour operators and hotels. GrandSlam facilitates transactions and earns a commission in return for its service. This commission may take the form of a fixed fee per transaction or a stated percentage of the customer billing, depending on the transaction and the related vendor. Commission is recognised when the respective bookings have been made.

3.6. Fees and expenses

Fees and expenses are recognised in the statement of comprehensive income on the accrual basis as the related services are performed. Transaction costs incurred during the acquisition of an investment are recognised within the expenses in the consolidated statement of comprehensive income and transactions costs incurred on share issues or placements are included within consolidated statement of changes in equity in respect of stated capital.

Transaction costs incurred on the disposal of investments are deducted from the proceeds of sale and transactions costs incurred on shares are deducted from the share issue proceeds.

3.7. Taxation

Deferred taxes are provided for the expected future tax consequences of temporary differences between the carrying amounts and tax bases of assets and liabilities using current corporation tax rate.

Deferred tax liabilities are recognised for temporary differences that will result in taxable amounts in future years. Deferred tax assets are recognised for temporary differences that will result in deductible amounts in future years. Where it is not certain that the temporary difference will be reversed no deferred taxation asset is established. At 31 December 2022 and 31 December 2021, the Group has not established any deferred tax assets or liabilities.

Guernsey	Exempt
The Netherlands	Exempt
Panama	Exempt
Spain	Exempt
Cuba (i)	15%

(i) The Cuban tax rate does not apply to the Group itself, but is rather the tax rate of the underlying Cuban joint venture companies of the equity investments and is taken into account when determining their fair value (see note 7).

3.8. Financial assets and financial liabilities

(a) Recognition and initial measurement

Financial assets measured at amortised cost

A debt instrument is measured at amortised cost if it is held within a business model whose objective is to hold financial assets in order to collect contractual cash flows and its contractual terms give rise on specified dates to cash flows that are solely payments of principal and interest on the principal ("**SPPI**") amount outstanding. The Group includes in this category current and non-current cash and cash equivalents, loans and lending facilities, accounts receivables and accrued income.

Financial assets and financial liabilities at fair value through profit or loss

Financial assets and financial liabilities at fair value through profit or loss are measured initially at fair value.

(b) Classification

The Group has classified financial assets and financial liabilities into the following categories:

Financial assets and financial liabilities classified at fair value through profit or loss:

Financial assets and financial liabilities classified in this category are those that have been designated by management upon initial recognition. Management may only classify an instrument at fair value through profit or loss upon initial recognition when one of the following criteria are met, and designation is determined on an instrument-by-instrument basis:

- The designation eliminates, or significantly reduces, the inconsistent treatment that would otherwise arise from measuring the assets or liabilities or recognising gains or losses on them on a different basis or,
- For financial liabilities that are part of a group of financial liabilities, which are managed and their performance evaluated on a fair value basis, in accordance with a documented risk management or investment strategy or,
- For financial liabilities that contain one or more embedded derivatives, unless they do not significantly modify the cash flows that would otherwise be required by the contract, or it is clear with little or no analysis when a similar instrument is first considered that separation of the embedded derivative(s) is prohibited in relation to financial liabilities.

Financial assets and financial liabilities at fair value through profit or loss are carried in the consolidated statement of financial position at fair value. Changes in fair value are recognised in the statement of comprehensive income.

Financial assets and financial liabilities measured at fair value through profit or loss are the following:

- Equity Investments are classified at fair value through profit or loss, with changes in fair value recognised in the statement of comprehensive income for the period.

Financial assets and financial liabilities measured at amortised cost:

Financial assets and financial liabilities measured at amortised cost are initially recognised at fair value, except for accounts receivables which are measured at transaction price, and are subsequently measured at amortised cost using the effective interest rate methodology, in respect of financial assets less allowance for impairment. A debt instrument is measured at amortised cost if the objective of the business model is to hold the financial asset for the collection of the contractual cash flows and the contractual cash flows under the instrument solely represent payments of principal and interest (SPPI). Amortised cost is calculated by taking into account any discount or premium on acquisition and fees and costs that are an integral part of the effective interest rate. Therefore, the Group recognises interest income using a rate of return that represents the best estimate of a constant rate of return over the expected behavioural life of the loan, hence, recognising the effect of potentially different interest rates charged at various stages, and other characteristics of the product life cycle (prepayments, penalty interest and charges). If expectations are revised the adjustment is booked as a positive or negative adjustment to the carrying amount in the statement of financial position with an increase or reduction in interest income. The adjustment is subsequently amortised through Interest and similar income in the statement of comprehensive income.

Dividend income is recognised when the Group's right to receive the income is established, which is generally when shareholders of the underlying investee companies approve the dividend. Financial assets and financial liabilities measured at amortised cost are the following:

- Accounts payable and accrued expenses
- Short-term borrowings
- Convertible bonds

(c) Fair value measurement

Fair value is the amount for which an asset can be exchanged, or a liability settled, between knowledgeable, willing parties in an arm's-length transaction on the measurement date.

The Group does not have any instruments quoted in an active market. A market is regarded as active if quoted prices are readily and regularly available and represent actual and regularly occurring market transactions on an arm's length basis.

As the financial instruments of the Group are not quoted in an active market, the Group establishes their fair values using valuation techniques. Valuation techniques include using recent arm's length transactions between knowledgeable, willing parties (if available), reference to the current fair value of other instruments that are substantially the same, estimated replacement costs and discounted cash flow analyses. The chosen valuation technique makes maximum use of market inputs, relies as little as possible on estimates specific to the Group, incorporates all factors that market participants would consider in setting a price, and is consistent with accepted economic methodologies for pricing financial instruments. Inputs to valuation techniques reasonably represent market expectations and measures of the risk-return factors inherent in the financial instrument. The Group calibrates valuation techniques and tests them for validity using prices from observable current market transactions of similar instruments or based on other available observable market data.

The best evidence of the fair value of a financial instrument at initial recognition is the transaction price, i.e. the fair value of the consideration given or received, unless the fair value of the instrument is evidenced by comparison with other observable current market transactions in other instruments that are substantially the same or based on a valuation technique whose variables include only data from observable markets.

All changes in fair value of financial assets, other than interest and dividend income, are recognised in the consolidated statement of comprehensive income as changes in fair value of financial instruments at fair value through profit or loss.

(d) Identification and measurement of impairment

IFRS 9 Financial Instruments requires the Group to measure and recognise impairment on financial assets at amortised cost based on Expected Credit Losses. The Group was required to revise its impairment methodology under IFRS 9 for each class of financial asset.

From 1 January 2018, the Group assesses on a forward-looking basis the expected credit losses ("**ECL**") associated with its debt instruments carried at amortised cost. The impairment methodology applied depends on whether there has been a significant increase in credit risk.

Investments held at fair value through profit or loss are not subject to IFRS 9 impairment requirements.

Loans receivable measured at amortised cost fall within the scope of ECL impairment under IFRS 9. As per IFRS 9, a loan has a low credit risk if the borrower has a strong capacity to meet its contractual cash flow obligations in the near term, and adverse changes in economic and business conditions in the longer term might, but will not necessarily, reduce the ability of the borrower to fulfil its obligations. For loans that are low credit risk, IFRS 9 allows a 12-month expected credit loss to be recognised.

If the credit risk of the loan increases significantly and the resulting credit quality is not considered to be low credit risk, full lifetime expected losses are recognised. Lifetime expected credit losses are only recognised if the credit risk increases significantly from when the entity originates or purchases the financial instruments but that do not have objective evidence of a credit loss event.

The Group's approach to ECLs reflects a probability-weighted outcome, the time value of money and reasonable and supportable information that is available without undue cost or effort at the reporting date about past events, current conditions and forecasts of future economic conditions.

(e) Derecognition

The Group derecognises a financial asset when the contractual rights to the cash flows from the financial asset expire, or when it transfers the financial asset in a transaction in which substantially all the risks and rewards of ownership of the financial asset are transferred or in which the Group neither transfers nor retains substantially all the risks and rewards of ownership and does not retain control of the financial asset. Any interest in transferred financial assets that qualify for derecognition that is created or retained by the Group is recognised as a separate asset or liability in the consolidated statement of financial position.

On derecognition of a financial asset, the difference between the carrying amount of the asset (or the carrying amount allocated to the portion of the asset derecognised) and the consideration received (including any new asset obtained less any new liability assumed) is recognised in the consolidated statement of comprehensive income.

The Group derecognises a financial liability when its contractual obligations are discharged or cancelled or expire.

3.9. Cash and cash equivalents

Cash and cash equivalents are defined as cash on hand and short-term deposits and other short-term highly liquid investments with remaining maturities at the time of acquisition of three months or less.

3.10. Loans and lending facilities

Loans and lending facilities comprise investments in unquoted interest-bearing debt instruments. They are carried at amortised cost. Interest receivable is included in accounts receivable and accrued income in note 5.

3.11. Property, plant and equipment

Property, plant and equipment, with the exception of works of art, held by the Group are stated at cost less accumulated depreciation and impairment. Depreciation is calculated at rates to write off the cost of each asset on a straight-line basis over its expected useful life, as follows:

Office furniture and equipment	4 to 7 years
Motor vehicles	5 years

The carrying amounts are reviewed at each statement of financial position date to assess whether they are recorded in excess of their recoverable amounts, and where carrying values exceed this estimated recoverable amount, assets are written down to their recoverable amount. Works of art are carried at their revalued amount, which is the fair value at the date of revaluation. Increases in the net carrying amount are recognised in the related revaluation surplus in shareholders' equity. Valuations of works of art are conducted with sufficient regularity to ensure the value correctly reflects the fair value at the statement of financial position date. Valuations are mostly based on active market prices, adjusted for any difference in the nature or condition of the specific asset.

3.12. Stated capital

Ordinary shares are classified as equity if they are non-redeemable, or redeemable only at CEIBA's option.

3.13. Acquisitions of subsidiary that is not a business

Where a subsidiary is acquired, via corporate acquisitions or otherwise, management considers the substance of the assets and activities of the acquired entity in determining whether the acquisition represents the acquisition of a business.

Where such acquisitions are not judged to be an acquisition of a business, they are not treated as business combinations. Rather, the cost to acquire the corporate entity or assets and liabilities is allocated between the identifiable assets and liabilities (of the entity) based on their relative values at the acquisition date. Accordingly, no goodwill or deferred taxation arises.

3.14. Investments in associates

Investments in associates are accounted for using the equity method.

The carrying amount of the investment in associates is increased or decreased to recognise the Group’s share of the profit or loss and other comprehensive income of the associate, adjusted where necessary to ensure consistency with the accounting policies of the Group.

Unrealised gains and losses on transactions between the Group and its associates are eliminated to the extent of the Group’s interest in those entities. Where unrealized losses are eliminated, the underlying asset is also tested for impairment.

3.15. Assessment of investment entity status

Entities that meet the definition of an investment entity within IFRS 10 "Consolidated Financial Statements" are required to measure their subsidiaries at fair value through profit and loss rather than consolidate them. The criteria which define an investment entity are, as follows:

- An entity that obtains funds from one or more investors for the purpose of providing those investors with investment management services;
- An entity that commits to its investors that its business purpose is to invest funds solely for returns from capital appreciation, investment income, or both; and
- An entity that measures and evaluates the performance of substantially all of its investments on a fair value basis.

The Group's objective includes providing investment management services to investors 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.

Although the principal income sources of the CEIBA is derived from the changes in fair value and dividends received from its equity investments, the Group is not limited to this type of investment. This is evidenced by CEIBA's wholly-owned subsidiary, GrandSlam Limited, that operates a travel agency providing Cuban related tourism products and services. The income from GrandSlam is shown on the face of the Consolidated Statement of Comprehensive Income as Travel Agency Commissions. Therefore the Group does not invest funds solely for returns from capital appreciation or investment income.

In addition to reviewing fair values, the Group also reports to its Directors, via internal management reports, various other performance indicators in relation to the operating performance of the investments. Therefore Management is not measuring and evaluating the performance of the investments solely on a fair value basis.

Accordingly, Management has concluded that the Group does not meet all the characteristics of an investment entity. These conclusions will be reassessed on a continuous basis, if any of these criteria or characteristics changes.

3.16. Assessment of venture capital organisation

There is no specific definition of a “venture capital organisation”. However, venture capital organisations will commonly invest in start-up ventures or investments with long-term growth potential.

Venture capital organisations will also frequently obtain board representation for the investments that it has acquired an equity interest. The Group has representation on all of the board of directors of the joint venture companies in which it has an interest and participates in strategic policy decisions of its investments but does not exercise management control.

Accordingly, Management has concluded that the Group is a venture capital organisation and has applied the exemption in IAS 28 “Investments in Associates and Joint Ventures” to measure its investments in joint venture companies at fair value through profit or loss.

3.17. 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 full-year reporting and monitoring processes. As a result, 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.

3.18. Assessment of functional currency of parent company

An entity's functional currency is the currency of the primary economic environment in which the entity operates (i.e. the environment in which it primarily generates and expends cash). Any other currency is considered a foreign currency. Management has made an assessment of the primary economic environment of the parent company, CEIBA Investments Limited, and the currency of its principal income and expenses. Based on this assessment, management has determined that the functional currency of the parent is US$.

3.19. Embedded derivatives

An embedded derivative is a component of a hybrid contract that also includes a non-derivative host- with the effect that some of the cash flows of the combined instrument vary in a way similar to a stand-alone derivative.

Derivatives embedded in hybrid contracts with a financial asset host within the scope of IFRS 9 are not separated.

Derivatives embedded in hybrid contracts with hosts that are not financial assets within the scope of IFRS 9 (e.g. financial liabilities) are treated as separate derivatives when they meet the definition of a derivative, their risks and characteristics are not closely related to those of the host contracts and the host contracts are not measured at FVTPL.

If the hybrid contract is a quoted financial liability, instead of separating the embedded derivative, the Group generally designates the whole hybrid contract at FVTPL.

An embedded derivative is presented as a non-current asset or non-current liability if the remaining maturity of the hybrid instrument to which the embedded derivative relates is more than 12 months and is not expected to be realised or settled within 12 months.

The embedded derivatives are considered by management to have no value at year end and therefore an assessment of prepayment risk and the conversion option are not considered relevant.

4. CASH AND CASH EQUIVALENTS

	31 Dec 2022	31 Dec 2021
	US$	US$
Cash on hand	15,654	51,251
Bank current accounts	8,438,593	26,176,821
	8,454,247	**26,228,072**

5. ACCOUNTS RECEIVABLE AND ACCRUED INCOME

	31 Dec 2022	31 Dec 2021
		(restated)
	US$	US$
TosCuba deposit (i)	1,030,786	3,180,786
Other accounts receivable and deposits	499,858	329,493
Dividends receivable from Miramar	-	310,596
Dividends receivable from Monte Barreto	19,045,041	12,281,408
Sale proceeds receivable from Meliã Hotels International	2,093,689	-
	22,669,374	**16,102,283**
Expected credit loss (refer to note 2.3)	(19,045,041)	(12,281,408)
	3,624,333	**3,820,875**
Current portion	**3,400,612**	**3,781,329**
Non-current portion	**223,721**	**39,546**

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

Accounts receivable and accrued income have the following future maturities:

	31 Dec 2022 US$	31 Dec 2021 US$
Up to 30 days	289,418	66,496
Between 31 and 90 days	445,768	390,797
Between 91 and 180 days	2,592,288	92,810
Between 181 and 365 days	73,138	3,231,226
Over 365 days	223,721	39,546
	3,624,333	**3,820,875**

US$19,045,041 (2021: US$12,592,004) of the accounts receivable and accrued income balance is made up of dividends receivable. The impairment on the dividend's receivable has been assessed high in the case of Monte Barreto in terms of the 3 stage model per IFRS 9 by assessing the credit risk of the counterparty who declared the dividend. The delay in payment of the dividends receivable from Monte Barreto is due in part to the current liquidity position of the Cuban financial system caused by the pandemic, increased U.S. sanctions and the transitional effects of the Cuban monetary reforms. The dividend receivable is assessed at Stage 3 (same as for the year ended 31 December 2021) of the IFRS ECL impairment model and accordingly, management has made an assessment of the expected credit loss over time taking into account all reasonable and supportable information that is available, which includes both internal and external information. Management has determined that receipt of the current year dividend is uncertain in the coming period and that it should be impaired in full in line with the assessement in the prior year. As a result, the total amount of credit impaired receivables at year end related to Monte Barreto is US$19,045,041 (2021: US$12,281,408). Management is discussing with the Cuban shareholder in the joint venture company alternative ways to recover the impaired dividends receivable, however the outcome is currently uncertain.

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

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

The total amount of credit impaired receivables at year end is US$19,045,041 (2021: US$12,281,408).

6. LOANS AND LENDING FACILITIES

	31 Dec 2022 US$	31 Dec 2021 (restated) US$
TosCuba S.A. (i)	44,268,916	21,815,648
Casa Financiera FINTUR S.A. (ii)	1,410,240	1,983,499
Miramar Facility (iii)	6,984,438	1,338,673
Grupo B.M. Interinvest Technologies Mariel S.L. (iv)	576,482	566,316
	53,240,076	**25,704,136**
Current portion	**8,971,160**	**3,411,825**
Non-current portion	**44,268,916**	**22,292,311**

(i) In April 2018, the Group entered into a construction finance facility agreement (the "**Construction Facility**") with TosCuba S.A for the purpose of extending to TosCuba part of the funding necessary for the construction of the Meliã Trinidad Península Hotel. The Construction Facility was originally executed in the maximum principal amount of up to US$45,000,000, divided into two separate tranches of US$22,500,000 each. The terms of the facility were amended in August 2021 to take into account a new direct construction process and other circumstances and in particular the maximum principal amount of Tranche B thereof was increased to US$29,000,000. The increased principal of Tranche B includes an amount that may be used for the purchase and installation of solar panels to limit the hotel's dependence on electricity from the national grid and contribute to CEIBA's strategic ESG goals. The Group has a 65% participation in Tranche A of the Construction Facility and an 82% participation in Tranche B. The Group has the right to syndicate Tranche B of the Construction Facility to other lenders.

The principal terms of the Construction Facility include, (i) a grace period for principal and interest during the construction period of the hotel, (ii) upon expiry of the grace period, accumulated interest will be repaid, followed by a repayment period of 8-10 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 repayment period is expected to commence in 2024.

The first disbursement under the Construction Facility was made on 23 November 2018. Repayment of the Construction Facility is secured by an assignment in favour of the lenders of all of the future income of the Meliã Trinidad Península Hotel following start-up of operations. In addition, Tranche B of the Construction Facility is also secured by a guarantee provided by Cubanacán S.A., Corporaciön de Turismo y Comercio Internacional ("**Cubanacán**" - the Cuban shareholder of TosCuba) as well as by Cubanacán's dividend entitlements in Miramar.

The Construction Facility represents a financial asset, based on the terms of the loan the loan is not repayable on demand and there is no expectation to be repaid within 12 months since there is a grace period during the construction period of the hotel and a further 8-10 year payment period for principal and interest. The loan is assessed at Stage 2 (same as for the year ended 31 December 2021) of the IFRS ECL impairment model, which therefore requires management to assess the expected credit loss over the lifetime of the loan. Accordingly, management has made an assessment of the expected credit loss over the lifetime of the loan taking into account all reasonable and supportable information that is available, which includes both internal and external information and this has resulted in an assessed expected credit loss that is immaterial to the Group. Management believes the probability of default is low due to the fact that the repayment of the facility is secured by the future income of the hotel, which will be in the form of Euro-denominated off-shore tourism proceeds payable to TosCuba. As well, repayment of Tranche B has also been guaranteed by Cubanacán and is further secured by Cubanacán's dividend entitlements in Miramar. Payments of the facility are scheduled to begin once the hotel starts operations.

In August 2022, the Company's subsidiary HOMASI took a US$5,220,000 participation in Tranche B of the Construction Facility, representing an 18% interest therein. The participation of HOMASI has been fully disbursed.

In September 2022, Meliã Hotels International agreed to acquire from the Company a US$3,375,000 additional participation in Tranche A of the Construction Facility, representing a 15% interest therein, bringing the total participation of Meliã Hotels International in Tranche A of the Construction Facility to US$7,875,000, representing 35% of the total Tranche. The additional participation will be assigned to Meliã Hotels International at the time payment is received. It has been agreed that three payments of US$1,125,000 each will be made on or before 10 February 2023, 10 March 2023 and 10 April 2023, respectively.

As at 31 December 2022, the loan principle was US$38,937,911 (2021: US$18,708,861) and loan interest receivable was US$5,331,005 (2021: US$3,106,787).

(ii) In July 2016, the Group arranged and participated in a €24,000,000 (US$25,598,400 equivalent at 31 December 2022) syndicated facility provided to Casa Financiera FINTUR S.A. ("**FINTUR**"). The facility was subsequently amended in May 2019 through the addition of a second tranche in the principal amount of €12,000,000 (US$12,799,200 equivalent at 31 December 2022). The Group had an initial participation of €4,000,000 (US$4,266,400 equivalent at 31 December 2022) under the first tranche and a €2,000,000 (US$2,133,200 equivalent at 31 December 2022) participation under the second tranche. The term of the facility was due to expire in June 2021 but, with the closure of nearly all Cuban hotels as a result of the Covid-19 pandemic, an additional grace period was granted and the term was extended to September 2023. The facility has a fixed interest rate of 8%, and under the renegotiated terms interest was accumulated until 31 December 2020 and then paid in quarterly instalments. With effect from 1 April 2020, the Company and FINTUR agreed to revise the remaining outstanding payments under the FINTUR facility (combining the two tranches into a new single tranche C) and to provide a one-year period of grace on the payment of principal, with a two-year principal payment period thereafter. The first principal payment of the new Tranche C fell due on 30 June 2021 but subsequently the principal payments of 30 June, 30 September and 31 December 2021 were waived and have been prorated amongst the remaining scheduled principal payment dates as a result of the continued closure of the hotels serving as security for payment of the facility. Similarly, the principal payments of 30 June and 30 September 2022 were waived and rescheduled to 30 June and 30 September 2023, respectively. The payment of interest and principal on the facility was current at 31 December 2022. This facility is secured by Euro-denominated off-shore tourism proceeds payable to FINTUR by certain international hotel operators managing hotels in Cuba. The loan to FINTUR represents a financial asset. The loan is not repayable on demand. In the prior year, the FINTUR facility had a significant increase in credit risk since its initial recognition. The loan is assessed at Stage 2 (same as for the year ended 31 December 2021) of the IFRS ECL impairment model which therefore requires management to assess the expected credit loss over the lifetime of the loan. Accordingly, management has made an assessment of the expected credit loss over the lifetime of the loan taking into account all reasonable and supportable information that is available, which includes both internal and external information, and this has resulted in an assessed expected credit loss that is immaterial to the Group.

As at 31 December 2022, the principal amount of €1,295,693 (US$1,381,986) (2021: €1,716,667 (US$1,943,760)) was outstanding and loan interest receivable was €26,490 (US$28,254) (2021: €35,096 (US$39,739)).

(iii) The Company's subsidiary HOMASI (the foreign shareholder of Miramar) executed a US$7 million confirming and discounting facility with Miramar for the purpose of confirming and discounting supplier invoices relating to the operations of the four Hotels owned by the joint venture company. The facility is financed in part by a €4.5 million credit line received by HOMASI from a Spanish bank for this purpose (see note 11). The Miramar facility is secured by the cash flows generated by the Hotels of Miramar. At 31 December 2022, a total of US$6,984,438 (2021: US$1,338,673) was disbursed under the Miramar facility. The loan is not repayable on demand. The Miramar facility had a significant increase in credit risk since its initial recognition. The loan is assessed at Stage 2 (same as for the year ended 31 December 2021) of the IFRS ECL impairment model which therefore requires management to assess the expected credit loss over the lifetime of the loan. Accordingly, management has made an assessment of the expected credit loss over the lifetime of the loan taking into account all reasonable and supportable information that is available that includes both internal and external information and this has resulted in an assessed expected credit loss that is immaterial to the Group.

(iv) In May 2021, the Group entered into a Convertible Loan Agreement in the principal amount of €500,000 (US$533,300 equivalent at 31 December 2022) with Grupo B.M. Interinvest Technologies Mariel S.L. ("**GBM Mariel**"). The loan has an annual interest rate of 5% and an original term of 6 months which was subsequently extended to 10 May 2024. The loan principal and accrued interest is convertible into common shares of GBM Mariel following the conversion of the company from an S.L. (limited liability company) to a S.A. (company limited by shares). No assessment of the ECL associated with the convertible loans was done by the Group as the balance is immaterial.

As at 31 December 2022, the loan interest receivable was €40,486 (US$43,182) (2021: €nil).

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

	31 Dec 2022	31 Dec 2021 (restated)
	US$	US$
Up to 30 days	1,043,423	39,739
Between 31 and 90 days	2,088,166	817,597
Between 91 and 180 days	2,832,449	1,181,363
Between 181 and 365 days	3,007,122	1,373,126
Over 365 days	44,268,916	22,292,311
	53,240,076	**25,704,136**

7. EQUITY INVESTMENTS

	31 Dec 2022	31 Dec 2021
	US$	US$
Miramar S.A.	98,637,088	94,511,908
Inmobiliaria Monte Barreto S.A.	50,234,789	67,692,462
TosCuba S.A.	5,350,000	13,623,664
	154,221,877	**175,828,034**

	Miramar (i)	Monte Barreto	TosCuba (ii)	Total
	US$	US$	US$	US$
Balance at 31 December 2020	**103,184,163**	**81,433,887**	**13,000,000**	**197,618,050**
Foreign currency translation reserve	(7,946,299)	-	-	**(7,946,299)**
Change in fair value of equity investments	(725,956)	(13,741,425)	623,664	**(13,843,717)**
Balance at 31 December 2021	**94,511,908**	**67,692,462**	**13,623,664**	**175,828,034**
Foreign currency translation reserve	(5,507,493)	-	-	(5,507,493)
Change in fair value of equity investments	9,632,673	(17,457,673)	(8,273,664)	(16,098,664)
Balance at 31 December 2022	**98,637,088**	**50,234,789**	**5,350,000**	**154,221,877**

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

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

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

Monte Barreto

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

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

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

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

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

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

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 31 December 2022, the amount of Excess Cash that is included in the fair value of Monte Barreto stated in these financial statements is US$7,702,789 (2021: US$9,529,462).

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:

	31 Dec 2022	31 Dec 2021
Discount rate (after tax) (i)	18.2%	12.8%
Occupancy year 1	95%	96.2%
Average occupancy year 2 to 8	96.1%	96.5%
Occupancy year 8 and subsequent periods	97%	97.0%
Average rental rates per square meter per month – year 1 to 6	US$26.48	US$26.33
Annual increase in rental rates subsequent to year 6 (ii)	3.0%	2.5%
Capital investments as percentage of rental revenue	3%	3%

(i) The effective tax rate is estimated to be 19% (2021: 19%).

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

At 31 December 2022, the Group holds 65% of the equity of HOMASI, representing a 32.5% interest in Miramar. The remaining 35% interest in HOMASI is held by Meliã Hotels International, representing a 17.5% interest in Miramar, and has been accounted for as a non-controlling interest in these consolidated financial statements.

Key assumptions used in the estimated fair value of Miramar:

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

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

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 31 December 2022, the amount of Excess Cash that is included in the fair value of Miramar stated in these financial statements is US$6,887,088 (2021: US$10,411,908). 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:

Meliã Habana	31 Dec 2022	31 Dec 2021
Discount rate (after tax) (i)	16.6%	14.7%
Average occupancy year 1 to 3	63.1%	60.0%
Occupancy year 4 and subsequent periods	70.0%	70.0%
Average daily rate per room – year 1	US$125.00	US$127.50
Average increase in average daily rate per room – year 2 to 6	12.7%	6.1%
Increase in average daily rate per room subsequent to year 6 (ii)	3.5%	3.0%
Capital investments as percentage of total revenue	7%	7%

Meliã Las Américas	31 Dec 2022	31 Dec 2021
Discount rate (after tax) (iii)	15.8%	14.4%
Average occupancy year 1 to 3	75%	60%
Occupancy year 4 and subsequent periods	80.0%	79.3%
Average daily rate per room – year 1	US$135.11	US$120.56
Average increase in average daily rate per room – year 2 to 6	8.2%	10.6%
Increase in average daily rate per room subsequent to year 6 (ii)	3.5%	3.0%
Capital investments as percentage of total revenue	7%	7%

Meliã Varadero	31 Dec 2022	31 Dec 2021
Discount rate (after tax) (iii)	15.8%	14.4%
Average occupancy year 1 to 3	67.0%	62.3%
Occupancy year 4 and subsequent periods	80.0%	79.3%
Average daily rate per room – year 1	US$114.93	US$108.02
Average increase in average daily rate per room – year 2 to 6	4.6%	4.9%
Increase in average daily rate per room subsequent to year 6 (ii)	3.5%	3.0%
Capital investments as percentage of total revenue	7%	7%

Sol Palmeras	31 Dec 2022	31 Dec 2021
Discount rate (after tax) (iii)	15.8%	14.4%
Average occupancy year 1 to 3	69.3%	66.3%
Occupancy year 4 and subsequent periods	80.0%	80.7%
Average daily rate per room – year 1	US$103.34	US$94.91
Increase in average daily rate per room – year 2	7.5%	5%
Average increase in average daily rate per room – year 3 to 6	4.0%	3.1%
Increase in average daily rate per room subsequent to year 6 (ii)	3.5%	3.0%
Capital investments as percentage of total revenue	7%	7%

(i) The effective tax rate is estimated to be 19% (2021: 19%).

(ii) The increase in the average daily rate per room in subsequent periods is in-line with the estimated rate of long-term inflation.

(iii) The effective tax rate is estimated to be 21% (2021: 21%).

TosCuba

At 31 December 2022, the Group owned an indirect 65% interest (2021: 80% interest) in Mosaico Hoteles, which in turn has a 50% equity interest in TosCuba, a Cuban joint venture company that is developing a 400 room 4-star hotel at Playa Maria Aguilar near the city of Trinidad, Cuba. The Group has made capital contributions of US$8,000,000 (2021: US$8,000,000) to TosCuba.

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

As at 31 December 2022, all structural works had been completed and the project reached an overall completion level of approximately 90%, with the construction of the hotel scheduled to be completed in the summer of 2023. Following soft opening activities, the full ramp-up of hotel operations is expected prior to the start of Cuba's 2023-2024 high season.

Key assumptions used in the estimated fair value of TosCuba

At 31 December 2021, the Directors determined that the cost to date on the project approximated the fair value of TosCuba.

At 31 December 2022, the fair value of the equity investment in TosCuba is determined by the Directors taking into consideration various factors, including estimated future cash flows from the investment in US$, estimated replacement costs, transactions in the private market and other available market evidence to arrive at an appropriate value. The Group also engages an independent valuation firm to perform independent valuations in US$ of the property held by the joint venture.

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:

TosCuba	31 Dec 2022
Discount rate (after tax) (i)	19.25%
Average occupancy year 1 to 5	61.0%
Occupancy year 6 and subsequent periods	70.0%
Average daily rate per room – year 1	US$154.00
Average increase in average daily rate per guest – year 2 to 5	11.3%
Increase in average daily rate per guest subsequent to year 5 (ii)	3.5%
Capital investments as percentage of total revenue– year 1 to 4	4.5%
Capital investments as percentage of total revenue subsequent to year 4	7%

(i) TosCuba has been granted a tax holiday and therefore has an effective tax rate of nil.

(ii) The increase in the average daily rate per room in subsequent periods is in-line with the estimated rate of long-term inflation.

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

The discounted cash flow models include estimates of the future rental rates / average daily rates of the joint venture companies. Actual rental rates / average daily rates may differ from these estimates due to several factors including the general business climate and economic conditions, the strength of the overall tourism market and the influence of competitors. Therefore, the following tables detail the change in fair values of the equity investments, when applying what management considers to be the reasonable possible spread in rental rates / average daily rates of between 15% lower and 15% higher compared to the rates used in these consolidated financial statements.

The following table details the fair values of the equity investments at 31 December 2022 when applying lower rental rates / average daily rates:

	Financial statements US$	-5% US$	-10% US$	-15% US$
Monte Barreto	50,234,789	48,203,975	46,173,161	44,142,346
Miramar	98,637,088	94,262,023	89,886,959	85,511,895
TosCuba	5,350,000	3,750,000	2,250,000	650,000

The following table details the fair values of the equity investments at 31 December 2022 when applying higher rental rates / average daily rates:

	Financial statements US$	+5% US$	+10% US$	+15% US$
Monte Barreto	50,234,789	52,265,603	54,296,417	56,327,232
Miramar	98,637,088	103,012,153	107,387,218	111,761,881
TosCuba	5,350,000	6,900,000	8,450,000	10,000,000

The following table details the fair values of the equity investments at 31 December 2021 when applying lower rental rates / average daily rates:

	Financial statements US$	-5% US$	-10% US$	-15% US$
Monte Barreto	67,692,462	64,822,429	61,952,395	59,082,362
Miramar	94,511,908	90,812,298	87,106,569	83,384,347

The following table details the fair values of the equity investments at 31 December 2021 when applying higher rental rates / average daily rates:

	Financial statements US$	+5% US$	+10% US$	+15% US$
Monte Barreto	67,692,462	70,562,495	73,432,528	76,302,561
Miramar	94,511,908	98,211,518	101,911,129	105,610,740

Sensitivity to changes in the occupancy rates

The discounted cash flow models include estimates of the future occupancy rates of the joint venture companies. Actual occupancy rates may differ from these estimates due to several factors including the general business climate and economic conditions, the strength of the overall tourism market and the influence of competitors. Therefore, the following tables detail the change in fair values of the equity investments, when applying what Management considers to be the reasonable possible spread in occupancy rates of between 15% lower and 15% higher compared to the rates used in these consolidated financial statements.

The following table details the fair values of the equity investments at 31 December 2022 when applying lower occupancy rates:

	Financial statements	-5%	-10%	-15%
	US$	US$	US$	US$
Monte Barreto	50,234,789	48,237,936	46,242,399	44,248,424
Miramar	98,637,088	92,849,062	87,061,036	81,273,011
TosCuba	5,350,000	3,000,000	650,000	-

The following table details the fair values of the equity investments at 31 December 2022 when applying higher occupancy rates:

	Financial statements	+5%	+10%	+15%
	US$	US$	US$	US$
Monte Barreto (i)	50,234,789	52,232,760	n/a	n/a
Miramar	98,637,088	104,425,115	110,210,803	115,989,148
TosCuba	5,350,000	7,700,000	10,050,000	12,400,000

(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 2021 when applying lower occupancy rates:

	Financial statements	-5%	-10%	-15%
	US$	US$	US$	US$
Monte Barreto	67,692,462	64,839,935	61,988,052	59,136,932
Miramar	94,511,908	89,683,071	84,828,731	79,946,598

The following table details the fair values of the equity investments at 31 December 2021 when applying higher occupancy rates:

	Financial statements	+5%	+10%	+15%
	US$	US$	US$	US$
Monte Barreto (i)	67,692,462	69,620,366	n/a	n/a
Miramar	94,511,908	99,340,746	104,169,585	108,998,426

(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 discount and capitalisation rates used in the discounted cash flow models have been estimated taking into account various factors including the current risk-free interest rate, country risk rate and other industry factors. Different methodologies or assumptions may lead to an increase or decrease in the discount and capitalisation rates. Therefore, the following tables detail the change in fair values of the equity investments when applying what Management considers to be the reasonable possible spread in the discount and capitalisation rates of between 3% lower and 3% higher compared to the rates used in these consolidated financial statements. The following table details the fair values of the equity investments at 31 December 2022 when applying lower discount and capitalization rates:

	Financial statements US$	-1% US$	-2% US$	-3% US$
Monte Barreto	50,234,789	52,680,308	55,478,922	58,716,821
Miramar	98,637,088	107,217,993	117,354,859	129,514,044
TosCuba	5,350,000	7,750,000	10,500,000	13,700,000

The following table details the fair values of the equity investments at 31 December 2022 when applying higher discount and capitalisation rates:

	Financial statements US$	+1% US$	+2% US$	+3% US$
Monte Barreto	50,234,789	48,077,503	46,158,695	44,439,556
Miramar	98,637,088	91,279,540	84,901,708	79,320,982
TosCuba	5,350,000	3,250,000	1,350,000	-

The following table details the fair values of the equity investments at 31 December 2021 when applying lower discount and capitalisation rates:

	Financial statements US$	-1% US$	-2% US$	-3% US$
Monte Barreto	67,692,462	73,048,490	79,662,418	88,048,776
Miramar	94,511,908	102,737,618	112,607,405	124,671,680

The following table details the fair values of the equity investments at 31 December 2021 when applying higher discount and capitalisation rates:

	Financial statements US$	+1% US$	+2% US$	+3% US$
Monte Barreto	67,692,462	63,261,635	59,531,353	56,344,447
Miramar	94,511,908	87,550,431	81,582,595	76,410,376

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 amount of cash on hand required for working capital purposes may fluctuate due to a change in the aging of receivables and payables of the joint venture companies. Management believes that the maximum amount of cash that would be required to be kept on hand would not exceed three months of operating expenses. Therefore, the following table details the changes in fair values of the equity investments at 31 December 2022 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 consolidated financial statements.

	Financial statements US$	+1 month US$	+2 months US$	+3 months US$
Monte Barreto	50,234,789	50,042,574	49,850,360	49,658,145
Miramar	98,637,088	96,468,302	94,299,516	92,130,730
TosCuba	5,350,000	5,350,000	5,350,000	5,350,000

The following table details the changes in fair values of the equity investments at 31 December 2021 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 consolidated financial statements.

	Financial statements US$	+1 month US$	+2 months US$	+3 months US$
Monte Barreto	67,692,462	67,479,165	67,265,868	67,052,571
Miramar	94,511,908	92,633,477	90,755,047	88,876,616

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 31 December 2022 and 2021, however this is considered unlikely and therefore the related sensitivities have not been shown.

Dividend income from equity investments

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

	31 Dec 2022 US$	31 Dec 2021 US$
Monte Barreto	8,169,610	2,550,124
Miramar	7,694,884	500,000
	15,864,494	**3,050,124**

Financial information of joint venture companies

The principal financial information of the joint venture companies for the years ended 31 December 2022 and 2021 is as follows:

	Monte Barreto (i)		Miramar (i)		TosCuba (ii)	
	2022	2021	2022	2021	2022	2021
	US$	US$	US$	US$	US$	US$
	000's	000's	000's	000's	000's	000's
Cash and equivalents	55,481	42,366	40,096	38,547	1,309	4,026
Other current assets	2,006	1,666	26,838	22,498	20,691	4,028
Non-current assets	44,054	45,419	132,593	131,653	68,319	54,163
Current financial liabilities	41,446	27,428	19,805	16,610	8,485	2,026
Other current liabilities	-	-	-	-	-	-
Non-current financial liabilities	3,833	3,820	587	569	54,592	32,958
Other non-current liabilities	-	-	-	-	-	-
Revenue	22,664	22,557	72,441	19,579	-	-
Financial income	-	735	-	-	-	-
Financial expense	45	43	2,552	5,860	-	-
Depreciation and amortisation	1,448	1,653	6,373	7,255	-	-
Taxation paid (recovered)	2,657	2,754	3,326	(2,226)	-	-
Profit (loss) from continuing operations	14,734	15,600	18,562	(9,578)	-	-
Other comprehensive income	-	-	-	-	-	-
Total comprehensive income (loss)	14,734	15,600	18,562	(9,578)	-	-

(i) Figures obtained from financial statements prepared under IFRS.

(ii) Figures obtained from financial statements prepared under Cuban GAAP. The difference in accounting standard has no impact in the consolidated financial statements.

8. INVESTMENT IN ASSOCIATE

	31 Dec 2022 US$	31 Dec 2021 US$
Grupo B.M. Interinvest Technologies Mariel S.L.	113,507	303,175
	113,507	**303,175**

The movements of the investment in associated were the following:

	31 Dec 2022 US$	31 Dec 2021 US$
Balance at beginning of year	303,175	303,175
Share of net loss of associate	(189,668)	-
Balance at end of year	**113,507**	**303,175**

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

9. PROPERTY, PLANT AND EQUIPMENT

	Motor vehicles US$	Office furniture and equipment US$	Works of art US$	Total US$
Cost:				
At 1 January 2021	374,502	190,784	463,300	**1,028,586**
Additions	-	11,802	-	**11,802**
At 31 December 2021	374,502	202,586	463,300	**1,040,388**
Additions	-	5,733	-	**5,733**
At 31 December 2022	374,502	208,319	463,300	**1,046,121**
Accumulated Depreciation:				
At 1 January 2021	342,310	152,678	-	**494,988**
Charge	12,243	17,549	-	**29,792**
At 31 December 2021	354,553	170,227	-	**524,780**
Charge	8,866	15,413	-	**24,279**
At 31 December 2022	363,419	185,640	-	**549,059**
Net book value:				
At 1 January 2021	32,192	38,106	463,300	**533,598**
At 31 December 2021	19,949	32,359	463,300	**515,608**
At 31 December 2022	11,083	22,679	463,300	**497,062**

10. ACCOUNTS PAYABLE AND ACCRUED EXPENSES

	31 Dec 2022	31 Dec 2021
	US$	US$
Due to shareholders	5,141	5,457
Due to Meliã Hotels International	10,878	10,878
Due to Miramar	3,112,511	801,426
Accrued professional fees	261,285	312,921
Management fees payable (see note 17)	3,193,984	2,978,727
Other accrued expenses	259,220	221,877
Deferred revenue	335,713	-
Other accounts payable	7,010	15,901
	7,185,742	**4,347,187**
Current portion	**7,185,742**	**4,347,187**
Non-current portion	-	-

The future maturity profile of accounts payable and accrued expenses is as follows:

	31 Dec 2022	31 Dec 2021
	US$	US$
Up to 30 days	6,984,157	1,124,902
Between 31 and 90 days	90,293	1,540,653
Between 91 and 180 days	90,292	521,779
Between 181 and 365 days	21,000	1,159,853
	7,185,742	**4,347,187**

11. SHORT-TERM BORROWINGS

	31 Dec 2022	31 Dec 2021
	US$	US$
Short-term finance facility (i)	3,946,551	1,004,673
	3,946,551	**1,004,673**

(i) The amount represents the balance outstanding of a €4.5 million credit line received by HOMASI from a Spanish bank for the purpose of financing the Miramar confirming and discounting facility (see note 6).

12. CONVERTIBLE BONDS

	31 Dec 2022	31 Dec 2021
	US$	US$
Convertible bonds issued (i)	29,312,500	29,312,500
Foreign exchange movements	(2,647,500)	(1,013,147)
	26,665,000	**28,299,353**
Current portion	-	-
Non-current portion	**26,665,000**	**28,299,353**

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

After three years, the Company may redeem the Bonds in advance of their expiry in principal amounts of €2,500,000 or multiples thereof.

The interest expense related to the Bonds during the year was US$2,628,228 (2021: US$2,176,931).

The future maturity profile of the Bonds is as follows:

	31 Dec 2022	31 Dec 2021
	US$	US$
Greater than 365 days	26,665,000	28,299,353
	26,665,000	**28,299,353**

13. STATED CAPITAL AND NET ASSET VALUE

Authorised

The Group has the power to issue an unlimited number of shares. The issued shares of the Group are ordinary shares of no par value.

Issued

The following table shows the movement of the issued shares during the year:

Stated capital	Number of ordinary shares	Stated capital US$
Stated capital at 31 December 2021	**137,671,576**	**106,638,023**
Stated capital at 31 December 2022	**137,671,576**	**106,638,023**

Net asset value

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

	31 Dec 2022	31 Dec 2021
	US$	US$
Total assets	220,151,102	232,399,900
Total liabilities	(38,630,626)	(35,484,546)
Less: non-controlling interests	(39,441,971)	(36,592,765)
NAV	**142,078,505**	**160,322,589**
Number of ordinary shares issued	137,671,576	137,671,576
NAV per share	**1.03**	**1.16**

Non-controlling interest

At 31 December 2022, the non-controlling interest corresponds to the 35% participation of Meliã Hotels International in the equity of HOMASI (2021: 35%) and the 35% participation of Meliã Hotels International in the equity of Mosaico Hoteles (2021: 20%).

The non-controlling interests in the above companies are as follows:

	31 Dec 2022	31 Dec 2021
	US$	US$
Non-controlling interest in HOMASI	37,763,447	33,923,378
Non-controlling interest in Mosaico Hoteles	1,678,524	2,669,387
Total non-controlling interests	**39,441,971**	**36,592,765**

The movement of the non-controlling interests is as follows:

	31 Dec 2022 US$	31 Dec 2021 US$
Initial balance	36,592,765	39,823,748
Interest of non-controlling interest in net income/(loss)	2,998,218	(124,248)
Net other comprehensive loss to be reclassified to profit or loss in subsequent periods	(2,132,871)	(2,849,067)
Interest acquired by non-controlling interest	1,983,859	-
Cash distribution to non-controlling interest	-	(257,668)
Final balance	**39,441,971**	**36,592,765**

The movement of the non-controlling interest in HOMASI is as follows:

	31 Dec 2022 US$	31 Dec 2021 US$
Initial balance	33,923,378	37,235,538
Interest of non-controlling interest in net income/(loss)	5,977,445	(205,425)
Net other comprehensive loss to be reclassified to profit or loss in subsequent periods	(2,137,376)	(2,849,067)
Cash distribution to non-controlling interest	-	(257,668)
Final balance	**37,763,447**	**33,923,378**

The movement of the non-controlling interest in Mosaico Hoteles is as follows:

	31 Dec 2022 US$	31 Dec 2021 US$
Initial balance	2,669,387	2,588,210
Interest of non-controlling interest in net income	(2,979,227)	81,177
Net other comprehensive income to be reclassified to profit or loss in subsequent periods	4,505	-
Interest acquired by non-controlling interest	1,983,859	-
Final balance	**1,678,524**	**2,669,387**

The principal financial information of HOMASI and Mosaico Hoteles for the years ended 31 December 2022 and 2021 is as follows:

	HOMASI		Mosaico Hoteles	
	2022 US$ 000's	2021 US$ 000's	2022 US$ 000's	2021 US$ 000's
Current assets	16,704	4,313	69	256
Non-current assets	98,637	94,526	5,350	13,624
Current liabilities	(7,446)	(1,915)	(557)	(533)
Equity	(107,895)	(96,924)	(4,862)	(13,347)
Income	17,909	861	-	633
Expenses	(827)	(2,184)	(8,551)	(227)
Depreciation	(3)	-	-	-
Taxation	-	-	-	-
Net (loss)/income for the year	17,079	(1,323)	(8,551)	406
Other comprehensive (loss)/ income	(6,107)	(8,140)	13	-
Total comprehensive (loss)/ income	10,972	(9,463)	(8,538)	406

14. REPORTABLE OPERATING SEGMENTS

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

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

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

	31 Dec 2022 US$			
	Commercial property	Tourism / Leisure	Other	Total
Total assets	53,985,920	122,549,914	43,615,268	**220,151,102**
Total liabilities	(127,485)	(7,547,510)	(30,955,631)	**(38,630,626)**
Total net assets	**53,858,435**	**115,002,404**	**12,659,637**	**181,520,476**
Dividend income	8,169,610	7,694,884	-	**15,864,494**
Interest income	-	689,139	2,263,320	**2,952,459**
Realised loss	-	(49,130)	-	**(49,130)**
Other income	-	8,970	-	**8,970**
Change in fair value of equity investments	(17,268,004)	1,169,340	-	**(16,098,664)**
Share of loss of associate	-	-	(189,668)	**(189,668)**
Interest expense	-	-	(2,628,228)	**(2,628,228)**
Allocated expenses	(7,637,690)	(1,499,316)	(2,277,359)	**(11,414,365)**
Foreign exchange gain	-	-	269,311	**269,311**
Net loss	**(16,736,084)**	**8,013,887**	**(2,562,624)**	**(11,284,821)**
Other comprehensive loss	-	(6,093,916)	-	**(6,093,916)**
Total comprehensive loss	**(16,736,084)**	**1,919,971**	**(2,562,624)**	**(17,378,737)**
Other segment information:				
Property, plant and equipment additions	-	5,733	-	**5,733**
Depreciation	16,636	7,643	-	**24,279**

	31 Dec 2021 US$			
	Commercial property	Tourism / Leisure	Other	Total
Total assets	80,622,834	131,124,444	20,652,622	**232,399,900**
Total liabilities	(2,042,488)	(5,142,705)	(28,299,353)	**(35,484,546)**
Total net assets	78,580,346	125,981,739	(7,646,731)	**196,915,354**
Dividend income	2,550,124	500,000	-	**3,050,124**
Interest income	-	370,064	1,554,046	**1,924,110**
Other income	-	7,529	**-**	**7,529**
Change in fair value of equity investments	(13,741,425)	(102,292)	-	**(13,843,717)**
Interest expense	-	-	(2,176,931)	**(2,176,931)**
Allocated expenses	(13,371,754)	(2,307,409)	(2,087,903)	**(17,767,066)**
Foreign exchange loss	-	-	(130,198)	**(130,198)**
Net income	(24,563,055)	(1,532,108)	(2,840,986)	**(28,936,149)**
Other comprehensive income	-	(8,140,191)	-	**(8,140,191)**
Total comprehensive income/(loss)	**(24,563,055)**	**(9,672,299)**	**(2,840,986)**	**(37,076,340)**
Other segment information:				
Property, plant and equipment additions	2,120	9,682	-	**11,802**
Depreciation	24,674	5,118	-	**29,792**

15. RELATED PARTY DISCLOSURES

Compensation of Directors

Each Director receives a fee of £35,000 (US$42,137) per annum with the Chairman receiving £40,000 (US$48,156). The Chairman of the Audit Committee also receives an annual fee of £40,000 (US$48,156). The Chairman and Directors are also reimbursed for other expenses properly incurred by them in attending meetings and other business of the Group. No other compensation or post-employment benefits are provided to Directors. Total Directors' fees, including the fees of the Chairman, for the year ended 31 December 2022 were US$320,603 (year ended 31 December 2021: US$276,111).

Transactions with other related parties

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

CPC and GrandSlam, wholly owned subsidiaries of the Group, lease office space totalling 319 square meters from Monte Barreto, a commercial property investment in which the Group holds a 49% interest. The rental charges paid under these leases are accounted for in operational costs and for the year ended 31 December 2022 amounted to US$23,734 (2021: US$12,555) with an average rental charge per square meter at 31 December 2022 of US$37.67 (2021: US$18.84) plus an administration fee of US$10.94 (2021: US$6.07) per square meter. The Group has elected to use the recognition exemption for lease contracts that, at the commencement date, have a lease term of 12 months or less and do not contain a purchase option.

Transactions with Investment Manager

AFML is a wholly owned subsidiary of abrdn plc which has an interest at 31 December 2022 in 9,746,532 shares of the stated capital (2021: 9,747,852). For further discussion regarding transactions with the Investment Manager see note 17.

Interests of Directors and Executives in the stated capital

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

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

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

At 31 December 2022 Colin Kingsnorth, a Director of CEIBA, is a director and shareholder of Ursus Capital Limited, which holds 12,253,680 shares (2021: 12,252,338 shares).

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

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

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

Interests of Directors, Executives and Shareholders in the Convertible Bonds

At 31 December 2022, Directors had an interest of €nil (US$nil), Executives had an interest of €400,000 (US$426,640), and Shareholders of CEIBA had a interest of €10,500,000 (US$11,199,300) in the Bonds (see note 12).

At 31 December 2021, Directors had an interest of €nil (US$nil), Executives had an interest of €nil (US$nil), and Shareholders of CEIBA had a interest of €10,900,000 (US$12,345,340) in the Bonds (see note 12).

16. BASIC AND DILUTED LOSS PER SHARE

Basic loss per share

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

	31 Dec 2022 US$	31 Dec 2021 US$
Weighted average of ordinary shares in issue	137,671,576	137,671,576
Net loss for the year attributable to the shareholders	(14,283,039)	(28,811,901)
Basic loss per share	(0.10)	(0.21)

Diluted loss per share

The diluted loss per share is considered to be equal to the basic loss per share, as the impact of senior unsecured convertible bonds on loss per share is anti-dilutive for the period(s) presented. The Bonds could potentially dilute basis earning per share in the future.

17. INVESTMENT MANAGER

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

Pursuant to the terms of the Management Agreement, AFML is responsible for portfolio and risk management on behalf of the Group and will carry out the on-going oversight functions and supervision and ensure compliance with the applicable requirements of the AIFM Rules. Under the terms of the Management Agreement, AFML is entitled, with effect from 1 November 2018, to receive an annual management fee at the rate of 1.5 per cent of Total Assets. For this purpose, the term Total Assets means the aggregate of the assets of the Company less liabilities on the last business day of the period to which the fee relates payable within 14 days (excluding from liabilities any proportion of principal borrowed for investment and treated in the accounts of the Company as current liabilities). The annual management fee payable by the Group to AFML 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 year ended 31 December 2022 were US$2,758,501 (2021: US$3,276,574). During 2020, in order to assist the Group with its cash flow requirements the Investment Manager agreed to defer payment of a portion of its fees earned during 2020 totaling US$1,154,396 until 2023.

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

In connection with the Management Agreement, AFML paid the Group US$5,000,000 for the purpose of compensating the Group for the costs related to the initial public offering and the listing of its shares on the SFS as well as for releasing and making available the Group's internal management team to AFML. In the event that the Management Agreement is terminated prior to the fifth anniversary of its coming into effect, the Group must pay to AFML 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 and the original effective interest rate applied in calculating the instruments amortised cost is materially equal to a market interest rate. At 31 December 2022, the amount of the payment recorded as a deferred liability is US$833,333 (2021: US$1,833,333) with US$833,333 (2021: US$1,000,000) being the current portion and US$nil (2021: US$833,333) being the non-current portion.

For the year ended 31 December 2022, the amount of the payment amortised and recorded as a reduction of the management fee expense in the consolidated statement of comprehensive income was US$1,000,000 (2021: US$1,000,000):

	31 Dec 2022	31 Dec 2021
	US$	US$
Management fees earned	2,758,501	3,276,574
Amortisation of deferred liability	(1,000,000)	(1,000,000)
Management fee expense	**1,758,501**	**2,276,574**

18. COMMITMENTS AND CONTINGENCIES

Lease commitments

The rental charges paid under leases accounted for in operational costs of the statement of comprehensive income for the year ended 31 December 2022 amounted to US$23,734 (2021: US$12,555).

TosCuba Construction Facility

In April 2018, the Group entered into the TosCuba Construction Facility for the purpose of extending to TosCuba part of the funding necessary for the construction of the Meliã Trinidad Península Hotel. The Construction Facility is in the maximum principal amount of US$51,500,000, divided into two separate tranches: Tranche A of US$22,500,000 and Tranche B of US$29,000,000. As at 31 December 2022, the full US$22,500,000 of Tranche A has been disbursed (2021: US$22,500,000) and US$20,937,910 of Tranche B has been disbursed (2021: $708,860). The Group has the right to syndicate Tranche B of the Construction Facility to other lenders (see note 6).

In August 2021, the TosCuba Construction Facility was amended for the purpose, amongst others, of (i) increasing the principal amount of Tranche B to US$29,000,000, and (ii) modifying the security received by the Group. The prior security assignment relating to the Meliã Santiago de Cuba Hotel was released and a new secondary guarantee was received from Miramar in support of the primary guarantee received from Cubanacán (see note 6).

FINTUR Facility

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

The Group has a successful 20-year track record of arranging and participating in over €150 million of facilities extended to FINTUR, with no defaults occurring during this period.

The Company had a €4,000,000 participation in Tranche A as well as a €2,000,000 participation in Tranche B of the most recent facility executed in March 2016 and amended in 2019. The total four-year facility had a full principal amount of €36,000,000 with an 8% interest rate. The facility was operating successfully without delay or default until March 2020, at which time all Cuban hotels were ordered to be closed as a result of the Covid-19 pandemic. The lenders subsequently granted a further grace period to FINTUR and consolidated all amounts then outstanding under the two existing tranches into a new Tranche C. As at 31 December 2022, the principal amount of €1,295,693 (US$1,381,986) (2021: €1,716,667 (US$1,943,760)) was outstanding under the Company's participation in Tranche C of the facility.

19. FINANCIAL RISK MANAGEMENT

Introduction

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

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

Market risk

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

(i) Foreign currency risk

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

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

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

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

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

Effect of the variation in the foreign exchange rate	Income (loss) 31 Dec 2022	Equity 31 Dec 2022	Income (loss) 31 Dec 2021	Equity 31 Dec 2021
%	US$	US$	US$	US$
+15	3,249,077	(1,448,050)	(523,606)	530,915
+20	4,332,103	(1,930,734)	(698,142)	707,886
-15	(3,249,077)	1,448,050	523,606	(530,915)
-20	(4,332,103)	1,930,734	698,142	(707,886)

(ii) Interest rate risk

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

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

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

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

	Total US$	Fixed rate US$	Floating rate US$	Non-interest bearing US$
31 December 2022				
Equity investments (US$)	154,221,877	-	-	154,221,877
Loans and lending facilities (€)	1,986,722	1,915,286	-	71,436
Loans and lending facilities (US$)	51,253,354	45,922,349	-	5,331,005
Accounts receivable and accrued income (US$)	1,454,413	-	-	1,454,413
Accounts receivable and accrued income (€)	2,169,920	-	-	2,169,920
Cash at bank (€)	7,376,221	-	-	7,376,221
Cash at bank (US$)	1,067,816	-	-	1,067,816
Cash on hand (GBP)	241	-	-	241
Cash on hand (€)	5,117	-	-	5,117
Cash on hand (US$)	6,046	-	-	6,046
Cash on hand (CUP)	4,249	-	-	4,249
Short-term borrowings (€)	(3,946,551)	(3,946,551)	-	-
Convertible bonds (€)	(26,665,000)	(26,665,000)	-	-

	Total US$	Fixed rate US$	Floating rate US$	Non-interest bearing US$
31 December 2021 (restated)				
Equity investments (US$)	176,131,209	-	-	176,131,209
Loans and lending facilities (€)	2,906,010	2,866,271	-	39,739
Loans and lending facilities (US$)	22,798,126	19,691,339	-	3,106,787
Accounts receivable and accrued income (US$)	3,573,617	-	-	3,573,617
Accounts receivable and accrued income (€)	247,258	-	-	247,258
Cash at bank (€)	25,434,352	-	-	25,434,352
Cash at bank (US$)	731,041	-	-	731,041
Cash at bank (GBP)	11,427	-	-	11,427
Cash on hand (GBP)	270	-	-	270
Cash on hand (€)	6,319	-	-	6,319
Cash on hand (US$)	10,010	-	-	10,010
Cash on hand (CUC)	34,602	-	-	34,602
Short-term borrowings (€)	(1,004,673)	(1,004,673)	-	-
Convertible bonds (€)	(28,299,353)	(28,299,353)	-	-

Credit risk

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

Maximum exposure to credit risk

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

	31 Dec 2022	31 Dec 2021 (restated)
	US$	US$
Loans and lending facilities	53,240,076	25,704,136
Future loan commitments (TosCuba Construction Facility) (i)	8,062,090	28,291,140
Accounts receivable and accrued income (ii)*	22,669,374	16,102,283
Cash and cash equivalents	8,454,247	26,228,072
Total maximum exposure to credit risk	**92,425,787**	**96,325,631**

* Accounts receivable and accrued income after ECL is US$3,624,333 (2021: US$3,820,875) (see note 5).

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

(ii) US$19,045,041 (2021: US$12,592,004) of the accounts receivable and accrued income balance is made up of dividends receivable. The impairment on the dividends receivable has been assessed high in the case of Monte Barreto in terms of the 3 stage model per IFRS 9 by assessing the credit risk of the counterparty who declared the dividend. The delay in payment of the dividends receivable from Monte Barreto is due in part to the current liquidity position of the Cuban financial system caused by the pandemic, increased U.S. sanctions and the transitional effects of the Cuban monetary reforms. The dividend receivable is assessed at Stage 3 (same as for the year ended 31 December 2021) of the IFRS ECL impairment model and accordingly, management has made an assessment of the expected credit loss over time taking into account all reasonable and supportable information that is available that includes both internal and external information. Due to the current liquidity constraints placed upon Monte Barreto as a result of the recent Cuban monetary reforms, the timing of receipt of the historical dividends receivable is uncertain. Management has determined that receipt of the current year's dividend is uncertain and that it should be impaired in full. As a result, the total amount of credit impaired receivables at year end related to Monte Barreto is US$19,045,041 (2021: US$12,281,408).

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	31 Dec 2022 US$	31 Dec 2021 US$
Cash at bank			
Cuba	Caa2	1,065,823	727,453
Guernsey	A2	-	21,828,192
Spain	Ba3	1,956,248	1,631,197
Spain	A2	200,164	19,048
Spain	Baa2	5,092,602	1,826,198
Spain	A3	123,756	144,733
		8,438,593	**26,176,821**
Cash in hand			
Cuba		15,654	51,251
		15,654	**51,251**
Total cash and cash equivalents		**8,454,247**	**26,228,072**

Guarantees received

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

Liquidity risk

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

Although the Group has a number of liabilities (see note 10 - Accounts payable and accrued expenses, note 11 - Short-term borrowings and note 18 - commitments and contingencies), Management assesses the liquidity risk of the Group to be low because the Group has a sufficient amount of cash and cash equivalents.

On 31 March 2021, the Company completed the issue of €25,000,000 (US$29,312,500 equivalent at date of issue) in Bonds (see note 12). The Bonds have a term of 5 years expiring on 31 March 2026, an interest rate of 10.00%, payable quarterly, and are convertible at the option of the Bondholders to Ordinary Shares of the Company. The Group currently has sufficient cash and cash equivalents to cover the quarterly interest payments.

The estimated timing of the undiscounted contracted cash flows associated with the Bonds issued on 31 March 2021 including interest and principal payments are as follows:

	31 Dec 2022 US$	31 Dec 2021 US$
Between 1 and 30 days	**-**	-
Between 31 and 90 days	**666,625**	707,875
Between 91 and 180 days	**674,032**	715,740
Between 181 and 1 year	**1,362,878**	1,447,211
Between 1-2 years	**2,710,942**	2,870,826
Between 2-3 years	**2,703,535**	2,878,692
Between 3-4 years	**27,331,625**	2,870,826
Between 4-5 years	**-**	29,022,875
	35,449,637	**40,514,045**

The Group also has entered into the Construction Facility for the purpose of extending to TosCuba part of the funding necessary for the construction of the Meliã Trinidad Península Hotel (see note 6). The Construction Facility is in the maximum principal amount of US$51,500,000, divided into two separate tranches: Tranche A of US$22,500,000 and Tranche B of US$29,000,000. As at 31 December 2022, the full US$22,500,000 of Tranche A has been disbursed (2021: US$22,500,000) and US$20,937,910 of Tranche B has been disbursed (2021: US$708,860). The Group has the right to syndicate Tranche B of the Construction Facility to other lenders.

The principal of the Construction Facility is to be disbursed gradually in accordance with the construction schedule and the supply of materials and equipment for the hotel. Prior to the Covid-19 pandemic, it was anticipated that the full amount of the Construction Facility would be disbursed by the end of 2020. However, the timing of construction has been affected by the pandemic and consequently the disbursement of the principal under the Construction Facility has been delayed. The Group currently has sufficient cash and cash equivalents to cover the full disbursement of the Construction Facility.

The estimated timing of cash outflows under the TosCuba Construction Facility entered into in April 2018 are as follows:

	31 Dec 2022	31 Dec 2021
	US$	US$
Between 1 and 30 days	1,028,162	1,279,779
Between 31 and 90 days	3,386,295	1,813,996
Between 91 and 180 days	3,471,707	6,887,133
Between 181 and 1 year	175,926	15,185,406
Between 1-2 years	-	3,124,826
	8,062,090	**28,291,140**

Capital management

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

The capital base managed by the Group is composed of stated capital, reserves and retained profits that amount at 31 December 2022 and 2021 to a total of US$181,520,476 and US$196,915,354, respectively. The Group is not subject to external capital requirements.

20. FAIR VALUE DISCLOSURES

The fair values of accounts receivable and accrued income (excluding loan interest) balances after adjusting for expected credit losses (see note 5) are considered to approximate their carrying amount largely due to the short-term maturities and credit quality of these instruments. The fair value of loans and lending facilities (and interest) receivables are considered to approximate their carrying amount largely due to the fixed interest rates considered to be in line with market, as well as due to the maturities, security provided and credit quality of these instruments (see notes 6 and 19 for further details).

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 as described in note 3.8 (c). For financial instruments that trade infrequently and have little price transparency, fair value is less objective, and requires varying degrees of judgement depending on liquidity, concentration, uncertainty of market factors, pricing assumptions and other risks affecting the specific instrument.

Critical accounting judgements in applying the Group’s accounting estimates

Valuation of financial instruments

The Group’s accounting policy on fair value measurements is discussed in note 3.8 (c).

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 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:

	31 Dec 2022 US$			
	Level 1	Level 2	Level 3	Total
Financial assets at fair value through profit or loss				
Equity investments	-	-	154,221,877	154,221,877
	-	-	**154,221,877**	**154,221,877**

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

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

	31 Dec 2022	31 Dec 2021
Unlisted private equity investments	US$	US$
Initial balance	175,828,034	197,618,050
Total gains recognised in income or loss	(16,098,664)	(13,843,717)
Foreign currency translation reserve	(5,507,493)	(7,946,299)
Final balance	**154,221,877**	**175,828,034**
Total losses for the year included in income or loss relating to assets and liabilities held at the end of the reporting year	(16,098,664)	(13,843,717)
	(16,098,664)	**(13,843,717)**

21. 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.

		31 Dec 2022 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	-	8,454,247	-	8,454,247
Accounts receivable and accrued income	5	-	3,624,333	-	3,624,333
Loans and lending facilities	6	-	53,240,076	-	53,240,076
Equity investments	7	154,221,877	-	-	154,221,877
Investment in associate	8	-	113,507	-	113,507
		154,221,877	**65,432,163**	**-**	**219,654,040**
Accounts payable and accrued expenses	10	-	-	7,185,742	7,185,742
Short-term borrowings	11	-	-	3,946,551	3,946,551
Convertible bonds	12	-	-	26,665,000	26,665,000
Deferred liabilities	17	-	-	833,333	833,333
		-	-	**38,630,626**	**38,630,626**

	Note	31 Dec 2021 (restated) US$ 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	-	26,228,072	-	26,228,072
Accounts receivable and accrued income	5	-	3,820,875	-	3,820,875
Loans and lending facilities	6	-	25,704,136	-	25,704,136
Equity investments	7	175,828,034	-	-	175,828,034
Investment in associate	8	-	303,175	-	303,175
		175,828,034	**56,056,258**	**-**	**231,884,292**
Accounts payable and accrued expenses	10	-	-	4,347,187	4,347,187
Short-term borrowings	11	-	-	1,004,673	1,004,673
Convertible bonds	12	-	-	28,299,353	28,299,353
Deferred liabilities	17	-	-	1,833,333	1,833,333
		-	-	**35,484,546**	**35,484,546**

There were no reclassifications of financial assets during the year ended 31 December 2022 (year ended 31 December 2021: nil).

22. AUDIT FEES

Audit fees incurred for the year were as follows:

	31 Dec 2022 US$	31 Dec 2021 US$
Audit fee expense	266,768	321,625

23. RESTATEMENT OF PRIOR YEAR FINANCIAL POSITION

In the 2021 Financial Statements the loan interest receivable was included within Accounts receivable and accrued income (note 5). This has been reclassified and is now disclosed in Loans and lending facilities (note 6). The total loan interest receivable is unchanged. The reason for the change in presentation is to comply with IFRS 7 – Financial Instruments: Disclosures and IFRS 9 – Financial Instruments. No third balance sheet is required as the adjustment in the statement of financial position at the beginning of the preceding period is not material.

The impact on the Statement of Financial Position is shown in the table below:

	31 Dec 2021	Reclasification	31 Dec 2021 (Restated)
	US$	US$	US$
Current Assets			
Accounts receivable and accrued income	3,821,068	(39,739)	3,781,329
Loans and lending facilities	3,372,086	39,739	3,411,825
Total current assets	33,421,226	-	33,421,226
Non-Current Assets			
Accounts receivable and accrued income	3,146,333	(3,106,787)	39,546
Loans and lending facilities	19,185,524	3,106,787	22,292,311
Total non-current assets	198,978,674	-	198,978,674

24. EVENTS AFTER THE REPORTING PERIOD

Increase of HOMASI participation in Tranche B of TosCuba Construction Facility

On 17 February 2023, the Company assigned to HOMASI, a subsidiary in which the Company has a 65% equity interest, an additional participation in Tranche B of the TosCuba Construction Facility in the principal amount of US$580,000, representing a 2% participation in Tranche B and thereby increasing the participation of HOMASI from 18% to 20%. Future disbursements under the TosCuba Construction Facility will be made by HOMASI until its pro rata share of Tranche B will have been disbursed.

Termination of abrdn Management Agreement

On 26 April 2023, a Heads of Terms was executed between the Company, abrdn Fund Managers Limited, abrdn Alternative Investments Limited and 4K Keys Limited that provides, amongst others, for (i) the termination of the management agreement dated 31 May 2018 between the Company and abrdn Fund Managers Limited under which abrdn Fund Managers Limited was appointed as the alternative investment fund manager of the Company, and (ii) the internalisation of management through the direct contracting of the services of Sebastiaan Berger, Cameron Young, Paul Austin and companies owned and controlled by them. The Heads of Terms stipulate that it is the intention of the parties, subject to the execution of detailed agreements and other conditions, that the transactions contemplated thereunder will be completed and take effect on or before 30 June 2023. In addition, the preliminary agreement confirms that certain outstanding but unpaid management fees will be deferred and paid over a two-and-a-half-year period beginning in January 2024.

INVESTOR INFORMATION

COMPANY BACKGROUND / HISTORY

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

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

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

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

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

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

WEBSITE

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

INVESTOR WARNING

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

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

DIRECT

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

SHAREHOLDER ENQUIRIES

For internet users, detailed data on the Company, including price, performance information and regular Company updates are available from the Company's website (www.ceibalimited.co.uk).

In the event of queries regarding their holdings of shares, lost certificates, dividend payments, registered details, etc., Shareholders holding their shares in the Company directly should contact the registrars, Link Group, at 10th Floor, Central Square, 29 Wellington Street, Leeds, LS1 4DL or Tel: 0371 664 0391. Lines are open 9.00 a.m. to 5.30 p.m. (London Time) Monday to Friday. Calls may be recorded and monitored randomly for security and training purposes. Changes of address must be notified to the registrars in writing.

Any general enquiries about the Company should be directed to the Company Secretary, NSM Funds Limited or by email to operations@nsmfunds.com.

LITERATURE REQUEST SERVICE

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

Telephone: 0808 500 4000

Email: inv.trusts@abrdn.com

KEY INFORMATION DOCUMENT ("KID")

The KID relating to the Company and published by AFML can be found on AFML's website:

www.invtrusts.co.uk/en/investmenttrusts/literature-library.

DISCRETIONARY PRIVATE CLIENT STOCKBROKERS

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

INDEPENDENT FINANCIAL ADVISERS

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

REGULATION OF STOCKBROKERS

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

NOTE

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

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

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

GLOSSARY OF TERMS AND DEFINITIONS AND ALTERNATIVE PERFORMANCE MEASURES

TERMS AND DEFINITIONS

Abacus	Arlington Consulting – Consultadoria Imobiliaria Limitada, trading under the name Abacus.
abrdn	abrdn plc.
AGM	The Annual General Meeting of the Company to be held on 28 June 2023.
AIC	The Association of Investment Companies - the AIC is the trade body for closed-ended investment companies (www.theaic.co.uk).
AIFMD	The Alternative Investment Fund Managers Directive - The AIFMD is European legislation which created a European-wide framework for regulating managers of 'alternative investment funds' (AIFs). It is designed to regulate any fund which is not a UCITS (Undertakings for Collective Investments in Transferable Securities) fund and which is managed/marketed in the EU. The Company has been designated as an AIF.
Alternative Performance Measure or APM	An alternative performance measure is a financial measure of historical or future financial performance, financial position, or cash flows, other than a financial measure defined or specified in the applicable financial reporting framework.
abrdn Fund Managers Limited, AFML or the AIFM	abrdn Fund Managers Limited is a wholly owned subsidiary of abrdn plc and acts as the Alternative Investment Fund Manager for the Group. AFML is authorised and regulated by the Financial Conduct Authority.
Bondholders	Registered holders of the Bonds.
Bonds	€25 million 10.00% senior unsecured convertible bonds due 2026.
CEIBA or the Company	CEIBA Investments Limited.
CEIBA MTC Properties	CEIBA MTC Properties Inc., a subsidiary of the Company.
CEIBA Tourism	CEIBA Tourism B.V., a subsidiary of the Company.
Construction Facility	The construction finance agreement entered into by the Group on 30 April 2018 and amended on 19 August 2021 in connection with the construction of the Meliã Trinidad Península Hotel.
Countervalue Fund	The countervalue fund created under the Debt Conversion Programme.
CPC	CEIBA Property Corporation Limited, a subsidiary of the Company.
Cubanacán	Cubanacán S.A., Corporación de Turismo y Comercio Internacional, a Cuban company.
CUP	Cuban Pesos, the lawful currency of Cuba.
Debt Conversion Programme	The Spanish Cuban Debt Conversion Programme created by agreements between Spain and Cuba dated 2 November 2015 and 4 May 2016.
Depositary	NSM Funds Limited, an entity regulated by the Guernsey Financial Services Commission to provide Independent Depositary services for the Company and AFML.
Discount	The amount by which the market price per share of an investment trust is lower than the NAV per share. The discount is normally expressed as a percentage of the NAV per share.
Dividend	Income from an investment in shares.
Dividend yield	The annual dividends expressed as a percentage of the current share price.
EBITDA	Earnings Before Interest, Tax, Depreciation & Amortisation, a measure of the overall financial performance.
ECL	Expected credit loss.
Excess Cash	Cash held by a joint venture company in excess of its working capital needs.
Financial Conduct Authority or FCA	The FCA issues the Listing Rules and is responsible for the regulation of AFML.
GBM Mariel	Grupo B.M. Interinvest Technologies Mariel S.L., a Spanish company in which the Group has a 50% interest.
Gearing	Investment Trusts can 'gear' or borrow money to invest but unit trusts are limited in this respect. Gearing can magnify a fund's return; however, a geared investment is riskier because of the borrowed money.
GrandSlam	GrandSlam Limited, a subsidiary of the Company.
Gross Asset Value	The aggregate value of the total assets of the Company as determined in accordance with the accounting principles adopted by the Company from time to time.
Group	CEIBA and its consolidated subsidiaries.

HOMASI	HOMASI S.A., a subsidiary of the Company.
Hotels or Hotel Assets	The Meliã Habana Hotel and the Varadero Hotels.
IFRS	International Financial Reporting Standards as issued by the International Accounting Standards Board.
Investment Manager	The Group's Alternative Investment Fund Manager is abrdn Fund Managers Limited which is authorised and regulated by the Financial Conduct Authority. Day to day management of the portfolio has been delegated to abrdn Alternative Investments Limited. abrdn Alternative Investments Limited and AFML are collectively referred to as the Investment Manager.
IPO	The initial public offering of the Company carried out simultaneously with Listing on the SFS on 22 October 2018.
Key Performance Indicators or KPIs	Key Performance Indicators are factors by reference to which the development, performance or position of the business of the Company can be measured effectively.
Listing	The Company's shares were listed on the Specialist Fund Segment of the London Stock Exchange on 22 October 2018.
Management Agreement	The management agreement executed between the Company and AFML on 31 May 2018.
Market Capitalisation	A measure of the size of an investment Group calculated by multiplying the number of shares in issue by the price of the shares.
Meliã Habana Hotel	The Meliã Habana Hotel located in Havana, Cuba.
Meliã Hotels International	Meliã Hotels International S.A.
Meliã Las Américas Hotel	The Meliã Las Américas Hotel located in Varadero, Cuba.
Meliã Trinidad Península Hotel	The Meliã Trinidad Península Hotel development project located near Trinidad, Cuba.
Meliã Varadero Hotel	The Meliã Varadero Hotel located in Varadero, Cuba.
Miramar	Miramar S.A., a Cuban joint venture company in which the Group has an equity interest.
Monte Barreto	Inmobiliaria Monte Barreto S.A., a Cuban joint venture company in which the Group has an equity interest.
Mosaico Hoteles	Mosaico Hoteles S.A., a subsidiary of the Company.
Net Asset Value or NAV	The value of total assets less liabilities attributable to the shareholders of the Company (excluding non-controlling interests). Liabilities for this purpose includes current and long-term liabilities. The NAV divided by the number of shares in issue produces the NAV per share.
NAV Total Return	A measure showing how the NAV per share has performed over a period of time, taking into account both capital returns and dividends paid to shareholders. The AIC shows NAV total return as a percentage change from the start of the period. It assumes that dividends paid to shareholders are reinvested at NAV at the time the shares are quoted ex-dividend. NAV total return shows performance which is not affected by movements in discounts and premiums. It also takes into account the fact that different investment companies pay out different levels of dividends.
Ongoing Charges	Ratio of expenses as percentage of average daily shareholders' funds calculated as per the AIC's industry standard method.
Ordinary Shares or Shares	Ordinary shares of the Company.
Other Cuban Assets	Other Cuba-related businesses in which the Company may invest in accordance with its Investment Policy.
Premium	The amount by which the market price per share of an investment trust exceeds the NAV per share. The premium is normally expressed as a percentage of the NAV per share.
Prior Charges	The name given to all borrowings including debentures, long term loans and short-term loans and overdrafts used for investment purposes, reciprocal foreign currency loans, currency facilities to the extent that they are drawn down, index-linked securities, and all types of preference or preferred capital and the income shares of split capital trusts, irrespective of the time until repayment.
Prospectus	A formal document that provides details about an investment offering for sale to the public. A prospectus is used to help investors make a more informed investment decision. The Company's prospectus is available on the Company's website at www.ceibalimited.co.uk.
RevPAR	Revenue per available room.
SFS	The Specialist Fund Segment of the Main Market of the London Stock Exchange.
Sol Palmeras Hotel	The Sol Palmeras Hotel located in Varadero, Cuba.

TosCuba	TosCuba S.A., a Cuban joint venture company in which the Group has an equity interest.
TosCuba Project	The Meliã Trinidad Peninsula Hotel development project located near Trinidad, Cuba, presently under construction and being carried out by TosCuba.
Total assets	The total assets less current liabilities as shown on the Balance Sheet with the addition of Prior Charges (as defined above).
Total Return	Total Return involves reinvesting the net dividend in the month that the share price goes ex-dividend. The NAV Total Return involves investing the same net dividend in the NAV of the Company on the date to which that dividend was earned, eg quarter end, half year or year end date.
Varadero Hotels	The Meliã Las Américas Hotel, the Meliã Varadero Hotel and the Sol Palmeras Hotel.

ALTERNATIVE PERFORMANCE MEASURES

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

Discount to NAV

The discount reflects the amount by which the share price of the Company is below the NAV per share expressed as a percentage of the NAV per share. As at 31 December 2022, the share price was 40.5p / US$0.48 and the net asset value per share was 85.7p / US$1.03, and the discount was therefore 52.7%.

NAV Return

The table below provides information relating to the NAV of the Company for the years ending 31 December 2021 and 2022.

	2022 US$	2021 US$
Opening NAV per share	1.16	1.41
Closing NAV per share	1.03	1.16
Capital return	(11.4%)	(17.5%)

Ongoing charges

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

The table below provides information relating to the ongoing charges of the Company for the years ending 31 December 2022 and 2021.

	2022 US$	2021 US$
Total Expenses per statement of comprehensive income	**30,380,055**	**33,917,912**
Adjustments (items to exclude):		
Realised loss on equity investments	(49,130)	-
Foreign exchange loss	-	(130,198)
Interest expense on bonds	(2,628,228)	(2,176,931)
Loss on change in fair value of equity investments	(16,098.664)	(13,843,717)
Share of loss of associate	(189,668)	-
Expected credit losses	(6,763,633)	(12,281,408)
Non-recurring bond issuance costs	-	(395,228)
Total Annualised ongoing charges	**4,650,732**	**5,090,430**
Average undiluted net asset value in the period	**152,887,789**	**181,554,628**
Ongoing charges (%)	**3.04%**	**2.80%**

NOTICE OF ANNUAL GENERAL MEETING

THIS DOCUMENT IS IMPORTANT AND REQUIRES YOUR IMMEDIATE ATTENTION. If you are in any doubt as to the action you should take, you are recommended to seek immediately your own personal financial advice from your stockbroker, bank manager, solicitor, accountant, or other independent professional adviser.

If you have sold or transferred all of your registered holding of Shares, please forward this document and the documents accompanying it to the purchaser or transferee or to the stockbroker, bank or other agent through or by whom the sale or transfer was effected for onward transmission to the purchaser or transferee. If you have sold or transferred part only of your registered holding of Shares, please contact the stockbroker, bank or other agent through whom the sale or transfer was effected.

CEIBA INVESTMENTS LIMITED

(Company Registration no. 30083)
(a non-cellular company limited by shares incorporated under the laws of the Island of Guernsey)
(the "**Company**")

NOTICE OF ANNUAL GENERAL MEETING OF THE COMPANY

to be held on 28 June 2023

Notice of the Annual General Meeting of Shareholders of the Company to be held at Les Echelons Court, Les Echelons, St. Peter Port, Guernsey GY1 1AR, Channel Islands on 28 June 2023 at 2.00 p.m. is set out in Appendix 1 to this document.

The Notice of Annual General Meeting contained in this document sets out the business to be carried out by way of ordinary and extraordinary resolutions to be proposed at the Meeting. The Meeting will be chaired by the Chairman of the Board or, in his absence, by a chairman to be elected at the meeting.

The quorum for the Meeting is at least two members present in person or by proxy. At the Meeting, the ordinary resolutions will be decided on a show of hands (unless a poll is requested) and on a show of hands every shareholder who is present in person or by proxy will have one vote. In order to be validly passed, the resolutions which are proposed as ordinary resolutions will need to be approved by not less than 50% of shareholders, present in person or by proxy and entitled to vote. For extraordinary resolutions these will be decided on a show of hands (unless a poll is requested) and on a show of hands every shareholder who is present in person or by proxy will have one vote. In order to be validly passed, the resolutions which are proposed as extraordinary resolutions will need to be approved by not less than 75% of shareholders, present in person or by proxy and entitled to vote.

If, within half an hour from the appointed time for the Meeting, a quorum is not present, then the Meeting will stand adjourned for 14 days at the same time and place. No notice of adjournment will be given.

CEIBA INVESTMENTS LIMITED

(Company registration number 30083)
(a non-cellular company limited by shares incorporated under the laws of the Island of Guernsey)
(the "**Company**")

Registered office:
Les Echelons Court, Les Echelons,
St. Peter Port, Guernsey
GY1 1AR, Channel Islands

26 April 2023

Dear Shareholders,

The purpose of this document is to give notice of the Annual General Meeting of the Company scheduled for 28 June 2023 at 2.00 p.m. (the "**Meeting**"). The formal Notice of the Meeting is set out in Appendix 1 of this document.

In addition to the ordinary business of the Meeting, there are also two extraordinary resolutions being proposed. Details of the ordinary and extraordinary business to be proposed at the Meeting are set out below.

Matters to be dealt with at AGM:

The resolutions that will be put to Members at the Meeting are as follows:

(a) as to ordinary business (Resolutions 1-10):

i. to receive and adopt the Consolidated Financial Statements and Directors' Report for the year ended 31 December 2022;

ii. to ratify the appointment of Grant Thornton Limited as Auditors of the Company until the next Annual General Meeting of the Company and authorise the Board to determine their remuneration; and approve the remuneration;

iii. to propose the re-election of Trevor Bowen, Keith Corbin, Peter Cornell, John Herring, Colin Kingsnorth and Jemma Freeman as directors of the Company until the conclusion of the next Annual General Meeting of the Company; and

iv. to authorise the Company to buy back up to 10% of Ordinary Shares in issue as at the date of the resolution.

(b) as to extraordinary business (Resolution 11):

i. to authorise the Directors generally to issue securities of the Company representing up to 10% of the Ordinary Shares, as if the pre-emption rights provided under Article 6.2 of the Articles of the Company did not apply.

The authority conferred by Resolutions 10-11, if passed, will lapse 15 months from the date of passing the Resolution, or the conclusion of the Annual General Meeting of the Company held in 2024.

Resolutions 1-10 will be proposed as ordinary resolutions. Resolution 11 will be proposed as an extraordinary resolution.

An ordinary resolution requires a simple majority of the votes cast by Members entitled to vote and present in person or by proxy to be cast in favour in order for it to be passed. An extraordinary resolution requires a majority of at least 75% of the votes cast by Members entitled to vote and present in person or by proxy to be cast in favour in order for it to be passed.

All Members are entitled to attend and vote at the Meeting. In accordance with the Articles, all Members entitled to vote and present in person or by proxy at the Meeting shall upon a show of hands have one vote and upon a poll shall have one vote in respect of each Ordinary Share held. In order to ensure that a quorum is present at the Meeting, it is necessary for two or more Members present in person or by proxy.

The formal Notice convening the Annual General Meeting is set out in Appendix 1 of this document.

Actions to be taken:

If you hold your ordinary shares in certificated form, your proxy vote must be submitted at www.signalshares.com so as to have been received by the Company's registrars, not less than 48 hours (excluding weekends and public holidays) before the time appointed for the meeting or any adjournment of it. To register you will need your Investor Code which can be found on your share certificate. By registering on the Signal shares portal at www.signalshares.com, you can manage your shareholding, including:

- cast your vote
- change your dividend payment instruction
- update your address
- select your communication preference

If you need help with voting online please contact our Registrar, Link Group by email at shareholderenquiries@linkgroup.co.uk , or you may call Link on 0371 664 0391 if calling from the UK, or +44 371 664 0391 if calling from outside of the UK. Calls are charged at the standard geographic rate and will vary by provider. Calls from outside the United Kingdom will be charged at the applicable international rate. Lines are open 9.00 a.m. - 5.30 p.m. (London time), Monday to Friday (excluding public holidays in England and Wales).

Alternatively, if you hold your ordinary shares in uncertificated form through CREST, appoint your proxy through the CREST proxy appointment service as detailed in notes 9 - 11 of the Notes to the Notice of the Meeting.

A Form of Proxy is set out in the Notice attached as Appendix 1 to this document, which contains information regarding the matters to be dealt with at the AGM. You are encouraged to complete and return the Form of Proxy in accordance with the instructions printed thereon to the Company's Registrar, Link Group at PXS1, Central Square, 29 Wellington Street, Leeds, LS1 4DL, or deliver it by hand during office hours only to the same address so as to be received as soon as possible and in any event by no later than 2 p.m. on 26 June 2023. You will still be welcome to attend the Meeting in person and vote if you wish.

To avoid the inconvenience of calling an adjourned meeting, we ask Members to submit their vote online at www.signalshares.com or complete the enclosed proxy form and return it to Link Group at PXS1, Central Square, 29 Wellington Street, Leeds, LS1 4DL , or deliver it by hand during office hours only to the same address so as to be received as soon as possible and in any event by no later than 2 p.m. on 26 June 2023. This will not preclude Members from attending and voting in person at the Meeting.

In the event that any situation should affect the plans to hold the AGM on 28 June 2023 the Company will update shareholders through an announcement to the London Stock Exchange and will provide further details on the Company's website. The Board would encourage all shareholders to exercise their votes, and submit any questions, in respect of the meeting in advance. This should ensure that your votes are registered in the event that attendance at the AGM might not be possible.

Recommendation

The Board considers that the above proposals are in the best interests of the Members as a whole. Accordingly, the Board unanimously recommends that Members vote in favour of the resolutions to be proposed at the Meeting.

Yours faithfully,

John Herring, Chairman
For and on behalf of the Board of Directors
CEIBA Investments Limited

Encl. *Appendix 1:* Notice of Annual General Meeting and Form of Proxy

APPENDIX 1

CEIBA INVESTMENTS LIMITED
(THE "COMPANY")

Registered No: 30083

NOTICE OF ANNUAL GENERAL MEETING

NOTICE IS HEREBY GIVEN that the Annual General Meeting of Shareholders of the Company will be held at Les Echelons Court, Les Echelons, St. Peter Port, Guernsey, GY1 1AR Channel Islands on 28 June 2023 at 2.00 p.m. for the purpose of considering and, if thought fit, passing the following resolutions as ordinary resolutions of the Company (in the case of resolutions 1 to 10) and an extraordinary resolution of the Company (in the case of resolution 11):

ORDINARY RESOLUTIONS

ORDINARY BUSINESS:

1. To receive and adopt the Consolidated Financial Statements of the Company for the period ended 31 December 2022.

2. To ratify the appointment of Grant Thornton Limited, Guernsey as Auditors of the Company, to hold office until the conclusion of the next Annual General Meeting of the Company.

3. To authorise the Directors to fix the remuneration of the Company's Auditors until the next Annual General Meeting of the Company.

4. To re-appoint John Herring as a Director of the Company, to hold office until the conclusion of the next Annual General Meeting of the Company.

5. To re-appoint Trevor Bowen as a Director of the Company, to hold office until the conclusion of the next Annual General Meeting of the Company.

6. To re-appoint Keith Corbin as a Director of the Company, to hold office until the conclusion of the next Annual General Meeting of the Company.

7. To re-appoint Peter Cornell as a Director of the Company, to hold office until the conclusion of the next Annual General Meeting of the Company.

8. To re-appoint Colin Kingsnorth as a Director of the Company, to hold office until the conclusion of the next Annual General Meeting of the Company.

9. To re-appoint Jemma Freeman as a Director of the Company, to hold office until the conclusion of the next Annual General Meeting of the Company.

10. To authorise the Company in accordance with section 315 of The Companies (Guernsey) Law, 2008 (as amended) (the "**Law**") to make one or more market acquisitions (as defined in the Law) of its own Ordinary Shares either for cancellation or to hold as treasury shares for future resale or transfer provided that:

    (i) the maximum number of Ordinary Shares authorised to be purchased is a number up to 10 per cent. of the aggregate number of Ordinary Shares in issue as at the date of the Annual General Meeting;

    (ii) the minimum price which may be paid for an Ordinary Share is £0.01;

    (iii) the maximum price which may be paid for an Ordinary Share will be the higher of (i) an amount equal to 105 per cent. of the average of the mid-market values of an Ordinary Share taken from the London Stock Exchange Daily Official List for the five business days before the purchase is made; and (ii) the higher of the price of the last independent trade or the highest current independent bid for Ordinary Shares on the London Stock Exchange at the time the purchase is carried out; and

    (iv) such authority shall expire on the earlier of the conclusion of the next annual general meeting of the Company and the date 15 months after the date on which this resolution is passed.

EXTRAORDINARY RESOLUTIONS

EXTRAORDINARY BUSINESS:

11. To authorise the Directors generally and unconditionally in accordance with Article 6.7 of the Articles of Incorporation of the Company (the "**Articles**") to exercise all powers of the Company to issue equity securities (as defined in Article 6.1(a) of the Articles) as if the members' pre-emption rights contained in Article 6.2 of the Articles did not apply to any such issue, provided that this power shall be limited to the allotment and issue of up to 13,767,158 new ordinary shares of no par value in the Company (representing 10 per cent. of the issued share capital of the Company as at 26 April 2023). Such power hereby conferred shall expire on whichever is the earlier of: (i) the conclusion of the annual general meeting of the Company to be held in 2024; or (ii) the date 15 months after the date on which this Extraordinary Resolution is passed (unless renewed, varied or revoked by the Company prior to that date) save that the Company may, before such expiry, make offers or agreements which would or might require equity securities to be issued after such expiry and the Directors may issue equity securities in pursuance to such offers or agreements as if the authority conferred hereby had not expired.

BY ORDER OF THE BOARD

NSM Funds Limited
Secretary
26 April 2023

Notes to the Notice of the Meeting:

1. A member is entitled to attend and vote at the meeting provided that all calls due from him/her in respect of his/her shares have been paid. A Member is also entitled to appoint one or more proxies to attend, speak and vote on his/her behalf at the meeting. The proxy need not be a Member of the Company. Your proxy vote may be submitted at www.signalshares.com or by completing the form of proxy that is enclosed with this Notice of Meeting. To be effective, the instrument appointing a proxy (together with any power of attorney or other authority under which it is executed or a duly certified copy of such power) must be received by Link Group, PXS1, Central Square,Central Square, 29 Wellington Street, Leeds, LS1 4DL, by no later than 2 p.m. on 26 June 2023, or not less than 48 hours before (excluding weekends and bank holidays) the time for holding any adjourned meeting, as the case may be. A corporation may execute a proxy under its common seal or by the hand of a duly authorised officer or other agent. Completion and return of the form of proxy will not preclude Members from attending and voting in person at the meeting. In the event that any situation should affect the plans to hold the AGM on 28 June 2023 the Company will update shareholders through an announcement to the London Stock Exchange and will provide further details on the Company's website. The Board would encourage all shareholders to exercise their votes, and submit any questions, in respect of the meeting in advance. This should ensure that your votes are registered in the event that attendance at the AGM might not be possible.

2. An ordinary resolution of the Members of the Company means a resolution passed by a simple majority.

3. An extraordinary resolution of the Members of the Company means a resolution passed by a majority of not less than 75%.

4. The quorum for the Meeting is at least two Members present in person or by proxy. **To allow effective constitution of the Meeting, if it is apparent to the Chairman that no Members will be present in person or by proxy, other than by proxy in the Chairman's favour, then the Chairman may appoint a substitute to act as proxy in his stead for any Member, provided that such substitute proxy shall vote on the same basis as the Chairman.**

5. Joint registered holders of Ordinary Shares shall not have the right of voting individually in respect of such Ordinary Share but shall elect one of their number to represent them and to vote whether in person or by proxy in their name. In default of such election the person whose name stands first on the register of Members of the Company shall alone be entitled to vote.

6. In accordance with Regulation 41 of the Uncertificated Securities Regulations 2001, the Company specifies that only those Members registered on the register of Members of the Company at close of business on 26 June 2023 (or in the event that the Meeting is adjourned, only those Members registered on the register of Members of the Company as at close of business on the day which is two days prior to the adjourned Meeting) shall be entitled to attend in person or by proxy and vote at the Meeting in respect of the number of shares registered in their name at that time. Changes to entries on the register of Members after that time shall be disregarded in determining the rights of any person to attend or vote at the meeting.

7. A copy of this Notice of Meeting is available on the Company's website: www.ceibalimited.co.uk.

8. The total issued share capital of the Company as at the date of this Notice of Meeting is 137,671,576 Ordinary Shares. Pursuant to the Articles, on a show of hands every Member (being an individual) present in person or by proxy or (being a corporation) present by a duly authorised representative shall have one vote on a show of hands, and one vote per Ordinary Share on a poll (other than the Company itself where it holds its own shares as treasury shares).

9. CREST members who wish to appoint a proxy or proxies by utilising the CREST electronic proxy appointment service may do so for the Meeting and any adjournment(s) thereof by utilising the procedures described in the CREST manual. CREST personal members or other CREST sponsored members, and those CREST members who have appointed a voting service provider(s), should refer to their CREST sponsor or voting service provider(s), who will be able to take the appropriate action on their behalf.

10. In order for a proxy appointment made by means of CREST to be valid, the appropriate CREST message (a "CREST Proxy Instruction") must be properly authenticated in accordance with Euroclear UK & Ireland Limited's (EUI) specifications and must contain the information required for such instructions, as described in the CREST Manual. The message must be transmitted so as to be received by the Company's agent Link Group, PXS1, Central Square, 29 Wellington Street, Leeds, LS1 4DL (CREST ID RA:10) by 2 p.m. on 26 June 2023. For this purpose, the time of receipt will be taken to be the time (as determined by the timestamp applied to the message by the CREST applications host) from which the Company's agent is able to receive the message by enquiry to CREST in the manner prescribed by CREST.

11. CREST members and, where applicable, their CREST sponsors or voting service providers should note that EUI does not make available special procedures in CREST for any particular messages. Normal system timings and limitations will therefore apply in relation to the input of CREST Proxy Instructions. It is the responsibility of the CREST member concerned to take (or, if the CREST member is a CREST personal member or sponsored member or has appointed a voting service provider(s), to procure that his CREST sponsor or voting service provider(s) take(s)) such action as shall be necessary to ensure that a message is transmitted by means of the CREST system by any particular time. In this connection, CREST members and, where applicable, their CREST sponsors or voting service providers are referred, in particular, to those sections of the CREST manual concerning practical limitations of the CREST system and timings. The Company may treat as invalid a CREST Proxy.

CEIBA INVESTMENTS LIMITED

(the "Company")
Registered No: 30083

PROXY

Form of Proxy for use by Shareholders at the Annual General Meeting of the Company to be held at Les Echelons Court, Les Echelons, St. Peter Port, Guernsey, GY1 1AR, Channel Islands on 28 June 2023 at 2.00 p.m.

I / We ....

(full name(s) in block capitals)

of ....

(address in block capitals)

hereby

1. appoint the Chairman or the Company Secretary of the meeting (See Note 1 below)

or

2. ....

....

(name and address of proxy in block capitals)

as my / our proxy to attend, and on a poll, vote for me / us and on my / our behalf at the Annual General Meeting of the Company to be held on 28 June 2023 at 2.00 p.m. and at any adjournment thereof.

I / We wish my / our proxy to vote as indicated below in respect of the ordinary resolutions to be proposed at the Meeting. Please indicate which way you wish your proxy to vote by ticking the appropriate box alongside each resolution. (See Note 2 below).

ORDINARY RESOLUTIONS

Ordinary Business	FOR	AGAINST	VOTE WITHHELD	DISCRETIONARY
1. THAT the Consolidated Financial Statements of the Company for the period ended 31 December 2022 be received and adopted.				
2. THAT the appointment of Grant Thornton Limited, Guernsey as Auditor of the Company be ratified, to hold office until the conclusion of the next Annual General Meeting of the Company.				
3. THAT the Directors be authorised to fix the remuneration of the Company's Auditor until the next Annual General Meeting of the Company.				
4. THAT the re-appointment of John Herring as a Director of the Company, to hold office until the conclusion of the next Annual General Meeting of the Company, be approved.				
5. THAT the re-appointment of Trevor Bowen as a Director of the Company, to hold office until the conclusion of the next Annual General Meeting of the Company, be approved.				
6. THAT the re-appointment of Keith Corbin as a Director of the Company, to hold office until the conclusion of the next Annual General Meeting of the Company, be approved.				
7. THAT the re-appointment of Peter Cornell as a Director of the Company, to hold office until the conclusion of the next Annual General Meeting of the Company, be approved.				
8. THAT the re-appointment of Colin Kingsnorth as a Director of the Company, to hold office until the conclusion of the next Annual General Meeting of tnhe Company, be approved.				

ORDINARY RESOLUTIONS (continued)

Ordinary Business (continued)	FOR	AGAINST	VOTE WITHHELD	DISCRETIONARY
9. THAT the re-appointment of Jemma Freeman as a Director of the Company, to hold office until the conclusion of the next Annual General Meeting of the Company, be approved.				
10. THAT the Company be authorised in accordance with section 315 of The Companies (Guernsey) Law, 2008 (as amended) (the "**Law**") to make one or more market acquisitions (as defined in the Law) of its own Ordinary Shares either for cancellation or to hold as treasury shares for future resale or transfer provided that: (i) the maximum number of Ordinary Shares authorised to be purchased is a number up to 10 per cent. of the aggregate number of Ordinary Shares in issue as at the date of the Annual General Meeting; (ii) the minimum price which may be paid for an Ordinary Share is £0.01; (iii) the maximum price which may be paid for an Ordinary Share will be the higher of (i) an amount equal to 105 per cent. of the average of the mid-market values of an Ordinary Share taken from the London Stock Exchange Daily Official List for the five business days before the purchase is made; and (ii) the higher of the price of the last independent trade or the highest current independent bid for Ordinary Shares on the London Stock Exchange at the time the purchase is carried out; and (iv) such authority shall expire on the earlier of the conclusion of the next annual general meeting of the Company and the date 15 months after the date on which this resolution is passed.				

EXTRAORDINARY RESOLUTIONS

Extraordinary Business	FOR	AGAINST	VOTE WITHHELD	DISCRETIONARY
11) That the Directors be and are authorised generally and unconditionally in accordance with Article 6.7 of the Articles of Incorporation of the Company (the "**Articles**") to exercise all powers of the Company to issue equity securities (as defined in Article 6.1(a) of the Articles) as if the members' pre-emption rights contained in Article 6.2 of the Articles did not apply to any such issue provided that this power shall be limited to the allotment and issue of up to 13,767,158 new ordinary shares of no par value in the Company (representing 10 per cent. of the issued share capital of the Company as at 26 April 2023. Such power hereby conferred shall expire on whichever is the earlier of: (i) the conclusion of the annual general meeting of the Company to be held in 2024; or (ii) the date 15 months after the date on which this Extraordinary Resolution is passed (unless renewed, varied or revoked by the Company prior to that date) save that the Company may, before such expiry, make offers or agreements which would or might require equity securities to be issued after such expiry and the Directors may issue equity securities in pursuance to such offers or agreements as if the authority conferred hereby had not expired.				

Signature .... (See Note 3 below) Date ....

NOTES:

1. If you wish to appoint as your proxy someone other than the Chairman or the Company Secretary of the meeting, cross out the words “the Chairman or the Company Secretary of the meeting” and write on the dotted line the full name and address of your proxy. The change should be initialled.

2. In the absence of instructions, the person appointed proxy may vote or abstain from voting as he or she thinks fit on the specified resolutions and, unless instructed otherwise, the person appointed proxy may also vote or abstain from voting as he or she thinks fit on any other business (including amendments to resolutions) which may properly come before the meeting.

3. This form must be signed and dated by the Shareholder or his / her attorney duly authorised in writing. If the Member is a company, it may execute under its common seal, by the signature of a director and its secretary or two directors or other authorised signatories in the name of the company or by the signature of a duly authorised officer or attorney. In the case of joint holdings, any one holder may sign this form. The vote of the senior joint holder who tenders a vote, whether in person or by proxy, will be accepted to the exclusion of the votes of the other joint holders and for this purpose seniority will be determined by the order in which the names stand in the register of members in respect of the joint holding.

4. To be effective, the instrument appointing a proxy (together with any power of attorney or other authority under which it is executed or a duly certified copy of such power) must be sent to Link Group, PXS1, Central Square, 29 Wellington Street, Leeds, LS1 4DL, by no later than 2 p.m. on 26 June 2023, or not less than 48 hours before (excluding weekends and bank holidays) the time for holding any adjourned meeting, as the case may be. A corporation may execute a proxy under its common seal or by the hand of a duly authorised officer or other agent. Completion and return of the form of proxy will not preclude Members from attending and voting in person at the meeting.

5. The ‘vote withheld’ option is provided to enable you to abstain on any particular resolution however, it should be noted that a ‘vote withheld’ is not a vote in law and will not be counted in the calculation of the proportion of the votes ‘for’ and ‘against’ a resolution. The ‘discretionary’ option is provided to enable you to give discretion to your proxy to vote or abstain from voting on a particular resolution as he or she thinks fit.

6. The quorum for the Meeting is at least two Members present in person or by proxy. **To allow effective constitution of the Meeting, if it is apparent to the Chairman that no Members will be present in person or by proxy, other than by proxy in the Chairman’s favour, then the Chairman may appoint a substitute to act as proxy in his stead for any Member, provided that such substitute proxy shall vote on the same basis as the Chairman.**

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Meliã Trinidad Península Hotel, Sancti Spíritus, Cuba