CEIBA INVESTMENTS Ltd

Annual Report & Consolidated Financial Statements

For the year ended 31 December 2023

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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
Andrew Pegge *(appointed 16 October 2023)*
all of the registered office

ALTERNATIVE INVESTMENT FUND MANAGER (up to 30 June 2023)
abrdn Fund Managers Limited
280 Bishopsgate
London EC2M 4AG

MANAGEMENT (as from 1 July 2023)
Sebastiaan A.C. Berger – CEO
Cameron Young – COO
Paul Austin – CFO

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

CONSULTANT TO THE SUBSIDIARIES
4K Keys 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

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

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

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

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

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

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. As at 31 December 2023, the share capital of the Company consists of 137,671,576 ordinary shares (the "**Shares**"), all listed on the Specialist Fund Segment ("**SFS**") of the London Stock Exchange's Main Market under the symbol CBA (ISIN: GG00BFMDJH11). In addition, the Company has issued €25,000,000 10% senior unsecured convertible bonds (the "**Bonds**") due 31 March 2026. The Bonds are listed on The International Stock Exchange, Guernsey under the symbol CEIB1026 (ISIN: GG00BMV37C27). The Company is a self-managed investment company governed by a Board of non-executive Directors, the majority of whom are independent. Like many other investment companies, the administration and other corporate 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 2023 IN £ AND US$ (FOREX: £/US$ = 1.2747)

The Company's share price is 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 provided in U.S. Dollars for Net Asset Value ("**NAV**") related highlights and Sterling for share price related highlights, applying the applicable exchange rate as at 31 December 2023 of £1:US$1.2747 (2022: £1=US$1.2039).

USD	31 Dec 2023	31 Dec 2022	% change
Total Net Assets (m)	$158.5	$142.1	12%
NAV per Share [1]	$1.15	$1.03	12%
Net Profit / (Loss) to Shareholders of the Parent (m)	$14.2	($14.3)	
Basic and Diluted Profit / (Loss) per Share	$0.10	($0.10)	

GBP	31 Dec 2023	31 Dec 2022	% change
Market Capitalisation (m)	£42.7	£55.8	(24)%
Share price	31.0p	40.5p	(24)%
NAV per Share [1]	90.3p	85.7p	5%
Discount [1]	(66)%	(53)%	
Ongoing charges [1]	2.38%	3.04%	

1 These are considered Alternative Performance Measures. See glossary on page 96 for more information.

MANAGEMENT

During the year under review, the Company became a self-managed alternative investment fund on 1 July 2023. Up to 30 June 2023, abrdn Fund Managers Limited ("**AFML**") was the Company's alternative investment fund manager providing portfolio and risk management services to the Company. AFML delegated portfolio management to abrdn Alternative Investments Limited ("**AAIL**").

Effective from 1 July 2023, the Company is operating as a self-managed alternative investment fund. Sebastiaan Berger, Cameron Young and Paul Austin have been engaged by the Group pursuant to Employment and Consulting agreements and are the principal executives of the Company holding the respective positions of Chief Executive Officer, Chief Operating Officer and Chief Financial Officer (together the "**Executives**" or "**Management**")

Like many other investment companies, its administration and certain other services have been delegated to third party providers.

FINANCIAL CALENDAR

18 June 2024	Annual General Meeting 2024
30 September 2024	Announcement of half-yearly results for the six months ending 30 June 2024
31 December 2024	Financial year end

CHAIRMAN'S STATEMENT

Over the last year, we have seen Cuba's economy continue to struggle against some very significant headwinds. The prime factors are a slow recovery in tourism numbers, the ongoing U.S. sanctions and timid (and largely ineffective) exchange rate and other financial reforms. Together, these forces have caused a contraction of the economy, a severe liquidity shortage and banking crisis, high inflation in prices and ongoing shortages of fuel, electricity and other basic economic inputs. They have also contributed to the continuation of dramatic out-migration from the country.

After forecasting annual growth of the gross domestic product of 3% at the outset of 2023, government estimates at year-end were that the economy shrank during the year by some 2%. This leaves Cuba's economy about 10% smaller than its 2019 level.

While Cuba has been under a U.S. trade embargo for some 60 years, which has been strengthened or weakened in accordance with the political winds, it is disappointing that the Biden administration has done very little to unwind the damaging policies implemented by Trump against the island, especially the last-minute designation of Cuba as a state sponsor of terrorism in the final days of the Trump administration. This very aggressive measure has had a strong impact on the ability of those dealing with Cuba to obtain basic financial services. With the U.S. presidential election season well underway, it looks unlikely that the Biden administration will make any significant changes to U.S. Cuba policy before November 2024.

As I have noted in previous reports, the unification of the two Cuban currencies and other monetary 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 a prime provider of foreign currency to the country. These reforms have caused a high degree of uncertainty and disruption in the economy.

Cuba's liquidity position has continued to deteriorate and there continue to be shortages of critical products, including food, electricity and fuel. The country also regularly suffers from rolling power cuts, transport problems, and agriculture production levels are at their lowest levels in many years.

At year-end, the government admitted that the reforms were mostly unsuccessful and would soon be replaced by new rules, which have not yet been revealed. Subsequently, Alejandro Gil, the Minister of the Economy, has been removed from his post.

The main impact of the currency and financial reforms on CEIBA continues to be in relation to the Company's ability to realise the income generated by the joint venture company Inmobiliaria Monte Barreto S.A. ("**Monte Barreto**") in the form of hard currency dividend payments. This is discussed in further detail below.

2023 Review

While the Company has been trading in this very difficult economic environment, the results of its individual assets have been resilient. The company's largest asset is its 49% interest in Monte Barreto, which owns and operates the Miramar Trade Centre, Havana's leading mixed-use office and retail real estate complex. The operations remain generally consistent, with occupancy levels, presently some 96% (2022: 95%), and revenue growing slightly over the prior year. Operating expenses have risen, resulting in modestly lower net income compared to the prior year.

The overriding issue at Monte Barreto remains the ability to generate dividends in hard currency. While the rents received are tied to U.S. dollars, they are paid in local currency. Operations are profitable but Monte Barreto is mostly unable to make international payments of dividends to the Company because of the ongoing weakness of the Cuban banking and financial system and the country's poor liquidity position.

Management has been working very hard to realise the cash held by Monte Barreto. These initiatives include making arrangement to receive rent payments directly from tenants in hard currency, which over 35 tenants have now embraced. Also, as announced in December 2023, the Company was successful in agreeing the payment of an amount of US$14.3 million, representing previously impaired dividends receivable, from Monte Barreto to Miramar S.A. ("**Miramar**"). It is anticipated that these funds will be used by Miramar over time to carry out part of the local hard currency components of its extensive capex and investment programs aimed at upgrading and expanding its hotels. These, alongside other initiatives, will continue to be pursued by the Company.

The hotels, in which the Company has an interest, have performed well against the backdrop of a very slow recovery from the shutdown caused by the Covid-19 pandemic, with the number of tourists remaining low. Overall, the hotels have performed ahead of budget but below last year's results.

A significant factor behind the satisfactory results lies in the confirming facility which the Company established some years ago. This facility allows the hotels to import vital goods from overseas and ensures that all of the hotels are suitably stocked. This has given our hotels a competitive edge over competing hotels in Cuba and will continue to do so in the present economic environment.

Opening of Meliá Trinidad Península Hotel

We are very pleased that the Meliá Trinidad Península Hotel (the "**Meliá Trinidad Península Hotel**" or the "**Trinidad Hotel**") began operations in November 2023. On 14 January 2024, the official opening ceremony of the hotel took place, presided over by Prime Minister Manuel Marrero and Cuba's Minister of Tourism. The hotel, in which the Company holds a 32.5% interest, has 401 rooms and is on a prime six-hectare beachfront property at Playa Maria Aguilar, near the City of Trinidad, a UNESCO World Heritage Site in central Cuba. Construction began in December 2018 and completion has been achieved against a backdrop of substantial challenges caused by the Covid-19 pandemic, among and other factors.

The opening and operation of the hotel (like the construction project before it) will create hundreds of direct and indirect high-quality new jobs in the area, which will have a very positive impact on the City of Trinidad and on the whole regional tourism economy.

In parallel with the start-up of operations of the new Trinidad Hotel, the Spanish holding vehicle Mosaico Hoteles S.A. ("**Mosaico Hoteles**") has been merged into HOMASI S.A. ("**HOMASI**") in order to streamline operations. As a result, the interests of the Company in both Miramar and TosCuba are now held through HOMASI.

Internalisation of Management

The internalisation of management which was announced in the first half of 2023 has become fully effective and the transition has been smooth and seamless. As of 1 July 2023, the Company operates as a self-managed alternative investment fund, with Sebastiaan Berger and the other members of the management team moving to the Company, which ensured continuity of service. It is anticipated that the internalisation will result in significant annual cost savings going forward.

Dividends

In 2020, as the Covid-19 pandemic forced a near-total shut down in Cuba, including most notably in the tourism sector, the Board decided that it was vital that the Company 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. Among other things, this prudent policy allowed the completion of the construction of the Trinidad Hotel. No dividend has been paid since then. Given the liquidity challenges faced by the country and needing to ensure that sufficient funds are available to meet the repayment of the Company's convertible Bonds, which fall due in 2026, the payment of dividends to shareholders currently remains on hold. However, it remains a very high priority of the Board to place the Company in a position to restart the payment of dividends to shareholders.

Share price and discount to the underlying asset value

The Board is very focused on narrowing the discount to the underlying asset value at which the Shares have traded for some considerable time. As at 31 December 2023, the discount to the NAV that the Shares were trading at was 65.7%.

Aside from the general market dislocation which continues to weigh on the closed ended funds sector, with alternative assets being particularly impacted, to a large degree this discount is a reflection of the very difficult macro-economic challenges faced by Cuba over recent years, which I have outlined above, and a consequence of the ongoing designation of Cuba by the U.S. as a State Sponsor of Terrorism. Among other challenges, this status severely impacts the operations of the Company and the attractiveness of Cuba as an investment territory for institutional investors.

Another macro challenge that affects the Company is the difficulty in receiving dividends from Monte Barreto, which in turn impacts the payment by the Company of dividends to its shareholders. The lack of a dividend is clearly a negative influence on the share price performance.

Accordingly, the present focus of the Company is to ensure that the underlying assets trade as well as possible, to work with its Cuban partners to restore the payment of dividends in hard currency from Monte Barreto, and to return funds to CEIBA shareholders.

The Board

Colin Kingsnorth and Peter Cornell have informed the Board that they will not be seeking re-election as directors at the up-coming Annual General Meeting. Colin has been on the Board of the Company for 23 years and has contributed greatly to it - helping to steer it through many challenging times. Peter joined the Board at the time of its listing on the London Stock Exchange in 2018 and has acted as the senior independent director since that date. His commitment and contribution to the Board has also been greatly appreciated.

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 the appropriate mix of relevant experience and skills to ensure the effective overall operation of the Company. In this regard, I am pleased to welcome Andrew Pegge to the Board. Andrew was appointed in October 2023 and is a director of POP Investments, a significant holder of shares in the Company. He has extensive experience in the management of closed ended funds and the corporate governance surrounding them and will bring a relevant depth of experience and knowledge, and a fresh perspective to the Board.

John Herring
Chairman
29 April 2024

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).

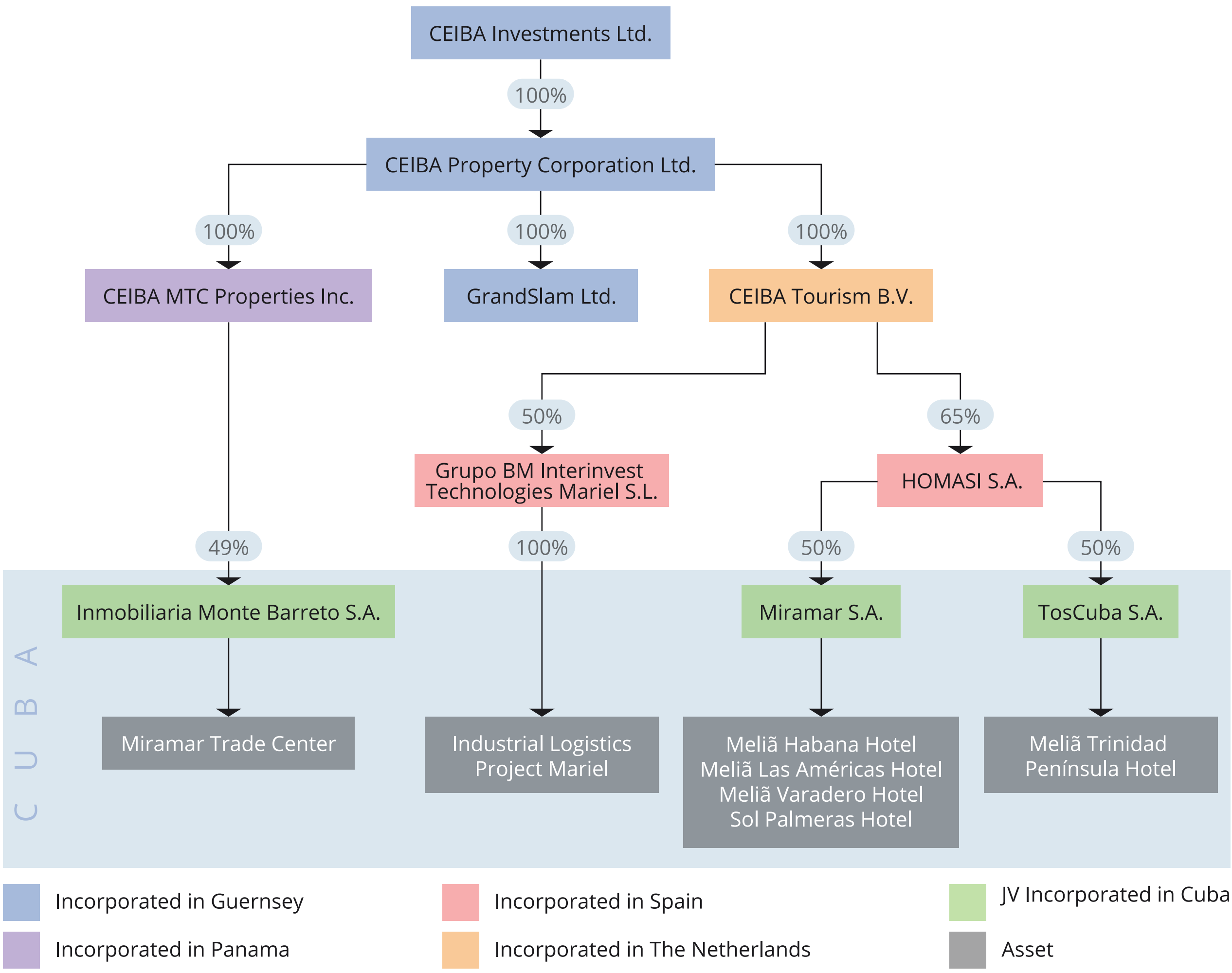
The Company may also invest in any type of financial instrument or credit facility secured by Cuba-related cash flows.

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 Board 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 of 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



In December 2023, the Spanish holding vehicles HOMASI and Mosaico Hoteles were merged, with HOMASI remaining as the sole entity owning all of the hotel interests of the Company

INVESTMENT RESTRICTIONS

The following investment limits and restrictions as set out in the Company's Prospectus 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 Management 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 Executives 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 with reference to its KPIs, please see the Chairman's Statement on page 4 and the Management Review on page 19.

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 third-party service providers risk management processes and how these apply to the Company's business are reviewed regularly by the Audit Committee.

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 a series of new financial reforms aimed at creating an 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, the practical implementation of these measures was largely unsuccessful. In December 2023, Cuba's Prime Minister Manuel Marrero recognised this failure and announced that a new set of financial reforms, including partial dollarisation of the economy, would be adopted in the near future to replace the prior system for allocating liquidity. To date no details of the new measures have been provided. As a consequence of this situation, the Cuban joint venture companies in which the Company invests presently experience difficulties in expatriating dividend payments to the bank accounts of the Company outside Cuba. It remains uncertain whether and when the new financial reforms announced will be adopted and 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 on the affairs of the Company.	Management closely follows all developments relating to the adoption and implementation of Cuban reform 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 invests. To the extent possible, Management negotiates and implements arrangements involving the receipt of hard currency income in bank accounts located outside Cuba from which payments of dividends can be made. In addition, Management, together with the Cuban partners of the Company, 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 U.S. dollars, in Cuban Pesos. At present, the Cuban Peso has a fixed (non-market) exchange rate of US$1.00: CUP24, which may be subject to revaluation or devaluation at the discretion of the Cuban Central Bank. In addition, as from the adoption of new rules for the tourism sector implemented over 2023, a second official exchange rate of US$1.00 : CUP120 has been established for operations in that sector. Included in the year-end announcements of Prime Minister Marrero was an indication that the Cuban Central Bank will be establishing a new (presumably devalued) exchange rate for the CUP. Any future devaluation of the CUP may have a negative impact on the assets and operations of the Cuban joint venture companies in which the Company invests.	The currency devaluation risk associated with the imposition of the CUP as sole currency for operations is new and significant. It is uncertain whether this risk will be partially or fully mitigated by the announced partial dollarisation of the economy that will form part of the newly announced measures. The cash and currency positions of each of the joint venture companies in which the Company invests are continuously monitored for the purpose of reducing currency risk to the greatest extent possible. CUP bank balances of the joint venture companies are presently valued by the Company in U.S. dollars using the US$1.00 : CUP120 exchange rate. Wherever possible, in order to mitigate devaluation risk, Management 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 2023 there have been significant delays in the timing of international bank 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 Company.	Management 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. Management 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 initially resulted in an abrupt halt to Russian and Ukrainian tourism to the island. Further aspects of the Russia-Cuba and Ukraine-Cuba relationships may eventually be affected by the conflict, including Russian and Ukrainian investments in Cuba, banking relationships and other areas.	Although the conflict resulted in a sharp reduction in the number of tourists travelling from Russia and Ukraine to Cuba, the operator of the Company's tourism assets has refocused its marketing efforts to attract tourists from its historical principal tourist supplier (Canada) 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) or any new pandemic 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. Any such pandemic may directly or indirectly affect all other risk categories mentioned in this matrix.	The Board and Management are conscious of the potential impact that any future pandemic may have on the business of the Company and recognise that the tourism sector was particularly affected by the various travel restrictions that were imposed to fight the Covid-19 pandemic in numerous countries.	↓
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 the investment strategy and objective regularly and receives strategic updates from Management, 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 Management and with the 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 table a modification of the investment strategy to the shareholders.	→
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. Management attends all Board meetings. The Board monitors the share price relative to the NAV.	→
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, Management 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. Management regularly attends the Board meetings of the joint venture companies through which Group interests are held, and actively manages 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.	→

Type of Risk	Description and Possible Impact	Mitigating Action	Trend
Portfolio and Operational Risks (continued)			
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. The materialisation of these risks could have a negative effect on specific properties, development projects or the Group generally.	Management regularly monitors the level of real estate risk in the Cuban market and reports to the Board at each meeting regarding recent developments. Management works closely with 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 generally been augmented by the fragile liquidity position of the country and recent financial reform efforts, which have resulted amongst others in certain categories of tenants paying their rents with varying degrees of liquidity. Management, together with the management team of Monte Barreto, now assesses the impact of the 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.	Management regularly monitors all construction and refurbishment activities carried out within Group companies and works closely with the joint venture managers to identify, monitor and actively manage all construction risks. Management reports to the Board at each meeting regarding recent developments in this respect. With completion of the construction of the Trinidad Hotel, the level of construction risk faced by the Company will fall and going forward will be limited to the risk associated with the ongoing renovation and capital expenditure programmes of the joint venture companies.	↓
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.	Management 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.	↓
Valuation Risk	Asset valuations may fluctuate materially between periods due to changes in market conditions. The combined effects of higher levels of risk associated with financial and monetary reforms, the continuation under the Biden administration of an aggressive U.S. sanction regime and the slower than expected recovery of the Cuban tourism market in the face of the Covid-19 pandemic have resulted in increased discount rates and lower income projections, leading to a rise in the volatility of valuations.	As part of the valuation process, the Company 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 subject to review by Management and approval by the Board.	→

Type of Risk	Description and Possible Impact	Mitigating Action	Trend
Portfolio and Operational Risks (continued)			
Dependence on Third Party Service Providers	The Company is dependent on numerous 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.	→
Loss of Key Fund Personnel	The loss of key members of the Management team managing the portfolio of investments of the Group could have a negative impact on performance of the Company.	Following termination of the Management Agreement on 30 June 2023, the highly knowledgeable and experienced Management team has been internalised and contracted for a period of four years. In order to mitigate key manager risk, the Company 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.	↑
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 long-standing restrictions against Cuba. 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.	Management 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.	→

Type of Risk	Description and Possible Impact	Mitigating Action	Trend
Risks relating to Investment in Cuba and the U.S. Embargo (continued)			
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.	Management follows all developments relating to the designation of Cuba as a state sponsor of terrorism. Management also structures Group operations in a manner to minimise the negative impact of the designation to the greatest extent possible.	→
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.	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.	Management 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. Management administers 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.	→

Type of Risk	Description and Possible Impact	Mitigating Action	Trend
Risks relating to Investment in Cuba and the U.S. Embargo (continued)			
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 US$. 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.	→
Risks relating to Regulatory and Tax framework			
Regulatory and Tax Risk	Changes in the Group's regulatory status or tax treatment in any of the jurisdictions where it has a presence may adversely affect the Company or its shareholders.	Management regularly reviews the substance, compliance and 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 Executives 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 the Company a long-term investment vehicle and has decided that three years is an appropriate period to consider its viability for this viability statement. The Board considers this an appropriate period for a closed-end investment company listed on the London Stock Exchange that 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 15;
- 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, future portfolio strategy, and market outlook.

When assessing the Company's viability, the Board has considered the ongoing impact of U.S.-Cuban relations and associated sanctions, the global geopolitical environment, including the Russia-Ukraine conflict, and local conditions in the Cuban market on the portfolio.

Following their 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 three years from the date of this Annual Report. U.S. sanctions and restrictive travel rules, the Russian invasion of Ukraine and numerous internal Cuban issues have all had a severe impact on tourist arrivals, income numbers and the general state of the Cuban economy and are expected to continue doing so going forward, albeit to a lesser extent.

In particular, given the fact that the Trinidad Hotel has started operations and TosCuba has started to make payments under the TosCuba Construction Facility (in February 2024, a prepayment of the payment due in April 2024 was received), the Directors consider that construction risk is no longer applicable to the Company's investment in TosCuba, that the cash position of the Company should continue to improve, and that the Company remains viable.

The abovementioned expectations have been tested under various scenarios, including delays in receiving projected dividend income. 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 a deterioration of Cuba's outlook, the further strengthening of the U.S. embargo, or changes in investor sentiment could impact the accuracy of its assessment of the Company's prospects and viability in the future.

GOING CONCERN

In accordance with the Financial Reporting Council's guidance, 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 15 and the Viability Statement on page 16. 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 it is appropriate to continue preparing the financial statements on a going-concern basis.

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 2023, 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 for all shareholders of the Company.

The Role of the Directors

The Company is a self-managed 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**"), investee companies, service providers and the environment and community.

As set out in the Directors' Report, the Board is responsible for the day-to-day management of the assets with the assistance of the Executives, the Company has engaged key suppliers to provide services in relation to valuation, legal and tax requirements, auditing, company secretarial, risk management 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.

The Board regularly reviews the performance of its service providers, to ensure 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 Board 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 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 proactively engages 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 2023, the Board members 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 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 18 June 2024 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 Board, sustainable and long-term investment, positive governance practices, and value creation for all stakeholders.

Service Providers

The Board seeks to maintain constructive relationships with the Company's suppliers 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, and other relevant stakeholders. Reviews will include those of the Executives, company secretary, broker, risk manager, share registrar and auditor.

The Community and the Environment

The Board is 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.

The Board has instructed the Executives 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 Management Review on pages 4 to 6 and pages 19 to 27, respectively, detail the key decisions and other actions taken by the Company during the year and subsequently. Notable actions taken affecting the interests of stakeholders 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.

- Start-up of Operations of the Trinidad Hotel – On 16 November 2023, initial operations of the Trinidad Hotel were started. After five years of construction in difficult circumstances, this step represents an important milestone for the Company.

- To streamline operations, Mosaico Hoteles (the Spanish holding vehicle that previously held the interest of the Company in the Trinidad Hotel) was merged with HOMASI in Spain, with HOMASI. remaining as the surviving entity.

- In a series of transactions agreed with the Cuban partner in Monte Barreto, Management was able to secure the payment in favour of the Company of a total of US$14,999,014 in dividends receivable owed by Monte Barreto and previously provisioned as an expected credit loss (see Note 5 of the Financial Statements for further information on these transactions). 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.

2023 PERFORMANCE

2023 has been a year of change for CEIBA Investments Limited ("**CEIBA Investments**" or the "**Company**") and yet another difficult year for Cuba. Under the circumstances, some satisfactory results were obtained. Additional cost savings were secured, management was internalised, a spectacular new hotel was opened, US$8.5 million in dividend income was repatriated, US$15.0 million in previously provisioned dividends were recovered, and in aggregate, the fair value of the Company's equity investments increased by US$10.5 million. On the negative side, the discount of share price to NAV further deteriorated and the Company has not been able to convince the market of the numerous positive steps forward that it has taken.

We believe that, in particular, the opening of the Trinidad Hotel is a very important accomplishment. It marks the end of a substantial investment phase, during which the Company was exposed to material development and construction risks, and the beginning of a new period where the construction finance provided by the Company will be repaid and the value of this investment, before adjustments for financing – which is presently held approximately 16% below development costs – is expected to increase.

In numbers

As at 31 December 2023, the NAV of CEIBA Investments was US$158,519,549 (31 December 2022: US$142,078,505) and the NAV Total Return for the year was 11.6% (2022: -11.4%). The net income for the year attributable to the Shareholders of the Company rose to US$14,157,795 (compared to a loss in the prior year of US$14,283,029). This includes income from the recovery of US$15.0 million of previously provisioned dividends owed by the Cuban commercial real estate joint venture Inmobiliaria Monte Barreto S.A. ("**Monte Barreto**") that the Company was able to unlock by reinvesting proceeds thereof in the amount of US$14.3 million as a capital contribution to the Cuban hotel real estate joint venture Miramar S.A. ("**Miramar**"). Although the fair value of the Company's equity investments increased by US$10.5 million compared to the prior year, as shown in the consolidated statement of financial position, the consolidated statement of comprehensive income shows a loss on change in fair value of equity investments during the year of US$7,528,953 (2022: loss of US$16,098,664), taking into consideration the US$14.3 million capital contribution made to Miramar by the Group and other adjustments (see note 7). The total dividend income received from Miramar during 2023 was US$8,532,677 (2022: US$7,694,884). During 2023, Monte Barreto did not declare dividends as compared to the prior year, when the Group recorded US$8,169,610 in dividend income from the Cuban joint venture. Interest income earned by the Group during 2023 increased to US$4,516,731, compared to US$2,952,459 in the prior year, due to increases in amounts disbursed under the TosCuba construction loan facility and the Miramar confirming and discounting facility.

As of 1 July 2023, the Company is no longer externally managed and now operates as a self-managed alternative investment fund, which will result in significant cost savings. Sebastiaan Berger and the other management team members have moved to the Company to ensure continuity of service. The agreement to terminate the services of the Investment Manager included a waiver of the 2023 second quarter management fees of approximately US$325,000 and, the forgiveness of US$333,333 related to the unamortised portion of the US$5.0 million fee paid in October 2018 for the acquisition of the management team of the Company (see note 17).

At 31 December 2023, the NAV per Ordinary Share of CEIBA Investments increased to US$1.15 (90.3 pence) from US$1.03 (85.7 pence) in the prior year. In contrast, the share price of the Company's Ordinary Shares decreased from 40.5 pence to 31 pence, increasing the discount to 65.7% from 52.7%.

At 31 December 2023, the fair values of the hotels of Miramar increased compared to the prior year despite a further rise in the discount and capitalisation rates applied, except for the Meliá Varadero Hotel, which performed modestly below expectation and saw its valuation decline. The Trinidad Hotel of the joint venture TosCuba S.A. ("**TosCuba**") celebrated its soft opening in November 2023 and began the decisive change from development project to operational asset, resulting in an uplift to its fair value despite further increases in the discount and capitalisation rates applied in valuing the asset. The valuation of Monte Barreto's Miramar Trade Center, the principal commercial real estate asset in which CEIBA Investments has an investment, decreased as a result of increased discount and capitalisation rates and an adjustment to the value of the CUP bank balances of the joint venture so that their resulting translated values would be equivalent to those obtained by applying an exchange rate of US$1 : CUP120, the same rate used by the tourism sector, rather than the official US$1 : CUP24 exchange rate, offset in part by higher revenue projections.

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 continued designation of Cuba as a State Sponsor of Terrorism ("**SST**"), the liquidity issues faced by the country, the increased threat of a substantial devaluation of the Cuban Peso, the unpredictability and lack of effectiveness of monetary reforms, and the ongoing inability of Cuba to honour its financial obligations and to make international payments. The latter makes it 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 portion of the total rentable area is leased to Cuban (national and joint venture) companies, whose rents are collected in Cuban Pesos, while existing monetary legislation and other circumstances restrict or prevent Cuban Pesos from being transferred abroad in hard currency.

CUBA

Recent Developments

In a surprise cabinet shuffle carried out in February 2024, Alejandro Gil, Cuba's Minister of Economy and Planning and Deputy Prime Minister since 2018, the public face and government point man responsible for implementing Cuba's complex currency and monetary reforms (the *Tarea Ordenamiento*) initiated in 2021, was replaced by Cuba's Central Bank President, Joaquín Alonso. The Minister of the Food Industry, Manuel Sobrino, was also replaced. It would appear that the changes were directly related to Cuba's stagnant economy and failed monetary reforms and mainly triggered by the angry public response to planned increases to the price of gasoline and other products announced as part of the year-end speeches outlining painful new reforms.

It is clear that Cuba's economy and liquidity situation continue to be in a dire state and that the taking of many more unpopular measures will likely be necessary to battle Cuba's fiscal deficit and avoid a general collapse of the economy. The slow pace of recovery of Cuba's tourism sector, at least partially provoked by the continued U.S. designation of Cuba as a SST, and the instability and insecurity resulting from past monetary reforms have not been helpful. Advancing decentralisation, partially dollarizing the economy, and increasing efforts to stimulate and safeguard foreign direct investment should be high on the agenda and support from Europe, Canada and other countries would be welcome. In addition, an apparent cybersecurity incident of foreign origin that caused Western Union and other international remittance providers to temporarily suspend remittances from the U.S. to Cuba at the end of January 2024 has only partially been resolved, and nearly 3 months after the initial event Western Union (citing vague banking problems in Cuba) has yet to resume its family remittance services, a vital lifeline for many Cuban families.

To combat Cuba's ongoing economic and liquidity crisis and the continuing crippling deficiency of hard currency resources to meet international payment obligations of the country and to supply basic inputs to its economy (fuel, electricity, water, food), various measures were announced at the year-end session of Cuba's Parliament. During the session, Prime Minister Marrero announced a series of new measures and financial reforms, including partial dollarisation of the economy, aimed at re-establishing the conditions for sustained economic growth. Few details of these reforms have been made available yet, although the most relevant for foreign investors are likely to be:

- the adoption of a new system for allocating liquidity within the economy – the most likely scenario is through the establishment of "real hard currency accounts", which are expected to return some (or perhaps all) of the operations of joint venture companies to a dollarised basis (partial dollarisation);
- a possible devaluation of the official exchange rate of the Cuban Peso (CUP) against the U.S. dollar (US$);
- the adoption of new tariff policies aimed at stimulating national production (and discouraging the import of finished products) through the decrease of import duties on raw materials and semi-finished products, together with the increase of import duties on finished products;
- the increase in the CUP price of gasoline (previously highly subsidised) and the sale of gasoline in U.S. dollars (at special service centres) to tourists, foreign companies and diplomatic missions, and others able to pay in hard currency.

The new small and medium-sized enterprise (SME) private sector of the Cuban economy continues to develop rapidly and is already playing an important role in various segments of the Cuban economy, especially food supply, imports, construction, hospitality and others. However, significant banking and currency exchange difficulties impede their growth. A small number of well-financed SMEs are beginning to scale their activities to levels that would have been inconceivable even a year ago. At 31 December 2023, there were over 10,000 SMEs incorporated, which is an astonishing number given that the legislation permitting their incorporation was only adopted in August 2021.

CUBA

U.S. Embargo, Tourism and Outlook 2024

With respect to the U.S. Cuban embargo, the Biden administration has announced no new measures or actions and there is a very low expectation that any (positive) change to U.S. policy will be adopted prior to the U.S. presidential elections in November 2024. The SST designation of Cuba remains a very harsh measure and the fact that people who have travelled to Cuba in the past cannot benefit from the United States' ESTA visa waiver program is likely an important factor in the very slow recovery of European tourist arrivals to Cuba, which unlike Canadian arrivals to the country have not yet returned to pre-pandemic levels. This may be one of the principal reasons that tourist arrivals and income during 2023 were below initial expectations.

In February 2024, the Ministry of Tourism projected 3.2 million tourist arrivals for the present year 2024, still significantly below pre-pandemic levels (2019: close to 4.5 million) and in stark contrast to similar countries such as the Dominican Republic, where 2023 tourist arrivals exceeded 2019 levels by 25% (excluding cruise ship arrivals).

Any sustained recovery of the Cuban economy will likely depend on a variety of factors, such as a significant increase in family and other types of remittances from the United States, 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 growing SME sector and the successful adoption of new reforms. These, in turn, would have a positive knock-on effect on the country's liquidity position and lead to further benefits throughout the economy and further future reforms.

For 2024, Cuba's struggling economy and liquidity are not expected to improve substantially. However, in monetary terms, the effects of even a small increase in foreign direct investment, tourism or foreign exports would immediately be felt. It is to be expected that the Cuban government will implement austerity measures (i.e. drastic price increases and the dollarisation of goods and services) aimed at reducing costs, discontinuing the subsidisation of basic goods and services such as electricity, gasoline, food, etc., for which the country itself has to make hard currency payments. A devaluation of the CUP is also expected. Some of these measures may have a negative impact on our assets, in particular on the profitability of our hotel investments, and will need to be countered by optimising occupancy levels and RevPAR (Revenue per Available Room) and effectively controlling CPOR (Cost per Occupied Room). In general, the cash position of the Company is likely to improve during the coming year as a consequence of the start of operations of the Trinidad Hotel and the resulting regular payments to the Company under the construction facility, as well as ongoing efforts to increase the offshore collection of dividend income, placing the Company on a stronger footing for the upcoming expiry of the Bonds in March 2026. The impact of a possible devaluation of the CUP on the Company should be minimal, since the income of our joint venture companies (office rents, hotel room rates) are tied to hard currencies.

PORTFOLIO ACTIVITY

The Miramar Trade Centre / Monte Barreto

View of the Miramar Trade Center commercial real estate complex from 3rd Avenue

The largest real estate holding of the Company is its 49% interest in Monte Barreto. This Cuban joint venture company 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 fair value of the equity investment in Monte Barreto has been adjusted downward at 31 December 2023 to US$47,834,256 (2022: US$50,234,789), representing a 4.8% decrease.

Given the fact that Monte Barreto continues to experience significant difficulties in ensuring the distribution of hard currency dividends to its foreign shareholder and that the tourism and retail sectors have seen an official devaluation of the CUP, the pre-tax discount and capitalisation rates used to value the future cash flows of the Miramar Trade Centre were increased to 24% (2022: 23%) and 21% (2022: 20%), respectively. However, the negative impact of these increased rates was offset by the proven ability of the Miramar Trade Centre to maintain a high occupancy rate despite the current economic conditions, which resulted in increased income projections compared to the prior year. The net result was a modest increase in the fair value of the Miramar Trade Center property. In the event of an official devaluation of the CUP, the rents payable by tenants would automatically be increased to take into account the new exchange rate in relation to the U.S. dollar, but the (translated) U.S. dollar value of the funds held in CUP in Monte Barreto's Cuban Peso bank account would be impacted.

Additional relevant information that impacts the fair values of the equity investments that has not been considered in the valuations of the underlying properties of the joint venture companies may be taken into account. One such fair value consideration is cash held by the joint venture in excess of its working capital needs ("**Excess Cash**"). 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 (see note 7 to the consolidated financial statements).

Notwithstanding the increase in the value of the Miramar Trade Centre property, the fair value of the Company's equity investment in Monte Barreto, the joint venture company that owns the property, decreased due to an adjustment made to the calculation of its Excess Cash balance. The CUP bank balances of Monte Barreto are translated at the official US$1 : CUP24 exchange rate, but given the present circumstances, it was determined appropriate to make an adjustment so that their resulting translated values would be equivalent to those obtained by applying the rate of US$1 : CUP120, the rate used by the tourism sector. If the official US$1 : CUP24 rate was maintained unadjusted, the fair value of the Company's equity interest in Monte Barreto would be approximately US$16 million higher (see note 7). Overall, the performance of the Miramar Trade Centre during 2023 was once again very strong. Occupancy rates are stable at approximately 96%, with only minor fluctuations relating to tenant turnover. Revenues were slightly higher than the prior year, but operating expenses increased by 11.5% due to inflation linked to currency issues and monetary reforms. In December 2023, the joint venture company received compensation from its Cuban shareholder (as provided under the 2021 monetary reform legislation) in the amount of CUP 238 million (US$9.9 million at US$1 : CUP24). This compensation is related to variances in the translation of the U.S. dollar assets and liabilities of the joint venture to Cuban Pesos using different exchange rates at the time of the conversion in 2021.

Demand for international-standard office accommodation in Havana remains strong, predominantly from multinational companies, joint ventures, NGOs and foreign diplomatic missions. In the absence of competing products, Monte Barreto remains the dominant option in this market segment. Consequently, the outlook for Monte Barreto in 2024 remains encouraging, as we expect occupancy levels to remain in the mid to high nineties throughout the year.

Given the present limited financial autonomy of Monte Barreto, in combination with the current economic situation and liquidity difficulties faced by the country, the joint venture company has experienced significant difficulties in executing external dividend payments to the Group (its foreign shareholder) in recent years. However, Management has successfully negotiated with the joint venture company and the Cuban shareholder numerous transactions carried out in recent years that have collectively resulted in the receipt and reinvestment of over US$20 million in previously declared dividends that were owed to the Company and had been previously provisioned. These transactions varied in nature and included the prepayment of local expenses, disbursements under the TosCuba construction facility used to construct the Trinidad Hotel, and capital contributions to Miramar that will result in the extension of surface rights and be used to make capital improvements to its hotel properties. In May 2023, arrangements were made with certain tenants of the Miramar Trade Centre to make their rental payments to a bank account in the name of a Group company outside of Cuba. The Company has committed to reinvesting the funds received in financing transactions related to the purchase of food products for the Cuban population. At 31 December 2023, an amount of US$4,046,027 (50% is presently provisioned) remained owing to the Company by Monte Barreto for outstanding dividends receivable declared before April 2022. Monte Barreto has not made any dividend declarations relating to periods subsequent to April 2022. The dividend income declared by Monte Barreto during 2022 and recorded as dividend income by the Company was US$8,169,610.

Management expects that under the present circumstances, and unless Cuba's economy and liquidity position improve substantially, receiving cash dividends from Monte Barreto outside Cuba will remain extremely challenging. This may prompt the Company to consider further transactions aimed at receiving a portion of dividends owed to the Company inside Cuba and/or through the pursuit of new reinvestment opportunities.

Management welcomes the announcement made by Prime Minister Manuel Marrero in December 2023 that new rules for the allocation of hard currency liquidity in the economy, including partial dollarisation, will be adopted to replace the present failed system set out in the 2021 general monetary reforms. This may increase the likelihood that dividends of joint venture companies and other foreign direct investment vehicles can be freely repatriated abroad in hard currency (as guaranteed by Article 9 of Cuba's Foreign Investment Act).

The Hotels

CEIBA Investments has a 32.5% interest in five hotels in Cuba: one hotel in Havana, three hotels in Varadero, Cuba's principal beach resort destination, and one hotel located near the historic City of Trinidad, on Cuba's south coast (collectively the "**Hotels**").

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

The Varadero Hotels are all located on a 28-hectare plot of land next to Cuba's only 18-hole golf course. The Meliá Las Américas Hotel is a 340-room international-category 5-star beach resort hotel located next to Mansión Xanadú and the clubhouse of the Varadero Golf Club, which is extremely popular with golfers from Canada and Europe. The Meliá Varadero Hotel is a 490-room international-category 5-star beach resort hotel catering primarily to families. The Sol Palmeras Hotel is a 607-room international-category 4-star beach resort hotel, including 200 bungalows.

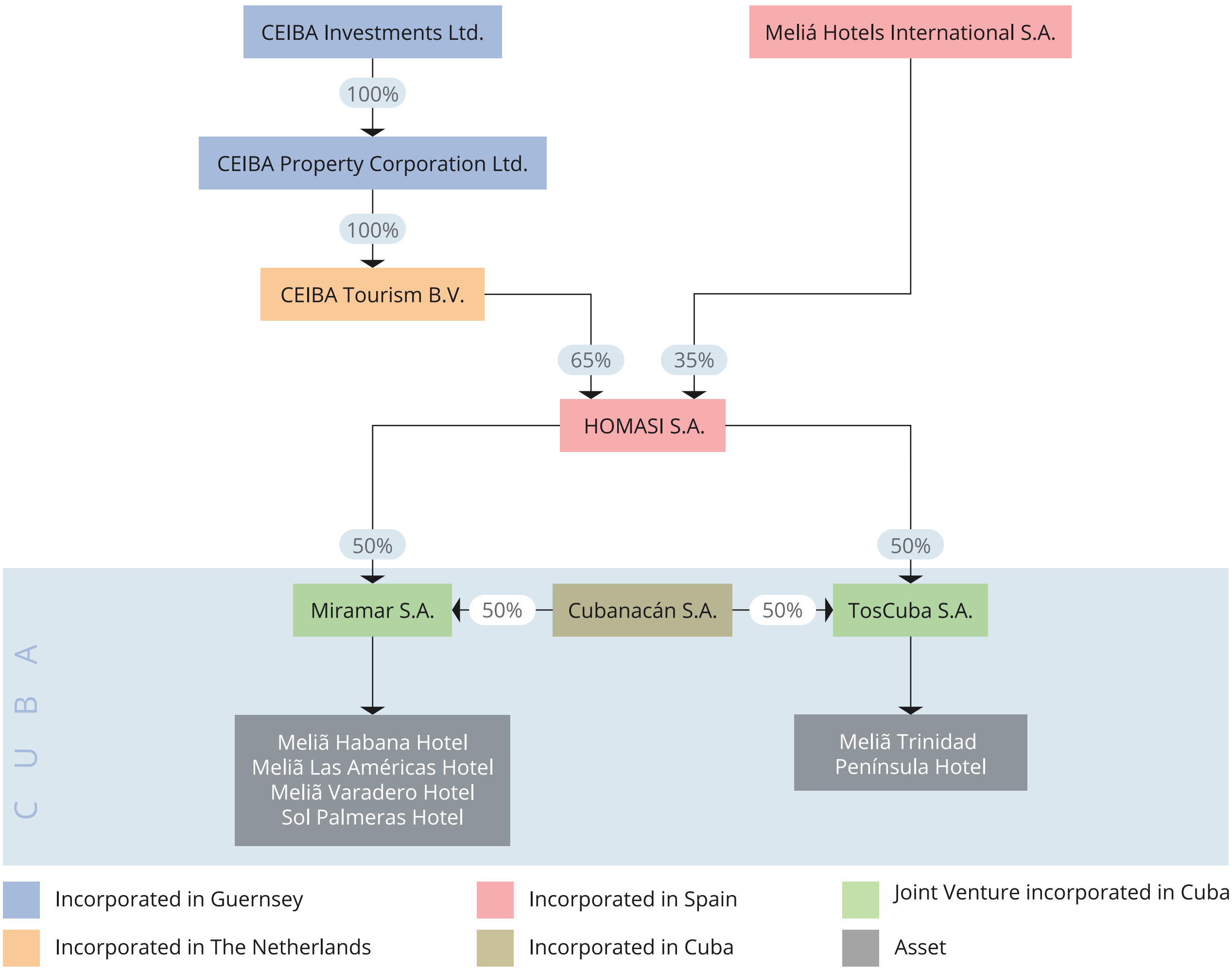
The Meliá Trinidad Península is a 401-room, 5-star hotel located on a beachfront property at Playa Maria Aguilar, near the City of Trinidad, a UNESCO World Heritage Site in central Cuba.

The interests in the hotels are held through the Company's 65% interest in HOMASI, which in turn has a 50% interest in the joint venture companies Miramar S.A. ("**Miramar**") and TosCuba S.A. ("**TosCuba**").

The interest of HOMASI in the Meliá Habana Hotel and the Varadero Hotels is held through its 50% interest in Miramar, owner of these hotels. HOMASI's interest in the Trinidad Hotel is held through its 50% interest in TosCuba. Previously, the ownership interest of the Group in the Trinidad Hotel was held through a Spanish holding vehicle, Mosaico Hoteles S.A. Mosaico Hoteles and HOMASI were merged in December 2023, with HOMASI remaining as the post-merger holding vehicle. The 50% Cuban shareholder in Miramar and TosCuba is Cubanacán, Cuba's second-largest hotel company.

The Hotels are operated by Meliá Hotels International S.A. ("**Meliá Hotels International**"), which has a 35% equity interest in HOMASI (which equates to a 17.5% indirect interest in Miramar and TosCuba). Meliá Hotels International is the largest hotel operator in Spain and the leading international operator in Cuba (with 34 hotels currently under management, comprising more than 12,500 rooms).

The only hotels in Cuba in which Meliá Hotels International holds an equity ownership interest (in addition to a hotel management agreement) are the Hotels of the Group.



Performance of the Hotels

The fair value of the Company's equity interest in Miramar at 31 December 2023 was US$110,099,079 (2022: US$98,637,088), representing an 11.6% increase compared to the prior year. This was driven mainly by increased cash flow projections, partially offset by increased discount rates used in the discounted cash flow models used to estimate the fair values.

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

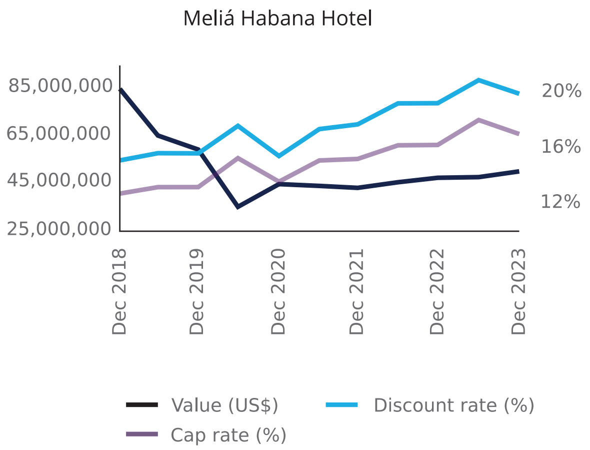
Discount and Cap Rates and Holding Values

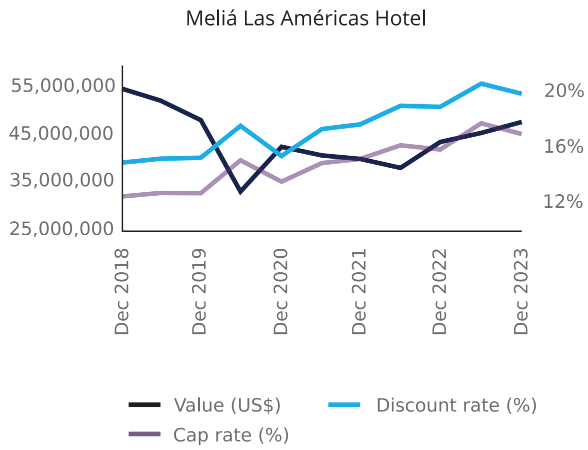
The pre-tax discount rates applied by the independent valuer Abacus and by the Company to the discounted cash flow models with respect to the valuations of the hotels located in Havana and Varadero (1,831 rooms in total) increased compared to the prior year. In the case of the Meliá Habana Hotel the pre-tax discount rate applied was 20.0% (2022: 19.3%), in the case of the Meliá Las Américas Hotel 20.0% (2022: 19.0%) and in the case of the Meliá Varadero and Sol Palmeras Hotels 20.8% (2022: 19.0%).

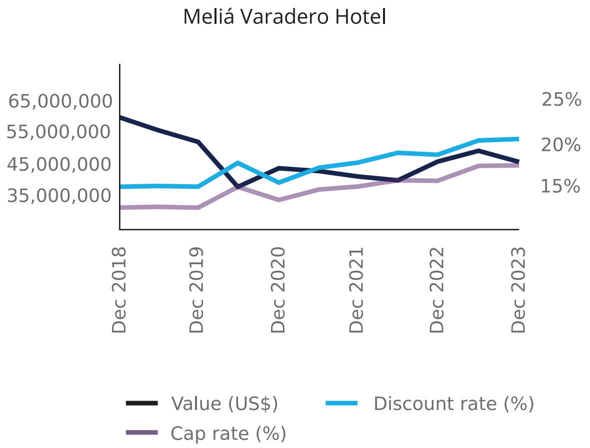
Due in part to the increase in discount and capitalisation rates applied and the slow recovery of the Cuban tourism industry following the Covid-19 pandemic, the average fair value per room of the Miramar Hotels was lowered from US$145,000 at 31 December 2018 to US$104,000 at 31 December 2023.

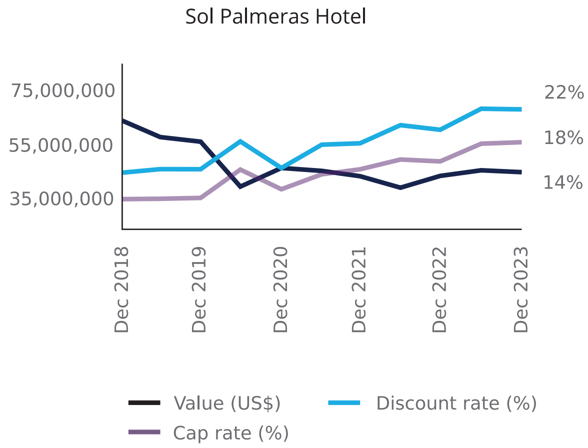
Hotel	Number of Rooms	Value/Room 31/12/2018	Value/Room 31/12/2023	Variation (%)
Meliá Habana	397	US$217,000	US$125,000	-42.4%
Meliá Las Américas	340	US$161,000	US$142,000	-11.8%
Meliá Varadero	490	US$123,000	US$94,000	-23.6%
Sol Palmeras	604	US$107,000	US$76,000	-29.0%
Weighted-average		US$145,000	US$104,000	-28.3%

Every six months, Abacus and the Company estimate the fair values of the underlying hotel properties owned by Miramar, which is held as an equity investment. The charts below show the movements from 2018 to the present in the fair values of the hotel properties (100% interest) compared to the movements in the related pre-tax discount and capitalisation rates.









Miramar distributed modestly higher dividends to the Company during the year of US$8,532,677 compared to US$7,694,884 in the prior year. The 2023 dividend income from Miramar was received in hard currency outside of Cuba.

	2022			2023		
	Room Occupancy	TRevPRS[1]	TRevPAR[2]	Room Occupancy	TrevPRS[1]	TRevPAR[2]
Meliá Habana	63.4%	US$237.24	US$150.46	57.5%	US$160.56	US$92.24
Meliá Las Américas	69.7%	US$206.11	US$143.62	85.7%	US$177.55	US$152.16
Meliá Varadero	47.6%	US$202.20	US$96.18	63.7%	US$117.46	US$74.77
Sol Palmeras	47.7%	US$176.09	US$84.01	63.9%	US$116.18	US$74.26

1 Total revenue per room sold is defined as the total revenue attributable to the hotel property divided by the number of room nights sold during the period.

2 Total revenue per available room is defined as the total revenue attributable to the hotel property divided by the number of available room nights during the period.

The tourism industry in Cuba has not yet recovered to pre-pandemic levels and continues to struggle. However, the Miramar Hotels lead the rankings within their respective market segments due to superior food, beverage and other inputs compared to competing Cuban hotels due to the Miramar confirming and discounting facility, a stable financial arrangement put in place by the Company to ensure that the Miramar Hotels have the ability to import supplies.

Although the Meliá Habana Hotel performed above budget, it performed below the prior year's results. This is due to weaker demand and increased competition from new hotels in Havana. However, the Meliá Habana has been outperforming its competition as it has a significant advantage due to its ability to import supplies. Management expects the Havana hotel market in which the Meliá Habana Hotel competes to be more competitive in the coming period than in the past as new hotel room inventory continues to come online.

In addition to the current market conditions, the weaker performance of the Meliá Varadero and Sol Palmeras Hotels results from the fact that at the start of 2023, their client mix included many Cuban nationals (paying in local instead of hard currency). The hotels also had a large percentage of foreign clients that were priced noticeably below the Canadian and European markets. A new General Manager has recently been put in place at the Meliá Varadero Hotel and efforts are now underway at both hotels to limit the number of guests who pay in Cuban pesos and to attract new foreign markets with higher rates. Significant room refurbishment is also planned for the Meliá Varadero and Sol Palmeras Hotels in 2024.

During 2024, it is anticipated that Miramar will continue to distribute dividends to the Company offshore in hard currency under the current liquidity rules. However, potential new legislation regarding the allocation of hard currency liquidity in the economy, increases in the prices of electricity, gasoline, labour and food products and a possible devaluation of the official exchange rate of the Cuban Peso could negatively affect the profitability of the Hotels in the coming year.

Clockwise from top: Meliá Trinidad Península Hotel lodging block at night, Cape Nao restaurant, beach deck

On 16 November 2023, the Trinidad Hotel began limited operations as part of its start-up plan. At 31 December 2023, the Trinidad Hotel had 195 rooms available, with all 401 rooms expected to be fully operational by 30 April 2024. Occupancy was modest during the first six weeks of operation. However, occupancy is expected to rise as operations ramp up to full capacity during 2024. The hotel has received numerous excellent international reviews and commentary.

The official opening ceremony of the Trinidad Hotel took place on 14 January 2024, presided over by Prime Minister Manuel Marrero, Minister of Tourism Carlos Garcia and President of Meliá Hotels International S.A. Gabriel Escarrer.

The Company arranged a US$51.5 million construction finance facility, disbursed under two tranches of US$22.5 million and US$29 million, respectively. At 31 December 2023, the construction facility was fully disbursed. The Company had participations of US$14.625 million under Tranche A and US$29 million under Tranche B, of which US$21.5 million was a direct participation and US$7.5 million represents the participation of the Company's subsidiary, HOMASI, in which the Company has a 65% interest. Repayment of the construction facility is secured by the future income of the hotel, and repayment of Tranche B has also been guaranteed by Cubanacán (the Cuban shareholder in the joint venture company) and is further secured by Cubanacán's dividend entitlements in Miramar.

At 31 December 2023, the estimated fair value of the Trinidad Hotel is below the construction cost. This is primarily due to the time required for operations to ramp up during the first years of operation. Given that Trinidad is a relatively unknown tourism destination in Cuba, having never had a hotel of the size of the Trinidad Hotel, the operator and the joint venture company have few benchmarks to aid in projecting the future occupancy and room rate levels and the growth thereof.

GBM Interinvest Technologies Mariel S.L.

Conceptual rendering of the GBM Mariel Project

The Company holds a 50% interest in GBM Interinvest Technologies Mariel S.L. ("**GBM Mariel**"). This Spanish company is developing a 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 a 50% equity interest in GBM Mariel and subsequently executed a convertible loan agreement in the principal amount of €500,000 (US$552,500). The full investment of the Company in this project is expected to be approximately US$1.5 million.

At 31 December 2023, the Company's 50% equity interest in GBM Mariel was held at US$206,259 (2022: US$113,507). The convertible loan due from GBM Mariel, including accrued interest up to 31 December 2023, was $625,246 (2022: US$576,482).

Groundworks on the 11.3-hectare site for the construction of the first four warehouses of the project were completed in June 2021. The project became dormant in 2022 and the timing of a potential restart is uncertain as it depends on securing tenants for the warehouses to be built on the plot of land on which groundwork has been executed.

Given that the project is currently dormant and the timing of a potential restart is uncertain because it depends on securing tenants for the warehouses that will be built, a 50% provision has been taken against the loan and interest receivable from GBM Mariel at 31 December 2023.

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). The Facility generated an 8.00% interest rate and was repaid in full in August 2023.

OUTLOOK

We expect that the difficult economic circumstances faced by Cuba during 2023 will continue throughout 2024 and that the local market conditions in which the Company and its subsidiaries operate will remain very challenging.

The very tight liquidity position of the Cuban economy resulting from the slow recovery of the Cuban tourism sector following 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 difficulties associated with largely unsuccessful monetary and economic reforms adopted by the Cuban government in recent years will likely continue to impact negatively on the timing of dividend and other payments to the Company in the short term, especially from Monte Barreto.

In the coming year, all of the properties owned by the joint venture equity investments of the Company are likely to continue generating stable profits as they have in the past, and the addition of a fifth operational hotel to the portfolio of the Company will bring a welcome addition to the income and cash flow of the Company. In particular, the scheduled external payments to the Company under the TosCuba Construction Facility should contribute significantly to the Company's cash flow as operations of the new Trinidad Hotel gradually ramp up and stabilise. In addition, Management is confident it will be able to continue negotiating new arrangements to minimise further the difficult issue of profits generated within the joint ventures that cannot be distributed to the Company because of problems impacting the Cuban financial system.

Sebastiaan A.C. Berger
Chief Executive Officer
29 April 2024

ENVIRONMENTAL SOCIAL GOVERNANCE (ESG) STRATEGY

The Executive Team 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 economic and liquidity problems faced by the country (and by extension also by the Company).

However, as an investment company with participations in real estate development projects, 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 Trinidad Hotel, the most significant large-scale new investment made by the Company in recent years. Throughout the development of this state-of-the-art hotel, the Company has ensured that the design, construction and future operations of the hotel conform to industry-leading practices in the leisure sector, all aimed at being a first mover and market leader in the Cuban sustainable tourism segment. Some of the measures taken in developing 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

Now that the hotel has begun operations, the hotel manager, together with the Company, are closely monitoring 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.

Similarly, through its participation in the governing bodies of the joint venture companies and in regular management and other meetings with the hotel operator and management team of the Miramar Trade Center, the Executive Team integrates its ESG focus into the management and corporate governance structures of the joint venture companies in which it has invested. In addition to the environmental component, which is central to the Company's real estate development and ownership activities, the Executive Team also regularly engages its counterparts on other ESG priorities, such as financial and social inclusion, diversity and human development.

Going forward, as part of the formal ESG policy being prepared for adoption by shareholders, the Company will be moving towards a more data-driven approach in an effort to increase available information and provide a path to improved outcomes. The Company views the implementation of these and similar initiatives in each of its existing and 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 future.

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 Executive Team'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.

THE BOARD OF DIRECTORS

The current Directors' details are set out below. All of the Directors are non-executive and the majority of them are independent. 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: 14 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$50,988) per annum

All other public company directorships: 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 other service providers, 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: 5 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$50,988) per annum

All other public company directorships: Kennedy Wilson Inc.

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: 5 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$44,614) per annum

All other public company directorships: 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: 5 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 U.S. 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$44,614) per annum

All other public company directorships: 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.

Peter has advised that he will not be seeking re-election as a Director and will retire from the Board at the conclusion of the Annual General Meeting.

COLIN KINGSNORTH

Status: Non-Executive Director

Length of service: 22 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$44,614) per annum

All other public company directorships: None

Shared Directorships with any other Directors: None

Shareholding in Company: Colin is a director and owner of Ursus Capital Limited which owns 13,799,197 Ordinary Shares representing 10.02 per cent of the issued share capital of the Company.

Colin has advised that he will not be seeking re-election as a Director and will retire from the Board at the conclusion of the Annual General Meeting.

JEMMA FREEMAN

Status: Independent Non-Executive Director

Length of service: 2 years 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$44,614) per annum

All other public company directorships: 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.

ANDREW PEGGE

Status: Non-Executive Director

Length of service: 7 months, appointed on 16 October 2023

Experience: After obtaining a BA in Social Psychology and Cognitive Studies, Andrew started his career in the investment department of Laurentian Life. He then moved to Buchanan Partners where he analysed and managed closed end funds and similar structures for the Emerging Markets and other funds. During this time, he completed the 3 year CFA program and a 2 year executive MBA. In 1995, Andrew co-founded Regent Kingpin Capital Management, then after a brief stint as a consultant at the Isle of Man regulator, he co-founded Laxey Partners in 1997. He now manages his family office, POP Investments, which is a circa 10 per cent shareholder in the Company.

Appointed to the Board: 16 October 2023

Committee membership: Management Engagement Committee

Remuneration: £35,000 (US$44,614) per annum

All other public company directorships: None

Shared Directorships with any other Directors: None

Shareholding in Company: Andrew is a director and owner of POP Investments Limited which owns 13,881,374 Ordinary Shares representing 10.08 per cent of the issued share capital of the Company.

Contribution: The Board considers that Andrew brings a relevant depth of experience and knowledge and fresh perspective to the Board. Andrew will also contribute the valuable perspective of an institutional investor as the Board oversees the execution of the Company's strategy.

DIRECTORS' REPORT

The Directors present their Report and the audited Consolidated Financial Statements for the year ended 31 December 2023.

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 Management Review on pages 19 to 27.

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.

From 1 July 2023, the Board completed the process for the Company to internalise its investment management arrangements and the Company is now a self-managed alternative investment company.

The Company invests either directly or through holdings in special purpose vehicles, joint venture vehicles, partnerships, trusts or other structures. As at 31 December 2023, 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 56,000m^2 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 Meliá Habana Hotel and the Varadero Hotels;
- an indirect 32.5% interest in TosCuba S.A., which is the Cuban joint venture company that owns the Trinidad 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 2023 to 31 December 2023 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 the Cuban economy and liquidity position, ongoing economic reforms, U.S. sanctions and restrictive travel rules, the Russia-Ukraine conflict and any possible future impact thereof on the Group's investment portfolio and financing arrangements. 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 51 to 54 of this Report.

CAPITAL STRUCTURE AND ISSUANCE

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

At 31 December 2023, there were 137,671,576 fully paid Ordinary Shares (2022: 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. On 30 June 2023 AFML ceased to be the investment manager and the Company became self-managed on 1 July 2023.

Until 30 June 2023, under the terms of the Management Agreement, AFML were entitled to receive an annual management fee at the rate of 1.5 per cent. of Total Assets (as defined therein). In addition, AFML was entitled to reimbursement for all costs and expenses properly incurred in the performance of its duties under the Management Agreement.

In order to assist the Group with its cash flow requirements the AFML agreed to defer payment of a portion of its fees to be paid gradually between January 2024 and April 2026.

On 28 June 2023 the Company entered into the Overarching Framework Agreement under which the Executives shall be responsible for the day-to-day management of the portfolio of investments of the Company.

POLITICAL AND CHARITABLE DONATIONS

The Company does not make political donations and has not made any charitable donations during 2023 (2022: 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 consolidated 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 30 to 32. 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. John Herring, Colin Kingsnorth and Andrew Pegge are not considered to be independent in accordance with the AIC Code of Corporate Governance (published in February 2019) (the "**AIC Code**").

The Board, which comprises seven directors, regularly reviews the composition of the Board and succession planning through the Nomination Committee. The Board recognises the importance of having a range of skilled, experienced individuals represented on the Board to allow it to fulfil its obligations. When considering the composition of the Board, the Board will be mindful of the Listing Rules diversity targets, 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.

The Board voluntarily discloses the following information in relation to diversity. The Board has decided that the Company's financial year end date be the most appropriate date for disclosure purposes. The following information has been provided by each Director and there have been no changes since the 31 December 2023 and the signing date of this financial report.

	Number of Board Members	Percentage of the Board	Number of senior positions on the Board (CEO, CFO, SID and chair)
Men	6	86%	N/A - see note*
Women	1	14%	
Prefer not to say	-	-	

	Number of Board Members	Percentage of the Board	Number of senior positions on the Board (CEO, CFO, SID and chair)
White British or Other White (including minority-white groups)	7	100%	N/A - see note*
Prefer not to say	-	-	

* This column is inapplicable as the Company does not have a CEO or CFO on the Board. The Company considers that the role of chair and SID are senior positions. Of these roles, both are performed by men.

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. Colin Kingsnorth and Peter Cornell have advised that they will not be seeking re-election as Directors and will retire from the Board at the conclusion of the Annual General Meeting. All other 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 2023.

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. The Company does not have any direct employees, and the Board is comprised of non-executive Directors. As set out on page 36, the Board has not established a separate Remuneration Committee given the size and nature of the Company. 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 2023.

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

* Andrew Pegge was appointed as a director on 16 October 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 as required by the AIC Code.

The Board last performed an internal evaluation of itself, its committees and each of the Directors in the financial year ended 31 December 2022.

In December 2023, the Board engaged an external facilitator, CoSteer Limited, which has no connection with the Company, to lead a performance evaluation of the Board, its committees and each of the Directors. As part of this process, the external facilitator will provide each director with an online data driven survey to complete and will analyse the results, looking in particular at the key elements of Board oversight, ethical culture and operational control.

At the conclusion of the evaluation, the facilitator will provide the Board with a written report of its findings, including any suggestions for improvements thereon, for further consideration by the Board.

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 (ceibainvest.com) 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 43 to 45 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. 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 40 to 42.

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 once, matters considered were Board evaluation, Board succession planning and Director's remuneration.

Management Engagement Committee

The Management Engagement Committee comprises the entire Board of Directors and is chaired by John Herring. Following the internalisation of the Company's management on 1 July 2023, the principal duties of the Management Engagement Committee will be to review the performance of the Executives and their compliance with the terms of the Overarching Framework Agreement.

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

The Management Engagement Committee usually meets at least once per year and otherwise as required. Due to the change of administrator, company secretary and Bond Registrar on 1 December 2022 and the internalisation of the Company's management on 1 July 2023, the Board agreed that there was no requirement for the Management Engagement Committee to meet during the financial year ended 31 December 2023.

A Management Engagement Committee meeting has been scheduled for December 2024 at which the committee will consider the performance of, and the contractual arrangements with, the key service providers of the Company, including the Executives, the Company Secretary, and the Administrator.

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.

Pursuant to the Overarching Framework Agreement dated 28 June 2023 and related consulting and employment arrangements, the Directors have delegated the day-to-day management of the portfolio of investments of the Company to the Executives within overall guidelines, and this embraces implementation of the system of internal control, including financial, operational and compliance controls and risk management.

On 30 August 2023, NSM Funds Limited were appointed as Risk Manager to the Company, to provide the Board with assistance regarding the provision of risk management services. The Risk Manager provides oversight on a number of areas for the Board particularly focusing on identifying risks and oversight over a risk governance framework, monitoring investment restrictions, pricing policy, confirmation of ownership title review, assisting the Executives to ensure compliance with applicable standards and ensures that recommendations to improve controls are implemented.

Risks are identified and documented through a risk governance framework. Risks that are identified and monitored include strategic, governance and regulatory, portfolio, operational, reputational, and country risk. This framework seeks to identify any risks that need to be reviewed, and any weaknesses identified are reported to the Board, with timetables to be agreed for implementing improvements to systems to mitigate against such risks. The implementation of any remedial action required is monitored and feedback would be provided to the Board.

The principal and emerging risks and uncertainties faced by the Company are detailed on pages 9 to 15.

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

- the Executives prepare forecasts and management accounts which allow the Board to assess the Company's activities and review its performance;

- the Board has 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 Executives as appropriate;

- the Risk Manager continually reviews and monitors the risk governance framework in conjunction with the Executives 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 Executives, Risk 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 Audit Committee carried out an annual assessment of internal controls for the year ended 31 December 2023 by considering documentation from the Executives, the Risk Manager and other third-party service providers, including where applicable 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 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 2023:

Shareholder	Number of shares held	% held
Northview Investments Ltd	37,764,018	27.43
POP Investments Limited	13,881,374	10.08
Ursus Capital Limited	13,799,197	10.02
abrdn plc	9,388,532	6.82
Citco Global Custody NV	8,373,144	6.08

There have been no significant changes notified in respect of shareholdings between 31 December 2023 and 29 April 2024.

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 18 June 2024 at 12.30 p.m. An explanation of each resolution to be proposed at the AGM is included in the Letter from the Chairman on page 101. All shareholders will have the opportunity to put questions to the Board 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 by emailing fundoperations@nsm.group.

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 fundoperations@nsm.group. 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 ceibainvest.com.

The Board's policy is to communicate directly with shareholders and their representative bodies 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 29 April 2024 and signed on its behalf:

Keith Corbin
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 limit the annual aggregate fees payable to the Board of Directors to no more than £500,000 (US$637,350) 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 £227,228 were paid to the Directors. The table below shows the fees agreed per annum.

	31 Dec 2023 (£)	31 Dec 2022 (£)
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, Colin Kingsnorth and Andrew Pegge 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 June 2023 the Nomination Committee reviewed the Directors' fees and agreed that no changes were required for the financial year ended 31 December 2023 but will keep this under review. There are no further fees to disclose as the Company has no direct employees or executive directors.

The total fees paid to, and received by, the Directors for the financial years to 31 December 2023 and 31 December 2022 are shown below.

Director	2023 £	2023 US$	2022 £	2022 US$
John Herring	40,000	50,988	40,000	48,156
Keith Corbin	35,000	44,614	35,000	42,137
Peter Cornell	35,000	44,614	35,000	42,137
Trevor Bowen	40,000	50,988	40,000	48,156
Colin Kingsnorth	35,000	44,614	35,000	42,137
Jemma Freeman	35,000	44,614	35,000	42,137
Andrew Pegge	7,228	9,214	-	-
Total	227,228	289,646	220,000	264,860

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 and their respective interests (including connected persons) at the respective year ends are shown in the table below.

Director	31 December 2023 Ordinary Shares	31 December 2022 Ordinary Shares
John Herring	40,000	40,000
Keith Corbin	-	-
Peter Cornell	100,000	100,000
Trevor Bowen	43,600	43,600
Colin Kingsnorth[1]	13,799,197	12,252,338
Jemma Freeman	-	-
Andrew Pegge[2]	13,881,374	n/a

1 At 31 December 2023 Colin Kingsnorth is a director and shareholder of Ursus Capital Limited. Ursus holds 13,799,197 shares.

2 At 31 December 2023 Andrew Pegge is a director and shareholder of POP Investments Limited. POP holds 13,881,374 shares.

The above interests are unchanged at 29 April 2024, 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 2023:

- 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,

Keith Corbin
Director
29 April 2024

REPORT OF THE AUDIT COMMITTEE

COMMITTEE COMPOSITION

The Audit Committee (the "**Committee**") presents its report for the year ended 31 December 2023.

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 consolidated 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 16 April 2024, 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 2023, 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 Equity 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 valuations of the underlying investment properties 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 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 Directors with assistance from the Executives, 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 Directors, with assistance from the Executives 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 put in place by the Executives 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 15. The Committee will review the matrix of risks at each committee meeting.

REVIEW OF ANNUAL REPORT AND CONSOLIDATED 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 Executives, the Administrator, 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 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 46.

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 regard 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 Executives and Administrator; 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 Limited 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 28 June 2023. 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 Limited is a suitable independent Auditor and therefore supports the recommendation to the Board that the re-appointment of Grant Thornton Limited 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
29 April 2024

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 30 to 32, 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
29 April 2024

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 as at December 31, 2023, 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 material accounting policy information.

In our opinion, the accompanying consolidated financial statements:

- give a true and fair view of the financial position of the Group as at December 31, 2023, and of its consolidated financial performance and its consolidated cashflows for the year then ended;
- are in accordance with IFRS Accounting Standards (IFRS) as issued by the International Accounting Standards Board (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 consolidated 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

Fair value of equity investments (2023: $164,763,693, 2022: US$154,221,877)

As at 31 December 2023, the Group had equity investments in joint venture companies which represents majority of the total assets of the Group. 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 the fair value of equity investments as one of the accounts that has a significant risk of material misstatement due to fraud and error.

The Group's equity investments are measured at fair value through profit or loss for which the key driver is the fair value of the underlying Cuban real estate assets and excess cash of the joint ventures. The fair value of the equity investments is determined using a valuation methodology which involves a high degree of management judgment and estimates. The valuation of the underlying Cuban real estate assets has been prepared during a period of high inflation, ongoing market instability due to slower than expected post Covid-19 recovery of Cuba's tourism sector, continuing US-Cuba sanctions, the designation of Cuba as a State Sponsor of Terrorism and Cuba's ongoing liquidity crises. All the above factors added complexity in valuing the underlying Cuban real estate assets.

How the matter was addressed in our audit

Our audit work included, but was not restricted to the following:

- Updated our understanding of the valuation processes, policies and methodologies and controls in relation to the valuation and measurement of equity investments and performed walkthrough tests to assess the design and implementation of key controls;

- Obtained a copy of the underlying Cuban real estate asset valuation reports (including the related valuations models) prepared by the Group's independent valuation expert and confirmed that the report was checked by by management through our inspection of board minutes;

- Assessed the independence, competence, and objectivity of the Group's independent valuation expert;

- Obtained and assessed the valuation models. We requested corroborating evidence, supporting data (detailed below) and held necessary discussions with management and the Group's external valuation expert;

The key audit matter (continued)

As a result of the above, there is a risk that the fair value of the equity investments may be materially misstated due to the use of incorrect or inappropriate judgments, estimates and assumptions in determining the fair value of the underlying Cuban 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 43-45); Accounting policies in pages 58-64, Note 2.3, Use of estimates and judgements, and Note 7, Equity investments, to the Consolidated Financial Statements.

How the matter was addressed in our audit (continued)

- Assesesed and corroborated significant inputs to the discounted cash flow calculations that do not require our real estate valuation expert's involvement by gathering information about the Cuban market, agreeing amounts to audited financial information, and other independent searches to challenge management's valuation workings.

- Asssessed the reasonableness of the excess cash calculation by verifying the balances to audited financial statements, bank confirmations and other supporting documents (including bank statements and dividend arrangement approvals);

- Engaged our real estate valuation expert to perform the below procedures:

  – Held discussions with CEIBA management and the Group's external valuation expert to obtain an understanding of the significant inputs and assumptions (e.g. discount rates, occupancy rates, growth rates, capex rates, inflation rates and other market related inputs) applied to the valuations considering the economic climate when the valuation was prepared;

  – Inspected and assessed the valuation reports, the methodology and associated cash flow statements and determined if the significant inputs and assumptions, as mentioned above, used in the valuations are reasonable and that the fair value of the underlying real estate assets have been appropriately calculated;

  – Assessed and corroborated management's valuation by deriving a mark to market valuation based on inputs for comparable real estate assets;

  – Assessed whether the fair values of the underlying Cuban real estate assets are deemed satisfactory in accordance with the Royal Institution of Chartered Surveyors (RICS) Valuation Global Standards 2022 based on their knowledge and experience and the result of their independent evaluation of the valuation;

- Performed a 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;

- Evaluated the reasonableness of the relevant valuation disclosures and notes to the consolidated financial statements, including the adequacy of the required disclosures (i.e., summarised financial information) for interests in joint venture companies; and

- Examined management's assessment for measuring its equity investments 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; and

- Evaluated whether the fair value disclosures in the financial statements are appropriate, complete and in accordance with the requirements of IFRS 13 – Fair value measurement.

How the matter was addressed in our audit (continued)

Our result

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

Other information

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.

Responsibilities of the directors for the consolidated financial statements

As explained more fully in the directors' responsibilities statement set out on page 46, the Directors are responsible for the preparation of the consolidated financial statements that give a true and fair view in accordance with IFRS Accounting Standards 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 members 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.

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 consolidated 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.

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

Date: 29 April 2024

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

As at 31 December 2023

	Note	31 Dec 2023 US$	31 Dec 2022 US$
Assets			
Current assets			
Cash and cash equivalents	4	6,498,762	8,454,247
Accounts receivable and accrued income	5	5,394,621	3,400,612
Loans and lending facilities	6	16,567,946	8,971,160
Total current assets		**28,461,329**	**20,826,019**
Non-current assets			
Accounts receivable and accrued income	5	4,905,510	223,721
Loans and lending facilities	6	47,559,727	44,268,916
Equity investments	7	164,736,693	154,221,877
Investment in associate	8	206,259	113,507
Property, plant and equipment	9	578,147	497,062
Total non-current assets		**217,986,336**	**199,325,083**
Total assets		**246,447,665**	**220,151,102**
Liabilities			
Current liabilities			
Accounts payable and accrued expenses	10	4,618,646	7,185,742
Short-term borrowings	11	6,072,548	3,946,551
Deferred liabilities	17	-	833,333
Total current liabilities		**10,691,194**	**11,965,626**
Non-current liabilities			
Convertible bonds	12	27,625,000	26,665,000
Accounts payable and accrued expenses	10	1,259,826	-
Total non-current liabilities		**28,884,826**	**26,665,000**
Total liabilities		**39,576,020**	**38,630,626**
Equity			
Stated capital	13	106,638,023	106,638,023
Revaluation surplus		319,699	319,699
Retained earnings		46,676,238	32,518,443
Accumulated other comprehensive income		4,885,589	2,602,340
Equity attributable to the shareholders of the parent		**158,519,549**	**142,078,505**
Non-controlling interest	13	48,352,096	39,441,971
Total equity		**206,871,645**	**181,520,476**
Total liabilities and equity		**246,447,665**	**220,151,102**
NAV	13	158,519,549	142,078,505
NAV per share	13	1.15	1.03

See accompanying notes 1 to 23, which are an integral part of these consolidated financial statements

These Audited Consolidated Financial Statements on pages 51 to 54 were approved by the Board of Directors and authorised for issue on 29 April 2024. They were signed on the Company's behalf;

Keith Corbin, Director

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

For the year ended 31 December 2023

	Note	31 Dec 2023 US$	31 Dec 2022 US$
Income			
Dividend income	7	8,532,677	15,864,494
Interest income	6	4,516,731	2,952,459
Other income		586,598	-
Travel agency commissions		9,903	8,970
Reversal of expected credit losses	5	17,022,028	-
Foreign exchange gain		-	269,311
Share of income of associate	8	92,752	-
		30,760,689	**19,095,234**
Expenses			
Realised loss on equity investments		-	(49,130)
Foreign exchange loss		(64,522)	-
Interest expense on bonds	12	(2,952,587)	(2,628,228)
Loss on change in fair value of equity investments	7	(7,528,953)	(16,098,664)
Share of loss of associate	8	-	(189,668)
Expected credit losses	6	(312,623)	(6,763,633)
Management fees	17	(543,391)	(1,758,501)
Other staff costs		(686,048)	(97,321)
Travel		(137,119)	(80,163)
Operational costs		(297,123)	(286,797)
Legal and professional fees		(1,179,806)	(1,078,600)
Administration fees and expenses		(313,742)	(400,128)
Audit fees	22	(314,054)	(266,768)
Miscellaneous expenses		(355,804)	(337,572)
Directors' fees and expenses	15	(338,742)	(320,603)
Depreciation	9	(23,156)	(24,279)
		(15,047,670)	**(30,380,055)**
Net profit / (loss) before taxation		**15,713,019**	**(11,284,821)**
Income taxes	3.7	-	-
Net profit / (loss) for the year		**15,713,019**	**(11,284,821)**
Other comprehensive profit / (loss) to be reclassified to profit or loss in subsequent periods			
Profit / (loss) on exchange differences of translation of foreign operations		3,512,691	(6,093,916)
Total comprehensive profit / (loss)		**19,225,710**	**(17,378,737)**
Net profit / (loss) for the year attributable to:			
Shareholders of the parent		14,157,795	(14,283,039)
Non-controlling interest		1,555,224	2,998,218
Total comprehensive gain / (loss) attributable to:			
Shareholders of the parent		16,441,044	(18,244,083)
Non-controlling interest		2,784,666	865,346
Basic and diluted profit / (loss) per share	16	0.10	(0.21)

See accompanying notes 1 to 23, which are an integral part of these consolidated financial statements.

CONSOLIDATED STATEMENT OF CASH FLOWS

For the year ended 31 December 2023

	Note	31 Dec 2023 US$	31 Dec 2022 US$
Operating activities			
Net profit / (loss) for the year		15,713,019	(11,284,821)
Items not affecting cash:			
Depreciation	9	23,156	24,279
Expected credit losses	5	312,623	6,763,633
Change in fair value of equity investments	7	7,528,953	16,098,664
Share of (income) / loss of associate	8	(92,752)	189,668
Dividend income		(8,532,677)	(15,864,494)
Interest income	6	(4,516,731)	(2,952,459)
Other income		(586,598)	-
Reversal of expected credit losses	5	(17,022,028)	-
Realised loss on equity investments		-	49,130
Interest expense		2,952,587	2,628,228
Foreign exchange loss / (gain)		64,522	(269,312)
		(4,155,926)	**(4,617,484)**
Increase in accounts receivable and accrued income		(310,974)	(114,054)
(Decrease)/increase in accounts payable and accrued expenses		(1,307,269)	2,838,555
Non-cash movement in amortisation of deferred liability	17	(250,000)	(1,000,000)
Dividend income received		9,231,691	9,411,458
Interest income received		1,167,833	696,544
Net cash flows from operating activities		**4,375,355**	**7,215,019**
Investing activities			
Purchase of property, plant & equipment	9	(104,241)	(5,733)
Proceeds from sale of equity interest in Mosaico Hoteles	5	2,093,689	-
Loans and lending facilities disbursed		(19,418,305)	(25,841,799)
Loans and lending facilities recovered		11,540,484	561,774
Net cash flows from investing activities		**(5,888,373)**	**(25,285,758)**
Financing activities			
Short term borrowings received		2,125,997	2,941,878
Interest paid on convertible bonds		(2,952,587)	(2,628,228)
Cash contribution from non-controlling interest	13	1,574,541	-
Cash distribution to non-controlling interest	13	(1,574,541)	-
Net cash flows from financing activities		**(826,590)**	**313,650**
Change in cash and cash equivalents		**(2,339,608)**	**(17,757,089)**
Cash and cash equivalents at beginning of the period		8,454,247	26,228,072
Foreign exchange on cash		384,123	(16,736)
Cash and cash equivalents at end of the period		**6,498,762**	**8,454,247**

See accompanying notes 1 to 23, which are an integral part of these consolidated financial statements.

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

For the year ended 31 December 2023

FOR THE YEAR ENDED 31 DECEMBER 2023	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	32,518,443	2,602,340	142,078,505	39,441,971	181,520,476
Revaluation of assets / Net other comprehensive income/(loss) to be reclassified to profit or loss in subsequent periods	7, 13	-	-	-	2,283,249	2,283,249	1,229,442	3,512,691
Net profit for the year	13	-	-	14,157,795	-	14,157,795	1,555,224	15,713,019
Contribution from non-controlling interest	13	-	-	-	-	-	7,700,000	7,700,000
Distribution to non-controlling interest	13	-	-	-	-	-	(1,574,541)	(1,574,541)
Balance at 31 December 2023		**106,638,023**	**319,699**	**46,676,238**	**4,885,589**	**158,519,549**	**48,352,096**	**206,871,645**

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**

1 Relates to exchange differences on translation of foreign operations.

See accompanying notes 1 to 23, 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 2023 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.

The ordinary shares ("**Shares**") of CEIBA are listed on the Specialist Fund Segment of the London Stock Exchange, where it trades under the symbol "CBA".

From 1 November 2018 to 30 June 2023 the Group appointed abrdn Fund Managers Limited ("**AFML**"") as the Group's alternative investment fund manager to provide portfolio and risk management services to the Group. AFML delegated portfolio management to abrdn Alternative Investments Limited ("**AAIL**"). Both the AFML and AAIL are wholly-owned subsidiaries of abrdn PLC (see note 17). On 30 June 2023, AFML ceased to be the investment manager and the Company became self-managed beginning 1 July 2023.

2. BASIS OF PREPARATION

2.1. Statement of compliance and basis of measurement

These consolidated financial statements have been prepared on an accrual basis 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**") Accounting Standards 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 2.9);

b) That the Group is a Venture Capital Organisation (see note 2.10).

c) That the functional currency of the parent company (CEIBA Investments Limited) is US$ (see note 2.12).

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.

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 the 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 2023 valuations of the properties held by Monte Barreto, Miramar and TosCuba performed by an independent valuer, the valuer has 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 U.S. 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 2023, 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 managed to secure the receipt of US$14,999,014 of previously provided for dividends. Management has determined that it is appropriate that fifty percent of the remaining balance be considered as impaired.

The total amount of credit impaired dividends receivables at year end is US$2,023,013 (2022: US$19,045,041).

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 of US$312,623 (2022: Nil) in relation to the Convertible Loan Agreement with Grupo B.M. Interinvest Technologies Mariel S.L.

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 and hotel properties. Cuban joint venture companies are incorporated under Cuban law and have both Cuban and foreign shareholders.

The Group shares joint control of the Cuban joint venture companies. This is evidenced by the fact that all decisions at the shareholder meetings of the Cuban joint venture companies require the unanimous agreement of the Cuban and foreign shareholders. Therefore, the 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 2024 and not early adopted that are relevant to the Group

Several new, but not yet effective, standards and amendments to existing standards, and interpretations have been published by the IASB. None of these standards or amendments to existing standards have been adopted early by the Group and no interpretations have been issued that are applicable and need to be taken into consideration by the Group.

The new standards, amendments and interpretations not adopted in the current year have not been disclosed as they are not expected to have a material impact on the Group's consolidated financial statements.

2.7 Changes in accounting policies

New standards and interpretations applicable this period

New standards, amendments to standards or interpretations that are effective for the year beginning on 1 January 2023 that do not have a material effect on the financial statements of the Group are as follows:

- Disclosure of Accounting Policies (Amendments to IAS 1 and IFRS Practice Statement 2)
- Definition of Accounting Estimates (Amendments to IAS 8)
- Deferred Tax related to Assets and Liabilities arising from a Single Transaction (Amendments to IAS 12)

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.

2.9. 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.

2.10 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.

2.11 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 consolidated financial statements.

2.12 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. SUMMARY OF MATERIAL 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 2023. 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 2023 and 31 December 2022:

Entity Name	Country of Incorporation	Equity interest held indirectly by the Group or holding entity	
		31 Dec 2023	31 Dec 2022
1. CEIBA Property Corporation Limited (a) (i)	Guernsey	100%	100%
1.1. GrandSlam Limited (a) (ii)	Guernsey	100%	100%
1.2. CEIBA MTC Properties Inc. (a) (iii)	Panama	100%	100%
1.2.1 Inmobiliaria Monte Barreto S.A. (b) (vi)	Cuba	49%	49%
1.3. CEIBA Tourism B.V. (a) (ix)	Netherlands	100%	100%
1.3.1. HOMASI S.A. (a) (iv)	Spain	65%	65%
1.3.1.1. Miramar S.A. (b) (vii)	Cuba	50%	50%
1.3.1.2. TosCuba S.A. (b) (viii)	Cuba	50%	50%
1.3.2. Mosaico Hoteles S.A. (c) (v)	Spain	-	65%
1.3.2.1 TosCuba S.A. (b) (viii)	Cuba	-	50%
1.3.3 Grupo BM Interinvest Technologies Mariel S.L. (d) (x)	Spain	50%	50%

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

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

(c) Company consolidated at 31 December 2022.

(d) Company accounted for as an investment in associate at 31 December 2023 and 31 December 2022

(i) Holding company for the Group's interests in real estate investments in Cuba that are facilitated by a representative office in Havana.

(ii) Operates a travel agency that provides services to international clients for travel to Cuba.

(iii) Holding company for underlying investments with no other significant assets.

(iv) Holding company for underlying investments. Also provides confirming and discounting facilities to underlying companies.

(v) Holding company for underlying investments with no other significant assets. On 4 December 2023, Mosaico Hoteles S.A. merged with HOMASI S.A, with HOMASI S.A. being the remaining company.

(vi) Joint venture company that holds the Miramar Trade Center as its principal asset.

(vii) Joint venture company that holds the Meliá Habana Hotel, Meliá Las Américas Hotel, Meliá Varadero Hotel and Sol Palmeras Hotel as its principal assets.

(viii) Joint venture that holds the Meliá Trinidad Península Hotel as its principal asset. On 4 December 2023, Mosaico Hoteles S.A. merged with HOMASI S.A, with HOMASI S.A. being the remaining company and holder of the interest in TosCuba S.A.

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

(x) 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).

Non-monetary items measured at fair value are translated using the exchange rates at the date when fair value was determined. Non-monetary items measured at historical cost are translated into the functional currency using the exchange rates prevailing at the date of the transaction and are not retranslated at the reporting, date.

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 2023 were gains of US$3,512,691 (2022: losses of US$6,093,916).

The exchange rates used in these consolidated financial statements at 31 December 2023 is 1 Euro = US$1.1050 (2022: 1 Euro = US$1.0666) and 1 British Pound = US$1.2747 (2022: 1 British Pound = US$1.2039).

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 consolidated 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 2023 and 2022, the Group has not established any deferred tax assets or liabilities.

Taxes applicable to the income of the Group and its subsidiaries in their respective jurisdictions are as follows:

Guernsey	• Income is tax exempt • Dividend distributions are not subject to dividend withholding tax
Panama	• Non-Panamanian income is tax exempt • Dividend distributions are not subject to dividend withholding tax
The Netherlands	• Dividend income from the Spanish subsidiaries is tax exempt under the European Union participation exemption • Dividends distributed to the parent company are subject to dividend withholding tax • Capital reductions distributed to the parent company are tax exempt
Spain	• Dividend income and capital gains relating to the interest in the Cuban joint venture companies are tax exempt under the Spain-Cuba Double Taxation Treaty and Spanish ETVE regime • Other types of income are subject to corporate tax • Dividends distributed to the parent company are not subject to dividend withholding tax
Cuba (i)	• Cuban joint venture companies have a corporate tax rate of 15% • Dividend distributions are not subject to dividend withholding tax

(i) The Cuban corporate tax rate does not apply to the Group itself but is applicable to 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 instruments

(a) Recognition and initial measurement

Financial assets and financial liabilities are recognised when the Group becomes a party to the contractual provisions of the financial instrument.

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 ("**SPPI**") on the principal 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 consolidated statement of financial position with an increase or reduction in interest income. The adjustment is subsequently amortised through Interest and similar income in the consolidated statement of comprehensive income.

Financial assets and financial liabilities measured at amortised cost are the following:

- Accounts receivable and accrued income;
- Loans and lending facilities;
- Accounts payable and accrued expenses;
- Short-term borrowings; and
- 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. Equity

(a) Stated capital

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

(b) Revaluation surplus

Movements in the net carrying amount of art works are recognised in the revaluation surplus within shareholders' equity (see note 3.11).

(c) Retained earnings

Accumulative net income or loss before other comprehensive income, less dividend payments, is classified as retained earnings within shareholders' equity.

(d) Accumulated other comprehensive income

Accumulated other comprehensive income or loss is classified as accumulated other comprehensive income within shareholders' equity.

3.13. 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.

3.14. 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 2023	31 Dec 2022
	US$	US$
Cash on hand	19,489	15,654
Bank current accounts	6,479,273	8,438,593
	6,498,762	**8,454,247**

5. ACCOUNTS RECEIVABLE AND ACCRUED INCOME

	31 Dec 2023	31 Dec 2022
	US$	US$
TosCuba receivable (i)	1,030,786	1,030,786
Other accounts receivable and deposits	837,331	499,858
Dividends receivable from Monte Barreto (ii)	4,046,027	19,045,041
Meliá Hotels International (iii)	6,409,000	2,093,689
	12,323,144	**22,669,374**
Expected credit loss (ii) (refer to note 2.3)	(2,023,013)	(19,045,041)
	10,300,131	**3,624,333**
Current portion	**5,394,621**	**3,400,612**
Non-current portion	**4,905,510**	**223,721**

(i) The TosCuba receivable relates to the undisbursed balance of funds that were deposited in the Cuban US$ bank account of TosCuba to be applied against the TosCuba construction facility once disbursed in Cuba for payments related to the construction of the hotel. As the TosCuba construction facility was fully disbursed as of 30 September 2023, and the balance is interest free with no terms of repayment, the amount has been accounted for as a receivable.

(ii) In April 2023, Monte Barreto transferred US$250,000 to the Cuban bank account of CEIBA Property Corporation to be used to pay local operating expenses of the Group.
In September 2023, transactions were executed whereby a payment of US$14,300,000 of the balance of dividends receivable from Monte Barreto were transferred from the Cuban US$ bank account of Monte Barreto to the Cuban US$ bank account of Miramar in exchange for an increase in the capital and term of the surface rights of Miramar to be executed at a later date.
Also, during 2023, arrangements were made with certain tenants of the Miramar Trade Centre to make their rental payments to a bank account in the name of a Group company outside of Cuba. At 31 December 2023, a total of US$449,014 had been received in the bank account and accounted for as a reduction in the dividends receivable from Monte Barreto and the related expected credit loss.
As a result of the above transactions, there was a reduction in the dividends receivable from Monte Barreto of US$14,999,014.

(iii) In September 2023, in relation to the transaction detailed in footnote (ii) above, capital contributions were made to HOMASI. The Group made a capital contribution of US$14,300,000 relating to its 65% equity interest. Meliá Hotels International agreed to make a capital contribution of US$7,700,000 relating to its 35% equity interest. Of this amount, US$6,409,000 was outstanding to be received from Meliá Hotels International at 31 December 2023 and is due in four equal semi-annual installments from July 2024 to January 2026.
In December 2022, CEIBA Tourism (a subsidiary of the Company) sold a 15% equity interest in Mosaico Hoteles to Meliá Hotels International. US$2,093,689 was outstanding to be received from Meliá Hotels International at 31 December 2022 in relation to this transaction. The amount was received in full during the first half of 2023.

Accounts receivable and accrued income have the following future maturities:

	31 Dec 2023 US$	31 Dec 2022 US$
Up to 30 days	2,594,514	289,418
Between 31 and 90 days	243,540	445,768
Between 91 and 180 days	449,589	2,592,288
Between 181 and 365 days	2,106,978	73,138
Over 365 days	4,905,510	223,721
	10,300,131	**3,624,333**

US$4,046,027 (2022: US$19,045,041) of the accounts receivable and accrued income balance is made up of dividends receivable. The impairment of 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 mixed effects of Cuban monetary reforms. The dividend receivable is assessed at Stage 3 (same as for the year ended 31 December 2022) 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.

The total amount of credit impaired receivables at year end related to Monte Barreto is US$2,023,013 (2022: US$19,045,041). As noted above in footnote (ii), Management was able to recover a total of US$14,999,014 of the provisioned dividends receivable by having US$250,000 transferred to the Cuban bank account of CEIBA Property Corporation and arranging to have Monte Barreto transfer US$14,300,000 to Miramar. As well, an effort has been made to sign up tenants of the Miramar Trade Center, the property owned by Monte Barreto, to an external payment arrangement whereby their rent payments are made to the Spanish Euro account of CEIBA MTC Properties Inc., the Group company that acts as the foreign shareholder of Monte Barreto. Amounts received are applied against the outstanding dividends receivable from Monte Barreto. During 2023, an amount of US$449,014 (2022: Nil) was collected and applied against the dividends receivable and related expected credit loss. Due to these transactions, Management has determined that it is appropriate that fifty percent of the remaining balance to be considered impaired.

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$2,023,013 (2022: US$19,045,041).

6. LOANS AND LENDING FACILITIES

	31 Dec 2023 US$	31 Dec 2022 US$
TosCuba S.A. Construction Facility (i)	52,339,967	44,268,916
Casa Financiera FINTUR S.A. (ii)	-	1,410,240
Miramar Confirming Facility (iii)	10,581,800	6,984,438
TosCuba Confirming Facility (iv)	893,283	-
Grupo B.M. Interinvest Technologies Mariel S.L. (v)	625,246	576,482
	64,440,296	**53,240,076**
Expected credit loss (iv) (refer to note 2.3)	(312,623)	-
	64,127,673	**53,240,076**
Current portion	**16,567,946**	**8,971,160**
Non-current portion	**47,559,727**	**44,268,916**

(i) In April 2018, the Group entered into a construction finance facility agreement (the "**Construction Facility**") with TosCuba for the purpose of extending to TosCuba part of the funding necessary for the construction of the Meliá Trinidad Península Hotel. The Construction Facility has a total principal amount of US$51,500,000, divided into Tranche A of US$22,500,000 and Tranche B of US$29,000,000. The Construction Facility was fully disbursed as of 30 September 2023. The Company has a 65% participation in Tranche A of the Construction Facility and a 74% (2022: 82%) participation in Tranche B. The remaining 26% participation in Tranche B of the Construction Facility is held by HOMASI. The Group has the right to syndicate its participation in 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 until 30 April 2024, (ii) on 30 April 2024, payments of accumulated interest will commence, followed by a repayment period, ending on 31 December 2032, during which blended payments of principal and interest will be made, (iii) interest accrues on principal amounts outstanding under the Construction Facility at the rate of 8.0%.

Repayment of the Construction Facility is secured by an assignment in favour of the lenders of all of the future income of the Meliá Trinidad Península Hotel. 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 the scheduled payment period for principal and interest ends on 31 December 2032. The loan is assessed at Stage 2 (same as for the year ended 31 December 2022) of the IFRS ECL impairment model, which therefore requires Management to assess the expected credit loss over the lifetime of the loan. Accordingly, Management has made an assessment of the expected credit loss over the lifetime of the loan taking into account all reasonable and supportable information that is available, 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 Construction Facility is secured by the future income of the hotel in the form of Euro-denominated off-shore tourism proceeds payable to TosCuba that are collected in a Spanish bank account in the name of HOMASI S.A., a Group company. 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 on 30 April 2024.

The Company's subsidiary HOMASI has a US$7,500,000 (2022: US$5,220,000) participation in Tranche B of the Construction Facility, representing an 26% interest therein.

Meliá Hotels International has a US$7,875,000 participation in Tranche A of the Construction Facility, representing a 35% interest therein.

As at 31 December 2023, the loan principal was US$43,625,000 (2022: US$38,937,911) and loan interest receivable was US$8,714,967 (2022: US$5,331,005).

(ii) In July 2016, the Group arranged and participated in a €24,000,000 (US$26,520,000 equivalent at 31 December 2023) syndicated facility provided to Casa Financiera FINTUR S.A. ("**FINTUR**"). The facility was subsequently amended in May 2019 through the addition of a second tranche in the principal amount of €12,000,000 (US$13,260,000 equivalent at 31 December 2023). The Group had an initial participation of €4,000,000 (US$4,420,000 equivalent at 31 December 2023) under the first tranche and a €2,000,000 (US$2,210,000 equivalent at 31 December 2023) participation under the second tranche. The two tranches were subsequently combined into a single unified tranche. This facility generated interest at the rate of 8.0% per annum and was secured by Euro-denominated off-shore tourism proceeds payable to FINTUR by certain international hotel operators managing hotels in Cuba.

The facility was fully repaid in August 2023. Therefore, as at 31 December 2023, the principal amount of €nil (2022: €1,295,693 (US$1,410,240)) was outstanding and loan interest receivable was €nil (2022: €26,490 (US$28,254)).

(iii) The Company's subsidiary HOMASI (the foreign shareholder of Miramar) executed a 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 €5,300,000 credit line received by HOMASI from a Spanish bank for this purpose (see note 11). The Miramar confirming facility is secured by the cash flows generated by the Hotels of Miramar. At 31 December 2023, a total of US$10,581,800 (2022: US$6,984,438) 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 2022) of the IFRS ECL impairment model which therefore requires management to assess the expected credit loss over the lifetime of the loan. Accordingly, management has made an assessment of the expected credit loss over the lifetime of the loan taking into account all reasonable and supportable information that is available that includes both internal and external information and this has resulted in an assessed expected credit loss that is immaterial to the Group.

(iv) During the year, HOMASI (the foreign shareholder of TosCuba) executed a confirming and discounting facility with TosCuba for the purpose of confirming and discounting supplier invoices relating to the operations of the Trinidad Hotel. The facility is fully financed by HOMASI. The TosCuba confirming facility is secured by a second-ranking assignment in favour of HOMASI of the cash flows generated by the Trinidad Hotel. At 31 December 2023, a total of US$893,283 was disbursed under the TosCuba facility. The loan is not repayable on demand. The loan is 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 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.

(v) In May 2021, the Group entered into a Convertible Loan Agreement in the principal amount of €500,000 (US$552,500 equivalent at 31 December 2023) with 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). The impairment of the loan to GBM Mariel has been assessed high in terms of the 3-stage model per IFRS 9 by assessing the credit risk of the counterparty. The industrial and logistics park real estate project of GBM Mariel project became dormant in 2022 and the timing of a potential restart is uncertain. The loan to GBM Mariel is assessed at Stage 3 (no assessment was made due to immateriality for the year ended 31 December 2022) 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. The total amount of credit impaired receivables at year end related to the GBM Mariel loan is US$312,623 (2022: nil).

As at 31 December 2023, the loan interest receivable related to the GBM Mariel loan was €65,833 (US$72,746) (2022: €40,486 (US$43,182))

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

	31 Dec 2023 US$	31 Dec 2022 US$
Up to 30 days	1,111,870	1,043,423
Between 31 and 90 days	2,004,204	2,088,166
Between 91 and 180 days	6,273,684	2,832,449
Between 181 and 365 days	7,178,188	3,007,122
Over 365 days	47,559,727	44,268,916
	64,127,673	**53,240,076**

7. EQUITY INVESTMENTS

	31 Dec 2023 US$	31 Dec 2022 US$
Miramar S.A.	110,099,079	98,637,088
Inmobiliaria Monte Barreto S.A.	47,834,256	50,234,789
TosCuba S.A.	6,803,358	5,350,000
	164,736,693	**154,221,877**

	Miramar (i) US$	Monte Barreto US$	TosCuba (ii) US$	Total US$
Balance at 31 December 2021	**94,511,908**	**67,692,462**	**13,623,664**	**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**
Additional investment	14,300,000	-	-	14,300,000
Foreign currency translation reserve	3,551,157	-	192,612	3,743,769
Change in fair value of equity investments	(6,389,166)	(2,400,533)	1,260,746	(7,528,953)
Balance at 31 December 2023	**110,099,079**	**47,834,256**	**6,803,358**	**164,736,693**

(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.

Key assumptions used in the estimated fair values of the equity investments

The fair values of the equity investments are 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 a valuation firm to perform an independent valuation of the properties owned by the joint ventures based on discounted cash flow models. 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 Directors may also take into account additional relevant information that impacts the fair values of the equity investments 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 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 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 2023, the amount of Excess Cash that is included in the fair value of Monte Barreto stated in these financial statements is US$4,175,256 (2022: US$7,702,789).

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 2023, the amount of Excess Cash that is included in the fair value of Miramar stated in these financial statements is US$15,149,079 (2022: US$6,887,088). 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.

In the case of TosCuba, as the underlying hotel only began operations in November 2023 and needs to repay the Construction Facility, no assessment of Excess Cash was made

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.

The key assumptions used in the discounted cash flow model of the Miramar Trade Center are the following:

	31 Dec 2023	31 Dec 2022
Discount rate (pre tax) (i)	24.0%	23.0%
Occupancy year 1	96.2%	95%
Average occupancy year 2 to 8	96.4%	96.1%
Occupancy year 8 and subsequent periods	97%	97%
Average rental rates per square meter per month – year 1 to 6	US$26.55	US$26.48
Annual increase in rental rates subsequent to year 6 (ii)	3.0%	3.0%
Capital investments as percentage of rental revenue	3.0%	3.0%

(i) When determining the value of the equity investment in Monte Barreto, taking into account the taxes applicable to the joint venture company, the after-tax discount rate used in the discounted cash flow model was 19.0% (2022: 18.2%).
(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 Meliá Habana Hotel (the "**Havana Hotel**") in Havana, a 5-star hotel that has 397 rooms. Miramar also owns three beach resort hotels in Varadero known as the Meliá Las Américas, Meliá Varadero and Sol Palmeras Hotels, having an aggregate total of 1,437 rooms (the "**Varadero Hotels**"). The Meliá Las Américas 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 Meliá Varadero Hotel is located next to the Meliá Las Américas Hotel and has 490 rooms, including 7 suites and began operations in 1992. The 4-star Sol Palmeras Hotel is located next to the Meliá 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 2023, 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 Meliá Hotels International, representing a 17.5% interest in Miramar, and has been accounted for as a non-controlling interest in these consolidated financial statements.

The key assumptions used in the discounted cash flow models of the Havana Hotel and Varadero Hotels are the following:

Meliá Habana	31 Dec 2023	31 Dec 2022
Discount rate (pre-tax) (i)	20.0%	19.25%
Average occupancy year 1 to 3	60.2%	63.1%
Occupancy year 4 and subsequent periods	69.4%	70.0%
Average daily rate per room – year 1	US$122.00	US$125.00
Average increase in average daily rate per room – year 2 to 6	7.0%	12.7%
Increase in average daily rate per room subsequent to year 6 (ii)	3.0%	3.5%
Capital investments as percentage of total revenue	7.0%	7.0%

Meliá Las Américas	31 Dec 2023	31 Dec 2022
Discount rate (pre-tax) (iii)	20.0%	19.0%
Average occupancy year 1 to 3	80%	75%
Occupancy year 4 and subsequent periods	80%	80.0%
Average daily rate per room – year 1	US$135.00	US$135.11
Average increase in average daily rate per room – year 2 to 6	7.2%	8.2%
Increase in average daily rate per room subsequent to year 6 (ii)	3.0%	3.5%
Capital investments as percentage of total revenue	7.0%	7.0%

Meliá Varadero	31 Dec 2023	31 Dec 2022
Discount rate (pre-tax) (iv)	20.75%	19.0%
Average occupancy year 1 to 3	68.7%	67.0%
Occupancy year 4 and subsequent periods	80.0%	80.0%
Average daily rate per room – year 1	US$75.00	US$114.93
Average increase in average daily rate per room – year 2 to 6	12.5%	4.6%
Increase in average daily rate per room subsequent to year 6 (ii)	3.0%	3.5%
Capital investments as percentage of total revenue	7.0%	7.0%

Sol Palmeras	31 Dec 2023	31 Dec 2022
Discount rate (pre-tax) (v)	20.75%	19.0%
Average occupancy year 1 to 3	68%	69.3%
Occupancy year 4 and subsequent periods	78%	80.0%
Average daily rate per room – year 1	US$85.00	US$103.34
Increase in average daily rate per room – year 2	17.6%	7.5%
Average increase in average daily rate per room – year 3 to 6	26.3%	4.0%
Increase in average daily rate per room subsequent to year 6 (ii)	3.0%	3.5%
Capital investments as percentage of total revenue	7.0%	7.0%

(i) When determining the value of the equity investment in Miramar, taking into account the taxes applicable to the joint venture company, the after-tax discount rate used in the discounted cash flow model was 16.6% (2022: 16.6%).
(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) When determining the value of the equity investment in Miramar, taking into account the taxes applicable to the joint venture company, the after-tax discount rate used in the discounted cash flow model was 16.2% (2022: 15.8%).

(iv) In order to arrive at the same value if the taxes applicable to Miramar related to the underlying property are taken into account in the discounted cash flow model, the implied after-tax discount rate would be 17.2% (2022: 15.8%).
(v) When determining the value of the equity investment in Miramar, taking into account the taxes applicable to the joint venture company, the after-tax discount rate used in the discounted cash flow model was 16.7% (2022: 15.8%).

TosCuba

At 31 December 2023, the Group owned an indirect 65% interest (2022: 65% interest) in HOMASI (2022: Mosaico Hoteles which merged with HOMASI in December 2023), which in turn has a 50% equity interest in TosCuba, the Cuban joint venture company that owns the Meliá Trinidad Península Hotel, a 401 room 5-star hotel at Playa Maria Aguilar near the City of Trinidad, Cuba. The remaining share equity interest in TosCuba is held by Cubanacán (as to 50%). All decisions at shareholder meetings require the unanimous agreement of the Cuban and foreign shareholders. TosCuba was incorporated and related surface rights granted for an initial term of 50 years expiring in 2048.

The Trinidad Hotel had a soft-opening in November 2023 and an official opening on 14 January 2024. At 31 December 2023, the Trinidad Hotel had 195 rooms in operation. All 401 hotel rooms are scheduled to be operational by 30 April 2024.

The key assumptions used in the discounted cash flow model of the Trinidad Hotel are the following:

	31 Dec 2023	31 Dec 2022
TosCuba		
Discount rate (pre-tax) (i)	20.0%	19.25%
Average occupancy year 1 to 5	63.6%	61.0%
Occupancy year 6 and subsequent periods	70.0%	70.0%
Average daily rate per room – year 1	US$155.00	US$154.00
Average increase in average daily rate per guest – year 2 to 5	6.9%	11.3%
Increase in average daily rate per guest subsequent to year 5 (ii)	3.0%	3.5%
Capital investments as percentage of total revenue – year 1 to 4	5.0%	4.5%
Capital investments as percentage of total revenue subsequent to year 4	7.0%	7.0%

(i) When determining the value of the equity investment in TosCuba, taking into account the taxes applicable to the joint venture company, the after-tax discount rate used in the discounted cash flow model was 18.8% (2022: 19.3%).
(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 sensitivity percentages selected cover a broad range of scenarios that can impact estimated rental rates / average daily rates.

The following table details the fair values of the equity investments at 31 December 2023 when applying lower rental rates / average daily rates:

	Financial statements US$	-5% US$	-10% US$	-15% US$
Monte Barreto	47,834,256	45,884,388	43,934,519	41,984,651
Miramar	110,099,079	105,352,195	100,605,311	95,858,427
TosCuba	6,803,358	5,303,358	3,303,358	1,803,358

The following table details the fair values of the equity investments at 31 December 2023 when applying higher rental rates / average daily rates:

	Financial statements US$	+5% US$	+10% US$	+15% US$
Monte Barreto	47,834,256	49,784,124	51,733,993	53,683,861
Miramar	110,099,079	114,845,963	119,592,847	124,339,731
TosCuba	6,803,358	8,303,358	10,303,358	11,803,358

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

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 sensitivity percentages selected cover a broad range of scenarios that can impact occupancy rates.

The following table details the fair values of the equity investments at 31 December 2023 when applying lower occupancy rates:

	Financial statements US$	-5% US$	-10% US$	-15% US$
Monte Barreto	47,834,256	45,891,659	43,949,335	42,007,334
Miramar	110,099,079	103,761,625	97,424,172	91,086,718
TosCuba	6,803,358	4,303,358	1,803,358	-

The following table details the fair values of the equity investments at 31 December 2023 when applying higher occupancy rates:

	Financial statements US$	+5% US$	+10% US$	+15% US$
Monte Barreto (i)	47,834,256	49,233,314	n/a	n/a
Miramar	110,099,079	116,436,533	122,773,986	129,111,440
TosCuba	6,803,358	9,303,358	11,803,358	14,303,358

(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 2022 when applying lower occupancy rates:

	Financial statements US$	-5% US$	-10% US$	-15% 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 US$	+5% US$	+10% US$	+15% 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%.

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 2023 when applying lower discount and capitalization rates:

	Financial statements US$	-1% US$	-2% US$	-3% US$
Monte Barreto	47,834,256	50,211,911	52,910,702	56,003,608
Miramar	110,099,079	117,728,145	126,644,585	137,209,727
TosCuba	6,803,358	8,803,358	11,303,358	14,303,358

The following table details the fair values of the equity investments at 31 December 2023 when applying higher discount and capitalisation rates:

	Financial statements US$	+1% US$	+2% US$	+3% US$
Monte Barreto	47,834,256	45,721,881	43,831,299	42,128,143
Miramar	110,099,079	103,495,101	97,721,161	92,629,148
TosCuba	6,803,358	4,803,358	3,303,358	1,803,358

The following table details the fair values of the equity investments at 31 December 2022 when applying lower discount and capitalisation 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	-

Sensitivity to changes in the estimation of Excess Cash – working capital

The fair values of the equity investments in Monte Barreto and Miramar 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 in Monte Barreto and Miramar at 31 December 2023 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	47,834,256	47,675,422	47,516,587	47,357,753
Miramar	110,099,079	108,690,083	107,281,087	105,872,092

The following table details the changes in fair values of the equity investments in Monte Barreto and Miramar 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

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 2023 and 2022, however this is considered unlikely and therefore the related sensitivities have not been shown.

Sensitivity to changes in the estimation of Excess Cash – US$: CUP exchange rate

At 31 December 2023, the Cuban economy had three different principal US$: CUP exchange rates in use. The official rate in the general economy is US$1 : CUP24. In the tourism sector and for banking transactions involving private individuals, the official rate is US$1 : CUP120. There was also an unofficial rate in the informal market (street rate) of approximately US$1 : CUP280.

Included within the calculation of Excess Cash adjustment is the translated value of the CUP bank balances held by Monte Barreto and Miramar. The CUP bank balances of Monte Barreto have been translated at the official rate of US$1 : CUP24. However, given the present circumstances in the Cuban economy and a possible devaluation of the official US$: CUP rate in the near future, it was determined appropriate to make an adjustment so that the resulting translated values of the CUP bank balances would be equivalent to those obtained by applying the rate of US$1 : CUP120, the rate used by the tourism sector.

The following table details the changes in fair values of the equity investments in Monte Barreto and Miramar at 31 December 2023 if the US$: CUP exchange rate in the Excess Cash calculation was equivalent to US$1 : CUP24 (the official rate applicable in the general economy), US$1 : CUP120 (the official rate applicable to the tourism industry and private individuals), and US$1 : CUP 280 (the approximate informal market rate at 31 December 2023), in comparison to the calculation used in these consolidated financial statements. In the case of Miramar, figures are not applicable using the rate of US$1 : CUP24 as the official rate used by Miramar is the official tourism sector rate of US$1 : CUP120.

	Financial statements US$	24 : 1 US$	120 : 1 US$	280 : 1 US$
Monte Barreto	47,834,256	63,896,449	47,834,256	45,539,657
Miramar	110,099,079	n/a	110,099,079	107,992,985

The following table details the changes in fair values of the equity investments in Monte Barreto and Miramar at 31 December 2022 if the US$: CUP exchange rate in the Excess Cash calculation was equivalent to US$1 : CUP24 (the official rate applicable to Monte Barreto), US$1 : CUP120 (the official rate applicable to Miramar), and US$1 : CUP 170 (the approximate informal market rate at 31 December 2022) in comparison to the calculation used in these consolidated financial statements. In the case of Miramar, figures are not applicable using the rate of US$1 : CUP24 as the official rate used by Miramar is the official tourism sector rate of US$1 : CUP120.

	Financial statements US$	24 : 1 US$	120 : 1 US$	170 : 1 US$
Monte Barreto	50,234,789	50,234,789	38,099,827	37,207,551
Miramar	98,637,088	n/a	98,637,088	98,304,716

Dividend income from equity investments

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

	31 Dec 2023	31 Dec 2022
	US$	US$
Monte Barreto	-	8,169,610
Miramar	8,532,677	7,694,884
	8,532,677	**15,864,494**

Financial information of joint venture companies

The principal financial information of the joint venture companies for the years ended 31 December 2023 and 2022 is as follows:

	Monte Barreto (i)		Miramar (i)		TosCuba	
	2023	2022	2023	2022	2023 (i)	2022 (ii)
	US$	US$	US$	US$	US$	US$
	000's	000's	000's	000's	000's	000's
Cash and equivalents	50,807	55,481	48,078	40,096	133	1,309
Other current assets	2,077	2,006	24,672	26,838	2,812	20,691
Non-current assets	42,852	44,054	137,339	132,593	100,261	68,319
Current financial liabilities	11,530	41,446	24,996	19,805	19,845	8,485
Other current liabilities	-	-	-	-	-	-
Non-current financial liabilities	4,847	3,833	608	587	60,580	54,592
Other non-current liabilities	-	-	-	-	-	-
Revenue	22,896	22,664	62,077	72,441	581	-
Financial income	-	-	-	-	-	-
Financial expense	17	45	2,805	2,552	694	-
Depreciation and amortisation	1,377	1,448	6,694	6,373	217	-
Taxation paid	3,904	2,657	4,752	3,326	-	-
Profit (loss) from continuing operations	13,145	14,734	12,145	18,562	(2,140)	-
Other comprehensive income	-	-	-	-	-	-
Total comprehensive income (loss)	13,145	14,734	12,145	18,562	(2,140)	-

(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 2023 US$	31 Dec 2022 US$
Grupo B.M. Interinvest Technologies Mariel S.L.	206,259	113,507
	206,259	**113,507**

The movements of the investment in associated were the following:

	31 Dec 2023 US$	31 Dec 2022 US$
Balance at beginning of year	113,507	303,175
Share of net income / (loss) of associate	92,752	(189,668)
Balance at end of year	**206,259**	**113,507**

At 31 December 2023 and 2022, the Group owned an indirect 50% share equity interest 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 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. The project became dormant in 2022 and the timing of a potential restart is uncertain as it is dependent on securing tenants for the warehouses that are to be built on the plot of land on which groundwork has been executed.

9. PROPERTY, PLANT AND EQUIPMENT

	Motor vehicles US$	Office furniture and equipment US$	Works of art US$	Total US$
Cost:				
At 1 January 2022	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**
Additions	95,793	8,448	-	**104,241**
At 31 December 2023	470,295	216,767	463,300	**1,150,362**
Accumulated Depreciation:				
At 1 January 2022	354,553	170,227	-	**524,780**
Charge	8,866	15,413	-	**24,279**
At 31 December 2022	363,419	185,640	-	**549,059**
Charge	12,059	11,097	-	**23,156**
At 31 December 2023	375,478	196,737	-	**572,215**
Net book value:				
At 1 January 2022	19,949	32,359	463,300	**515,608**
At 31 December 2022	11,083	22,679	463,300	**497,062**
At 31 December 2023	94,817	20,030	463,300	**578,147**

10. ACCOUNTS PAYABLE AND ACCRUED EXPENSES

	31 Dec 2023	31 Dec 2022
	US$	US$
Due to shareholders	-	5,141
Due to Meliá Hotels International	10,878	10,878
Due to Miramar	1,334,298	3,112,511
Accrued professional fees	501,122	261,285
Management fees payable (see note 17)	3,129,937	3,193,984
Other accrued expenses	27,753	259,220
Deferred revenue	-	335,713
Other accounts payable	51,123	7,010
Accrued interest	545,890	-
TosCuba deposit	277,471	-
	5,878,472	**7,185,742**
Current portion	**4,618,646**	**7,185,742**
Non-current portion	**1,259,826**	**-**

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

	31 Dec 2023	31 Dec 2022
	US$	US$
Up to 30 days	2,515,020	6,984,157
Between 31 and 90 days	238,331	90,293
Between 91 and 180 days	941,933	90,292
Between 181 and 365 days	923,362	21,000
Over 365 days	1,259,826	-
	5,878,472	**7,185,742**

11. SHORT-TERM BORROWINGS

	31 Dec 2023	31 Dec 2022
	US$	US$
Short-term finance facility (i)	6,072,548	3,946,551
	6,072,548	**3,946,551**

(i) The amount represents the balance outstanding of a €5,300,000 (US$5,856,000 equivalent at 31 December 2023) (2022: €4,500,000 (US$4,799,700 equivalent at 31 December 2022)) 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 2023	31 Dec 2022
	US$	US$
Convertible bonds issued (i)	29,312,500	29,312,500
Foreign exchange movements	(1,687,500)	(2,647,500)
	27,625,000	**26,665,000**
Current portion	-	-
Non-current portion	**27,625,000**	**26,665,000**

(i) On 31 March 2021, the Company issued €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$2,952,587 (2022: US$2,628,228).

The future maturity profile of the Bonds is as follows:

	31 Dec 2023	31 Dec 2022
	US$	US$
Greater than 365 days	27,625,000	26,665,000
	27,625,000	**26,665,000**

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.

The holders of ordinary shares are entitled to receive dividends as declared from time to time and are entitled to one vote per share without restriction at meetings of the Group.

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 2022	**137,671,576**	**106,638,023**
Stated capital at 31 December 2023	**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 2023	31 Dec 2022
	US$	US$
Total assets	246,447,665	220,151,102
Total liabilities	(39,576,020)	(38,630,626)
Less: non-controlling interests	(48,352,096)	(39,441,971)
NAV	**158,519,549**	**142,078,505**
Number of ordinary shares issued	137,671,576	137,671,576
NAV per share	**1.15**	**1.03**

Non-controlling interest

At 31 December 2023, the non-controlling interest corresponds to the 35% participation of Meliá Hotels International in the equity of HOMASI (2022: 35%) and at 31 December 2022, the 35% participation of Meliá Hotels International in the equity of Mosaico Hoteles. On 4 December 2023, Mosaico Hoteles and HOMASI merged, with HOMASI being the remaining company.

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

	31 Dec 2023	31 Dec 2022
	US$	US$
Non-controlling interest in HOMASI	48,352,096	37,763,447
Non-controlling interest in Mosaico Hoteles	-	1,678,524
Total non-controlling interests	**48,352,096**	**39,441,971**

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

	31 Dec 2023	31 Dec 2022
	US$	US$
Initial balance	39,441,971	36,592,765
Interest of non-controlling interest in net income	1,229,442	2,998,218
Net other comprehensive income / (loss) to be reclassified to profit or loss in subsequent periods	1,555,224	(2,132,871)
Interest acquired by non-controlling interest	-	1,983,859
Contribution from non-controlling interest	7,700,000	-
Cash distribution to non-controlling interest	(1,574,541)	-
Final balance	**48,352,096**	**39,441,971**

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

	31 Dec 2023	31 Dec 2022
	US$	US$
Initial balance	37,763,447	33,923,378
Interest of non-controlling interest in net income	1,229,442	5,977,445
Net other comprehensive income / (loss) to be reclassified to profit or loss in subsequent periods	1,555,224	(2,137,376)
Merged with Mosaico Hoteles	1,678,524	-
Contribution from non-controlling interest	7,700,000	-
Cash distribution to non-controlling interest	(1,574,541)	-
Final balance	**48,352,096**	**37,763,447**

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

	31 Dec 2023 US$	31 Dec 2022 US$
Initial balance	1,678,524	2,669,387
Interest of non-controlling interest in net loss	-	(2,979,227)
Net other comprehensive income to be reclassified to profit or loss in subsequent periods	-	4,505
Merged with HOMASI	(1,678,524)	-
Interest acquired by non-controlling interest	-	1,983,859
Final balance	**-**	**1,678,524**

The principal financial information of HOMASI and Mosaico Hoteles for the years ended 31 December 2023 and 2022 is as follows:

	HOMASI		Mosaico Hoteles	
	2023	2022	2023	2022
	US$	US$	US$	US$
	000's	000's	000's	000's
Current assets	16,683	16,704	-	69
Non-current assets	129,660	98,637	-	5,350
Current liabilities	(8,194)	(7,446)	-	(557)
Equity	(138,149)	(107,895)	-	(4,862)
Income	10,830	17,909	-	-
Expenses	(6,383)	(827)	-	(8,551)
Depreciation	(4)	(3)	-	-
Taxation	-	-	-	-
Net income / (loss) for the year	4,443	17,079	-	(8,551)
Other comprehensive income / (loss)	3,513	(6,107)	-	13
Total comprehensive income / (loss)	7,956	10,972	-	(8,538)

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 Meliá 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 2023 US$			
	Commercial property	Tourism / Leisure	Other	Total
Total assets	53,426,966	147,525,114	45,495,585	**246,447,665**
Total liabilities	(222,917)	(8,297,556)	(31,055,547)	**(39,576,020)**
Total net assets	**53,204,049**	**139,227,558**	**14,440,038**	**206,871,645**
Dividend income	-	8,532,677	-	**8,532,677**
Interest income	-	1,592,519	2,924,212	**4,516,731**
Other income	-	9,903	586,598	**596,501**
Change in fair value of equity investments	(2,400,533)	(5,128,420)	-	**(7,528,953)**
Share of income of associate	-	-	92,752	**92,752**
Reversal of/(expense) for expected credit loss	17,022,028	-	(312,623)	**16,709,405**
Interest expense	-	-	(2,952,587)	**(2,952,587)**
Allocated expenses	(1,011,893)	(1,795,082)	(1,382,010)	**(4,188,985)**
Foreign exchange loss	-	-	(64,522)	**(64,522)**
Net profit / (loss)	**13,609,602**	**3,211,597**	**(1,108,180)**	**15,713,019**
Other comprehensive profit	-	3,512,691	-	**3,512,691**
Total comprehensive profit / (loss)	**13,609,602**	**6,724,288**	**(1,108,180)**	**19,225,710**
Other segment information:				
Property, plant and equipment additions	98,233	6,008	-	**104,241**
Depreciation	17,947	5,209	-	**23,156**

	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 profit / (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**

15. RELATED PARTY DISCLOSURES

Compensation of Directors

Each Director receives a fee of £35,000 (US$44,615) per annum with the Chairman receiving £40,000 (US$50,988). The Chairman of the Audit Committee also receives an annual fee of £40,000 (US$50,988). The Chairman and Directors are also reimbursed for other expenses properly incurred by them in attending meetings and other business of the Group. No other compensation or post-employment benefits are provided to Directors. Total Directors' fees, including the fees of the Chairman, for the year ended 31 December 2023 were US$ 338,742 (year ended 31 December 2022: US$320,603).

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 2023 amounted to US$116,654 (2022: US$23,734) with an average rental charge per square meter at 31 December 2023 of US$27.02 (2022: US$37.67) plus an administration fee of US$9.75 (2022: US$9.75) 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 2023 in 9,746,532 shares of the stated capital (2022: 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 2023 John Herring, a Director of CEIBA, had an indirect interest in 40,000 shares (2022: 40,000 shares).

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

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

At 31 December 2023 Colin Kingsnorth, a Director of CEIBA, is a director and shareholder of Ursus Capital Limited, which holds 13,799,197 shares (2022: 12,253,680 shares).

At 31 December 2023 Andrew Pegge, a Director of CEIBA, is a director and shareholder of POP Investments Limited, which holds 13,881,374 shares.

At 31 December 2023 Sebastiaan A.C. Berger, Chief Executive Officer of CEIBA, has an interest in 3,630,071 shares (2022: 3,273,081 shares).

At 31 December 2023 Cameron Young, Chief Operating Officer of CEIBA, has an indirect interest in 4,275,618 shares (2022: 4,129,672 shares).

At 31 December 2023 Paul S. Austin, Chief Financial Officer of CEIBA, has an interest in 70,000 shares (2022: 144,000).

Interests of Directors, Executives and Shareholders in the Convertible Bonds

At 31 December 2023, Directors had an interest of Nil, Executives had an interest of €400,000 (US$442,000), and Shareholders of CEIBA had an interest of €12,000,000 (US$13,260,000) in the Bonds (see note 12).

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

16. BASIC AND DILUTED LOSS PER SHARE

Basic profit / (loss) per share

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

	31 Dec 2023 US$	31 Dec 2022 US$
Weighted average of ordinary shares in issue	137,671,576	137,671,576
Net profit / (loss) for the year attributable to the shareholders	14,157,795	(14,283,039)
Basic profit / (loss) per share	0.10	(0.10)

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.

Until 30 June 2023, AFML was entitled to receive an annual management fee at the rate of 1.5 per cent of Total Assets. The management fee payable by the Group to AFML was lowered by the annual running costs of the Havana operations of CEIBA Property Corporation Limited, a subsidiary of the Group. The management fees earned by the Investment Manager for the year ended 31 December 2023 were US$793,391 (2022: US$2,758,501). 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 totaling US$3,129,937, to be paid gradually between January 2024 and April 2026.

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 was terminated prior to the fifth anniversary of its coming into effect, the Group would have to 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 amortised over the five year period. The amount amortised each period was 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. As part of Management Agreement termination, with effect from 1 July 2023, AFML waived the repayment of the remaining unamortised balance of the US$5,000,000 payment. At 31 December 2023, the amount recorded as a deferred liability is Nil (2022: US$833,333). The amount waived by AFML of US$583,333 was recorded as other income.

For the year ended 31 December 2023, the amount of the US$5,000,000 payment amortised and recorded as a reduction of the management fee expense in the consolidated statement of comprehensive income was US$250,000 (2022: US$1,000,000):

	31 Dec 2023 US$	31 Dec 2022 US$
Management fees earned by AFML	793,391	2,758,501
Amortisation of deferred liability	(250,000)	(1,000,000)
Management fee expense	**543,391**	**1,758,501**

As from 1 July 2023, the Company is no longer externally managed and now operates as a self-managed alternative investment fund. The Management Team is comprised of the same individuals as under the prior arrangements, with executives now being contracted directly by the Company.

In addition, the Company has appointed 4K Keys Limited, a company owned by the Management Team, to provide strategic consulting services in respect of the real estate assets of the Company's subsidiaries aimed at generating positive cash flow for such subsidiaries and cash distributions to CEIBA and its shareholders. 4K Keys has the right to receive remuneration in respect of certain cash distributions to shareholders and liquid assets at the rate of 5.0% thereof until 30 June 2027.

18. COMMITMENTS AND CONTINGENCIES

Lease commitments

The rental charges paid under leases accounted for in operational costs of the consolidated statement of comprehensive income for the year ended 31 December 2023 amounted to US$116,654 (2022: US$23,734).

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

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

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

Management has assumed, based on historical data, that the maximum reasonable variance of the exchange rate of EUR/US$ is +/- 20% during a one-year period. 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 2023	Equity 31 Dec 2023	Income (loss) 31 Dec 2022	Equity 31 Dec 2022
%	US$	US$	US$	US$
+15	4,099,793	(3,204,170)	3,249,077	(1,448,050)
+20	5,466,391	(4,272,227)	4,332,103	(1,930,734)
-15	(4,099,793)	3,204,170	(3,249,077)	1,448,050
-20	(5,466,391)	4,272,227	(4,332,103)	1,930,734

(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 2023				
Equity investments (US$)	164,736,693	-	-	164,736,693
Loans and lending facilities (€)	11,787,706	312,623	-	11,475,083
Loans and lending facilities (US$)	52,339,967	52,339,967	-	-
Accounts receivable and accrued income (US$)	1,275,608	-	-	1,275,608
Accounts receivable and accrued income (€)	9,024,523	-	-	9,024,523
Cash at bank (€)	5,977,273	-	-	5,977,273
Cash at bank (US$)	492,272	-	-	492,272
Cash at bank (GBP)	9,728	-	-	9,728
Cash on hand (GBP)	299	-	-	299
Cash on hand (€)	13,924	-	-	13,924
Cash on hand (US$)	1,836	-	-	1,836
Cash on hand (CUP)	3,500	-	-	3,500
Short-term borrowings (€)	(6,072,548)	(6,072,548)	-	-
Convertible bonds (€)	(27,625,000)	(27,625,000)	-	-

	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)	-	-

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.

Financial assets are written off when there is no reasonable expectation of recovery. The Group assesses whether a loan or receivable is in default when a debtor fails to make contractual payments more than 120 days past due. Where loans or other receivables have been written off, the Group continues to engage in enforcement activity to attempt to recover the receivable due. Where recoveries are made, these are recognised in profit or loss.

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 2023 US$	31 Dec 2022 US$
Loans and lending facilities	64,127,673	53,240,076
Future loan commitments (TosCuba Construction Facility) (i)	-	8,062,090
Accounts receivable and accrued income (ii)*	12,323,144	22,669,374
Cash and cash equivalents	6,498,762	8,454,247
Total maximum exposure to credit risk	**82,949,579**	**92,425,787**

* Accounts receivable and accrued income after ECL is US$10,300,131 (2022: US$3,624,333) (see note 5).

(i) The TosCuba Construction Facility is secured by future income of the Trinidad Hotel 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 facility is 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 Trinidad 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 on 30 April 2024.

(ii) US$4,046,027 (2022: US$19,045,041) of the accounts receivable and accrued income balance is made up of dividends receivable from Monte Barreto. The impairment of 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 mixed effects of the Cuban monetary reforms. The dividend receivable is assessed at Stage 3 (same as for the year ended 31 December 2022) 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. The total amount of credit impaired receivables at year end related to Monte Barreto is US$2,023,013 (2022: US$19,045,041). As noted in note 5, Management was able to recover US$14,999,014 of the provisioned dividends receivable from Monte Barreto through various transactions. In April 2023, Monte Barreto transferred US$250,000 to the Cuban bank account of CEIBA Property Corporation to be used to pay local operating expenses of the Group. Management also arranged to have Monte Barreto transfer US$14,300,000 to Miramar. As well, an effort has been made to sign up tenants of the Miramar Trade Center, the property owned by Monte Barreto, to an external payment arrangement whereby their rent payments are made to the Spanish Euro account of CEIBA MTC Properties Inc., the Group company that acts as the foreign shareholder of Monte Barreto. Amounts received are applied against the outstanding dividends receivable from Monte Barreto. As a result, during 2023, an additional US$449,014 was collected and applied against the dividends receivable and related expected credit loss.

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 2023 US$	31 Dec 2022 US$
Cash at bank			
Cuba	Caa2	490,527	1,065,823
United Kingdom	n/a	122,397	-
Spain	Baa1	356,016	1,956,248
Spain	A2	-	200,164
Spain	Baa2	5,065,869	5,092,602
Spain	A3	444,464	123,756
		6,479,273	**8,438,593**
Cash in hand			
Cuba		19,489	15,654
		19,489	**15,654**
Total cash and cash equivalents		**6,498,762**	**8,454,247**

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 issued €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 2023 US$	31 Dec 2022 US$
Between 1 and 30 days	-	-
Between 31 and 90 days	698,299	666,625
Between 91 and 180 days	698,299	674,032
Between 181 and 1 year	1,411,944	1,362,878
Between 1-2 years	2,800,868	2,710,942
Between 2-3 years	28,315,625	2,703,535
Between 3-4 years	-	27,331,625
	33,925,035	35,449,637

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 Meliá 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 2023, the full amount of the Construction Facility has been disbursed (2022: US$43,437,910). The Group has the right to syndicate its interest in Tranche B of the Construction Facility to other lenders.

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

	31 Dec 2023 US$	31 Dec 2022 US$
Between 1 and 30 days	-	1,028,162
Between 31 and 90 days	-	3,386,295
Between 91 and 180 days	-	3,471,707
Between 181 and 1 year	-	175,926
	-	**8,062,090**

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 2023 and 2022 to a total of US$206,871,465 and US$181,520,476, 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 2023			
	US$			
	Level 1	Level 2	Level 3	Total
Financial assets at fair value through profit or loss				
Equity investments	-	-	164,736,693	164,736,693
	-	-	**164,736,693**	**164,736,693**

	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**

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

Unlisted private equity investments	31 Dec 2023 US$	31 Dec 2022 US$
Initial balance	154,221,877	175,828,034
Capital investment	14,300,000	-
Total gains recognised in income or loss	(7,528,953)	(16,098,664)
Foreign currency translation reserve	3,743,769	(5,507,493)
Final balance	**164,736,693**	**154,221,877**
Total losses for the year included in income or loss relating to assets and liabilities held at the end of the reporting year	(7,528,953)	(16,098,664)
	(7,528,953)	**(16,098,664)**

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 2023 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	-	6,498,762	-	6,498,762
Accounts receivable and accrued income	5	-	10,300,131	-	10,300,131
Loans and lending facilities	6	-	64,127,673	-	64,127,673
Equity investments	7	164,736,693	-	-	164,736,693
		164,736,693	**80,926,566**	**-**	**245,663,259**
Accounts payable and accrued expenses	10	-	-	5,878,472	5,878,472
Short-term borrowings	11	-	-	6,072,548	6,072,548
Convertible bonds	12	-	-	27,625,000	27,625,00
		-	-	**39,576,020**	**39,576,020**

	Note	31 Dec 2022 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	-	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
		154,221,877	**65,318,656**	**-**	**219,540,533**
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**

There were no reclassifications of financial assets during the year ended 31 December 2023 (year ended 31 December 2022: nil).

22. AUDIT FEES

Audit fees incurred for the year were as follows:

	31 Dec 2023 US$	31 Dec 2022 US$
Audit fee expense	314,054	266,768

23. EVENTS AFTER THE REPORTING PERIOD

In January 2024, due to poor economic performance, the decision was taken to cease the operations of GrandSlam Limited and begin to wind it down, the expected cost of which will be immaterial. GrandSlam Limited is a wholly-owned subsidiary of the Company that operated a travel agency providing services to international clients for travel to Cuba.

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: ceibainvest.com. This allows web users to access information on the Company's share price performance, capital structure, stock exchange announcements and reports.

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 (ceibainvest.com).

In the event of queries regarding their holdings of shares, lost certificates, dividend payments, registered details, etc., Shareholders holding their shares in the Company directly should contact the registrars, Link Group, at 10th Floor, Central Square, 29 Wellington Street, Leeds, LS1 4DL or Tel: 0371 664 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 fundoperations@nsm.group.

KEY INFORMATION DOCUMENT ("KID")

The KID relating to the Company and can be found on the Company's website: ceibainvest.com

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.
AGM	The Annual General Meeting of the Company to be held on 18 June 2024.
AIC	The Association of Investment Companies - the AIC is the trade body for closed-ended investment companies (www.theaic.co.uk).
Alternative Performance Measure or APM	An alternative performance measure is a financial measure of historical or future financial performance, financial position, or cash flows, other than a financial measure defined or specified in the applicable financial reporting framework.
abrdn Fund Managers Limited, AFML	Abrdn Fund Managers Limited is a wholly owned subsidiary of abrdn plc and until 30 June 2023 acted as the Alternative Investment Fund Manager for the Group. AFML is authorised and regulated by the Financial Conduct Authority.
Articles	Articles of Incorporation of the Company
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 Meliá Trinidad Península Hotel.
CPC	CEIBA Property Corporation Limited, a subsidiary of the Company.
Cubanacán	Cubanacán S.A., Corporación de Turismo y Comercio Internacional, a Cuban company.
CUP	Cuban Pesos, the lawful currency of Cuba.
Depositary	NSM Funds Limited, an entity regulated by the Guernsey Financial Services Commission to provide Independent Depositary services for the Company. Ceased 30 June 2023.
Discount	The amount by which the market price per share of an investment trust is lower than the NAV per share. The discount is normally expressed as a percentage of the NAV per share.
Dividend	Income from an investment in shares.
Dividend yield	The annual dividends expressed as a percentage of the current share price.
EBITDA	Earnings Before Interest, Tax, Depreciation & Amortisation, a measure of the overall financial performance.
ECL	Expected credit loss.
Excess Cash	Cash held by a joint venture company in excess of its working capital needs.
Executives or Management	Sebastiaan Berger, Cameron Young and Paul Austin
Financial Conduct Authority or FCA	The FCA issues the Listing Rules.
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 Havana Hotel, the Varadero Hotels and the Trinidad Hotel.
IFRS	International Financial Reporting Standards as issued by the International Accounting Standards Board.

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 and terminated on 30 June 2023.
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.
Meliá Habana Hotel or the Havana Hotel	The Meliá Habana Hotel located in Havana, Cuba.
Meliá Hotels International	Meliá Hotels International S.A.
Meliá Las Américas Hotel	The Meliá Las Américas Hotel located in Varadero, Cuba.
Meliá Trinidad Península Hotel or the Trinidad Hotel	The Meliá Trinidad Península Hotel located near Trinidad, Cuba.
Meliá Varadero Hotel	The Meliá 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, merged with HOMASI in December 2023.
Net Asset Value or NAV	The value of total assets less liabilities attributable to the shareholders of the Company (excluding non-controlling interests). Liabilities for this purpose includes current and long-term liabilities. The NAV divided by the number of shares in issue produces the NAV per share.
NAV Total Return	A measure showing how the NAV per share has performed over a period of time, taking into account both capital returns and dividends paid to shareholders. The AIC shows NAV total return as a percentage change from the start of the period. It assumes that dividends paid to shareholders are reinvested at NAV at the time the shares are quoted ex-dividend. NAV total return shows performance which is not affected by movements in discounts and premiums. It also takes into account the fact that different investment companies pay out different levels of dividends.
Ongoing Charges	Ratio of expenses as percentage of average daily shareholders' funds calculated as per the AIC's industry standard method.
Ordinary Shares or Shares	Ordinary shares of the Company.
Other Cuban Assets	Other Cuba-related businesses in which the Company may invest in accordance with its Investment Policy.
Premium	The amount by which the market price per share of an investment trust exceeds the NAV per share. The premium is normally expressed as a percentage of the NAV per share.
Prior Charges	The name given to all borrowings including debentures, long term loans and short-term loans and overdrafts used for investment purposes, reciprocal foreign currency loans, currency facilities to the extent that they are drawn down, index-linked securities, and all types of preference or preferred capital and the income shares of split capital trusts, irrespective of the time until repayment.
Prospectus	A formal document that provides details about an investment offering for sale to the public. A prospectus is used to help investors make a more informed investment decision. The Company's prospectus is available on the Company's website at ceibainvest.com.
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.

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, e.g. quarter end, half year or year end date.
Varadero Hotels	The Meliá Las Américas Hotel, the Meliá 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 2023, the share price was 31.0p / US$0.40 and the net asset value per share was 90.3p / US$1.15, and the discount was therefore 66%.

NAV Return

The table below provides information relating to the NAV of the Company for the years ending 31 December 2022 and 2023.

	2023 US$	2022 US$
Opening NAV per share	1.03	1.16
Closing NAV per share	1.15	1.03
Capital return	11.6%	(11.4%)

Ongoing charges

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

The table below provides information relating to the ongoing charges of the Company for the years ending 31 December 2023 and 2022.

	2023 US$	2022 US$
Total Expenses per statement of comprehensive income	**15,047,670**	**30,380,055**
Adjustments (items to exclude):		
Realised loss on equity investments	-	(49,130)
Foreign exchange loss	(64,522)	-
Interest expense on bonds	(2,952,587)	(2,628,228)
Loss on change in fair value of equity investments	(7,528,953)	(16,098.664)
Share of loss of associate	-	(189,668)
Expected credit losses	(312,623)	(6,763,633)
Non-recurring management fees	(543,391)	-
Total Annualised ongoing charges	**(3,645,594)**	**4,650,732**
Average undiluted net asset value in the period	**153,495,854**	**152,887,789**
Ongoing charges (%)	**2.38%**	**3.04%**

Loan-To-Value ("LTV")

The Group calculates its loan-to-value as the fair value of the convertible bond as a percentage of the NAV excluding the convertible bond.

	2023 US$	2022 US$
Convertible bond	27,625,000	26,665,000
NAV excluding the convertible bond	186,144,549	168,743,505
LTV percentage	14.8%	15.8%

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 18 June 2024

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 18 June 2024 at 12.30 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

29 April 2024

Dear Shareholders,

The purpose of this document is to give notice of the Annual General Meeting of the Company scheduled for 18 June 2024 at 12.30 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 the meeting:

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

(a) as to ordinary business (Resolutions 1-9):

i. to receive and adopt the Consolidated Financial Statements and Directors' Report for the year ended 31 December 2023;

ii. to ratify the appointment of Grant Thornton Limited as Auditor 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, John Herring, Jemma Freeman and Andrew Pegge 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 10):

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 9-10, 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 2025.

Resolutions 1-9 will be proposed as ordinary resolutions. Resolution 10 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 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 Meeting. 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 12.30 p.m. on 14 June 2024. 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 12.30 p.m. on 14 June 2024. 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 Meeting on 18 June 2024 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 Meeting 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 18 June 2024 at 12.30 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 9) and an extraordinary resolution of the Company (in the case of resolution 10):

ORDINARY RESOLUTIONS

ORDINARY BUSINESS:

1. To receive and adopt the Consolidated Financial Statements of the Company for the period ended 31 December 2023.

2. To ratify the appointment of Grant Thornton Limited, Guernsey as Auditor 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 Auditor 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 Jemma Freeman 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 Andrew Pegge as a Director of the Company, to hold office until the conclusion of the next Annual General Meeting of the Company.

9. 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:

10. 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), or to grant the right to convert indebtedness into equity securities at a price per Ordinary Share to be determined by the Board (including at a discount to NAV per Ordinary Share), as if the members' pre-emption rights contained in Article 6.2 of the Articles did not apply to any such issue or grant of right, 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 29 April 2024). 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 2025; 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
29 April 2024

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, 29 Wellington Street, Leeds, LS1 4DL, by no later than 12.30 p.m. on 14 June 2024, 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 18 June 2024 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 14 June 2024 (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: ceibainvest.com.

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 12.30 p.m. on 14 June 2024. 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.

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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 18 June 2024 at 12.30 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 18 June 2024 at 12.30 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 2023 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 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.				
8. THAT the re-appointment of Andrew Pegge as a Director of the Company, to hold office until the conclusion of the next Annual General Meeting of the Company, be approved.				

ORDINARY RESOLUTIONS (continued)

Ordinary Business (continued)	FOR	AGAINST	VOTE WITHHELD	DISCRETIONARY
9. 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
10. 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), or to grant the right to convert indebtedness into equity securities at a price per Ordinary Share to be determined by the Board (including at a discount to NAV per Ordinary Share) as if the members' pre-emption rights contained in Article 6.2 of the Articles did not apply to any such issue or grant of right, 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 29 April 2024. 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 2025; 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 12.30 p.m. on 14 June 2024, 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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The Meliá Trinidad Península Hotel as seen from Casilda Bay, Sancti Spíritus, Cuba