CEIBA INVESTMENTS Ltd

Annual Report & Consolidated Financial Statements
For the Year Ended 31 December 2020

AberdeenStandard Investments

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Visit our Website at www.ceibalimited.co.uk to find out more about CEIBA Investments Limited.

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
Colin Kingsnorth
all of the registered office

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COMPANY OVERVIEW

GENERAL

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

FINANCIAL HIGHLIGHTS AS AT 31 DECEMBER 2020 IN £ AND US$ (FOREX: £/US$ = 1.3608)

Net Asset Value ("**NAV**") and share price are quoted in Sterling (£) but the functional currency of the Company is the U.S. Dollar (US$). As such, the financial highlights of the Company set out below are being provided in both currencies, applying the applicable exchange rate as at 31 December 2020 of £1:US$1.3608 (2019 £1=US$1.3113).

£

Total Net Assets	NAV per share[1]	Net (Loss)/Gain to shareholders
£142.9m 2019: £157.7m	103.8p 2019: 114.5p	(£14.6m) 2019: £5.8m
£145.0m[2] 2019: £160.6m[2]	105.3p[2] 2019: 116.6p[2]	(£15.3m)[2] 2019: £5.0m[2]

(Loss) / Earnings per share	NAV Total Return[1]	Share price return[1, 3]
(10.6p) 2019: 4.2p	(9.4%) 2019: 0.8%	19.0% 2019: (26.1%)
(11.1p)[2] 2019: 3.6p[2]	(9.7%)[2] 2019: 0.3%[2]	

Share price	Market Capitalisation	Discount to NAV[1]
84.5p 2019: 71.0p	£116.3m 2019: £97.7m	(18.6%) 2019: (38.0%)
		(19.8%)[2] 2019: (39.1%)[2]

US$

Total Net Assets	NAV per share[1]	Net (Loss)/Gain to shareholders
US$194.4m	US$1.41	(US$19.8m)
2019: US$206.7m	2019: US$1.50	2019: US$7.6m
US$197.3m[2]	US$1.43[2]	(US$20.8m)[2]
2019: US$210.6m[2]	2019: US$1.53[2]	2019: US$6.6m[2]

(Loss)/Earnings per share	NAV Total Return[1]	Share price return[1, 3]
(US$0.14)	(6.0%)	22.8% 2019: (23.1%)
2019: US$0.06	2019: 4.9%	
(US$0.15)[2]	(6.3%)[2]	
2019: US$0.05[2]	2019: 4.3%[2]	

Share price	Market Capitalisation	Discount to NAV[1]
US$1.15	US$158.3m	(18.6%)
2019: US$0.93	2019: US$128.2m	2019: (38.0%)
		(19.8%)[2]
		2019: (39.1%)[2]

1 These are considered Alternative Performance Measures. See glossary on page 92 for more information.

2 These figures differ from the figures derived from the audited Consolidated Financial Statements beginning on page 56. The figures are calculated in full accordance with International Financial Reporting Standards ("IFRS"), except that they include the effect of an adjustment recognising the full amount of US$5.0m / £3.9m received from Aberdeen Standard Fund Managers Limited on 23 November 2018 in connection with the execution of the Management Agreement in the Statement of Comprehensive Income for the year ended 31 December 2018, rather than deferring this amount over the five-year term of the Management Agreement as required by IFRS. This adjustment resulted in the increase of the net income attributable to the shareholders of the Company for the year ended 31 December 2018 by US$5.0m / £3.9m and decreases the net income attributable to the shareholders of the Company by the amount of US$1.0m / £0.7m per year over the five year term of the Management Agreement. Consequently, for the year ended 31 December 2020 the adjustment resulted in a decrease in the net income attributable to the shareholders of the Company in the amount of US$1.0m / £0.7m.

3 Source: Refinitiv

MANAGEMENT

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

FINANCIAL CALENDAR

17 June 2021	Annual General Meeting 2021
30 September 2021	Announcement of half-yearly results for the six months ending 30 June 2021
31 December 2021	Financial year end

CHAIRMAN'S STATEMENT

Since publication of the 2019 Annual Report of CEIBA Investments Limited ("**CEIBA**" or the "**Company**") in April 2020, both the Company and Cuba have, in line with most of the rest of the world, been battling the Covid-19 pandemic. The extreme impact of this virus was difficult to assess at that time and there still remains considerable uncertainty about its duration and the long-term impact, and the expected return to normality.

One of our prime concerns throughout this period has been ensuring the wellbeing of our people and protecting the safety of the people working to advance the affairs of the Company. It is notable that Cuba itself has handled the virus well, with some 103,524 total infections as of writing this report and a death toll of 604 people since the start of the pandemic, which on a global basis is an enviable record.

2020 REVIEW

Inmobiliaria Monte Barreto S.A. ("**Monte Barreto**"), the Cuban joint venture company in which the Company owns a 49% interest, owns and operates the Miramar Trade Center. Given the backdrop, it has traded very strongly since the onset of the pandemic and occupancy levels have remained over 98% throughout 2020. Although revenues were down slightly as compared with the prior year, net income in 2020 reached US$14.4 million / £10.6 million for the year, representing a small increase over the prior year and making 2020 the most profitable year since incorporation of the joint venture.

The 2021 outlook for Monte Barreto continues to be positive, with occupancy percentage levels expected to remain in the high nineties throughout the year. Furthermore, following the recent significant monetary reforms in Cuba it is anticipated that there may be some material savings in the overheads of the Miramar Trade Center going forward.

The global hotel industry has been severely impacted by the Covid-19 pandemic and the hotels in which CEIBA has an interest have proved to be no exception. CEIBA's main hotel interests are held through its 32.5% holding in the Cuban joint venture company, Miramar S.A. ("**Miramar**"). Miramar owns three hotels in Varadero and one hotel in Havana. In Varadero, the Meliã Las Américas and the Meliã Varadero have remained closed since the end of March 2020 while the Sol Palmeras remained open for most of the year but has traded on a heavily scaled-back basis. The Havana-based hotel, the Meliã Habana, has similarly been open throughout 2020 and remains open, but also on a reduced basis. Given the trading environment, Miramar was still able to finish 2020 with a positive EBITDA of approximately US$ 3.9 million / £2.9 million (2019: US$25.0 million / £18.3 million) of which CEIBA's share amounts to US$1.3 million / £0.9 million. Miramar is well capitalised and is able to continue to operate without recourse to additional funding and has been using the closures to undertake certain cosmetic upgrading of rooms and facilities.

CEIBA's other hotel interest is in its 40% holding in the Cuban joint venture company, TosCuba S.A. ("**TosCuba**"), which is constructing the 400 room Meliã Trinidad Península Hotel. This hotel is situated on the south coast of Cuba close to the historic city of Trinidad and will be the first modern international-standard beach resort hotel in the area. The construction continued throughout the year, albeit at a reduced pace. The issue on 31 March 2021 by the Company of €25 million 10.00% senior unsecured convertible bonds due 2026 ensures that the funding for the completion and start-up of operations of this exciting new property is in place. It is presently anticipated that completion will take place during the third quarter of 2022 in time for the 2022-2023 high season.

The Board is also encouraged by the recent investment made in Grupo B.M. Interinvest Technologies Mariel S.L. ("**GBM Mariel**") through which the Company has acquired a 50% shareholding. The Company has made an initial commitment of €1.5 million / US$1.8million to the project to develop an industrial logistics and warehousing complex to be constructed on a 11.3 hectare site situated in the Special Development Zone of Mariel. To date, an amount of €250,000 / US$303,175 has been invested in order to partially fund the groundworks related to the construction of the first four warehouses of this multi-phase project.

Results for the year to 31st December 2020

The NAV per Share at 31 December 2020 was US$1.41 / 103.8p compared to US$1.50 / 114.5p at 31 December 2019 and the loss per share for the financial year was (US$0.14) / (10.6p) compared to a profit of US$0.06 / 4.2p for 2019. The valuation of the principal assets of the Company as well as the earnings generated by the Hotels of Miramar in respect of the year to 31 December 2020 have clearly been negatively impacted by the Covid-19 pandemic. The Hotels have been written down in these financial statements by US$24.7 million / £18.2 million in aggregate from 31 December 2019, reflecting both the present lack of trading as compared to last year and the uncertain road to full recovery. However, as there is a much clearer route out of lockdown and towards the resumption of international travel than was the case in June 2020, the valuations have been increased from the position at 30 June 2020 by US$16.9 million / £12.4 million.

While the NAV total return was (9.4%) in Sterling terms, the share price total return was 19.0% (2019: (26.1%)). The share price fell, in line with most instruments, in the wake of the pandemic and at 30 June 2020 was as low as 64.5p. However, as we came through the summer, and particularly once news of successful vaccines and the outcome of the U.S. elections in November improved the outlook, we saw the share price recover strongly to close at 84.5p.

Cuban economic backdrop

For a country that relies heavily upon tourism to drive its economy, the Covid-19 pandemic and the continued tightening of economic sanctions imposed by the Trump administration have been extremely challenging for Cuba's economy and it experienced an 11% contraction in 2020.

Against this backdrop and in an effort to create jobs and revive the economy, the government very recently announced that it would greatly expand the number of economic activities open to private enterprise. While there is still a considerable number of businesses that will remain state controlled, this opening up of the economy is nonetheless a significant move. In addition, in late 2020 the government, at relatively short notice, announced and has now initiated the unification of the two Cuban currencies such that there will now be just one currency – the Cuban peso. While initially this has and will create operational challenges, in the longer term the unification of currencies will help drive many inefficiencies out of the economy and should prove of material benefit to the day-to-day operations of the Company's hotels and of the Monte Barreto office complex. The Board believes the changes implemented will greatly ease the ability to do business in Cuba, will enhance entrepreneurism and have positive long-term benefits to the general economy. In addition, although new currency exchange challenges may be created, full implementation of the reforms may very well increase the attractiveness of Cuba as a market for foreign direct investment, improve the autonomy of joint venture companies and have a material positive impact on the investments of the Company.

These, and other reforms, are being initiated at the same time as a significant change in Cuba's leadership. On 16th April 2021, at the start of the 8th Congress of Cuba's Communist Party, Raul Castro announced that he is stepping down as First Secretary of the Party – leaving the island without a Castro guiding affairs for the the first time in more than six decades – whilst stating that he will "keep one foot in the stirrups to defend the fatherland, the revolution and socialism". Cuba's President, Miguel Díaz-Canel, will be his successor tasked with combining "continuity" with progress and reforms.

U.S. Cuba relations

Under the Trump administration, the economic restrictions imposed upon Cuba were continuously tightened and no let up was experienced during the last year of his presidency. In June 2020, the U.S. expanded the Cuba Restricted List to include Fincimex, a Cuban financial corporation that handles the majority of US and many other international family remittances to Cuba, and finally, on 11 January 2021 the Trump administration chose to reinstate Cuba to the list of State Sponsors of Terrorism. However, with the new Biden presidency, we can anticipate a gradual reversal of the Trump initiatives and a return to the relationship experienced in the later years of the Obama presidency. We would envisage the initial steps to include the removal once again of Cuba from the list of State Sponsors of Terrorism, the relaxation of rules concerning travel to Cuba by US citizens and the removal of restrictions on remittances to Cuba. We would also expect a suspension of Title III of the Helms Burton Act and the restoration of full operations at the US embassy in Havana. All of these and other initiatives to open the relationship between the two countries should have a very positive impact upon the Cuban economy and also on the Company's assets.

Dividend

It was decided in 2020 that, with the inherent uncertainty caused by the onset of the Covid pandemic, it was critical that the Company maintain sufficient cash to meet all of its existing and future undertakings. Accordingly, the Board took the decision to suspend the dividend policy and no dividend was paid during 2020. The Board would very much like to reinstate the payment of dividends but seeing as there still remains considerable uncertainty as to how long it will take to see a return of normal tourism numbers it has decided to maintain the present position for another year so no dividend will be paid to shareholders in 2021. This stance will be very much kept under constant review with a strong desire to reinstate the dividend as soon as appropriate.

Convertible Bonds

On 31 March 2021, the Company raised €25million in new funds through the issue of 10.00% senior unsecured convertible bonds due 2026 (the "**Bonds**"). Further details of the Bonds are set out in note 20 to the accounts. The proceeds from this fund raising significantly enhance the Company's financial position and will enable it to complete the development of the TosCuba hotel in a timely manner and also provide capital for additional investment opportunities as they arise.

25 Years Investing in Cuba

This year CEIBA celebrates 25 years of existence, all of it investing in the mostly uncharted investment territory of Cuba, and I believe that the Company has accomplished a great deal during this period. From a modest start in 1996, and after some initial fine-tuning to the investment strategy, the long years of asset growth, solid performance and US$89 million in steady dividend payments to our shareholders have demonstrated the virtues of a stable, long-term perspective and an experienced team in confronting the many uncertainties and ups and downs of the fascinating and unique Cuban investment market. Despite variable economic conditions on the island and changing U.S. government policies, the Company and its investments have led the way in many respects and have flourished over these years.

I am obliged to the team for their long-standing dedication and professionalism, and to the Cuban and other partners in each of the investments of the Company for their collaboration. Without their efforts, none of the many successes of the Company would have been possible. As I mark this important milestone and recognise past accomplishments I look ahead with optimism and trust that the Company still has a long and prosperous road ahead, with the best yet to come.

Board

I am grateful to the Board for their commitment and input during this 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.

The Investment Manager

Aberdeen Standard Fund Managers Limited, a wholly owned subsidiary of Standard Life Aberdeen plc, has acted as manager of the Group's portfolio of assets throughout the year. There has been no change in the underlying key operational management of the Company and this team continues to be headed by Sebastiaan Berger, who is exclusively focused on the Company's assets and business and has acted in this role for some 20 years. The Board reviewed the work of the Investment Manager during the year and concluded that it was very satisfied with the performance of the Investment Manager and that it was in the best interests of shareholders that ASFML remain as manager of the portfolio.

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

John Herring
Chairman
27 April 2021

INVESTMENT OBJECTIVE

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

INVESTMENT POLICY

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

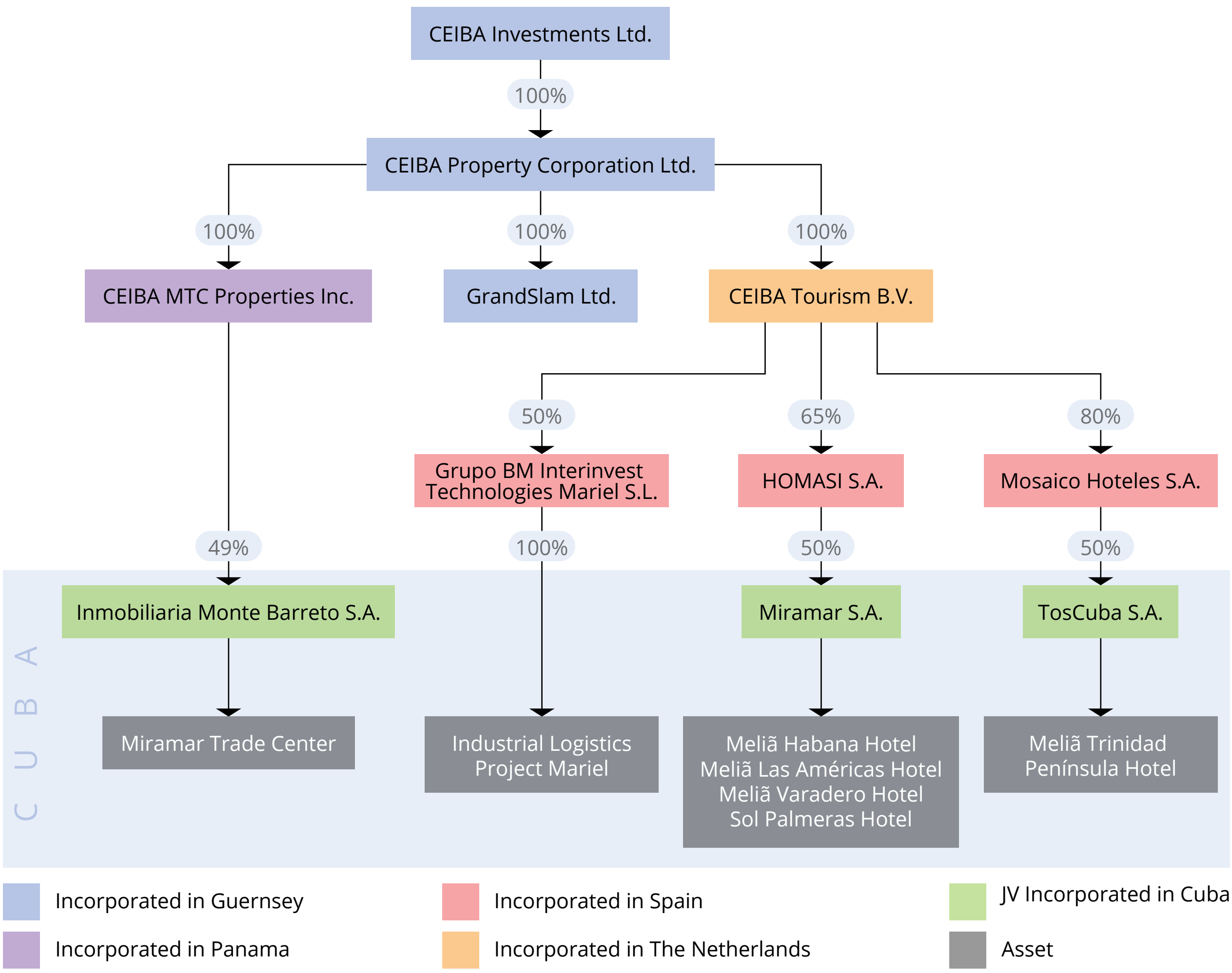
The Company may also invest in any type of financial instrument or credit facility secured by Cuba-related cash flows.

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

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

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

GROUP STRUCTURE



INVESTMENT RESTRICTIONS

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

- the Company will not knowingly or intentionally use or benefit from confiscated property to which a claim is held by a person subject to U.S. jurisdiction;

- the Company may invest in Cuban and non-Cuban companies, joint ventures and other entities that earn all or a substantial part of their revenues from activities outside Cuba, although such investments will, in aggregate, be limited to less than 10% of the Gross Asset Value;

- save for Monte Barreto (please see the Investment Manager's Review for more information on this asset), the Company's maximum exposure to any one asset will not exceed 30 per cent. of the Gross Asset Value;

- no more than 20 per cent. of the Gross Asset Value will be invested in Other Cuban Assets; and

- no more than 20 per cent. of the Gross Asset Value will be exposed to "greenfield" real estate development projects, being new-build construction projects carried out on undeveloped land.

The 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 Company measures its economic performance include:

- Total income
- Net income
- Total net assets
- Net asset value per share (NAV)*
- Non-IFRS net asset value per share*
- Net asset value total return*
- Market capitalisation
- Premium / Discount to NAV*
- Dividend yield*
- 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)
- Earnings before interest, tax, depreciation and amortisation (EBITDA)
- Net income after tax

In the case of hotel properties, other KPIs include:

- Occupancy levels
- Average Daily Rate per room (ADR)
- Revenue per available room (RevPAR)
- EBITDA
- Net income after tax

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

PRINCIPAL RISKS

PRINCIPAL RISKS & UNCERTAINTIES

Introduction

The Board, through the Audit Committee, is responsible for the management of risk and regularly carries out a robust assessment of the principal risks and uncertainties affecting the business, discusses 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 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 and Uncertainties

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 general country-risk, the most significant risks currently facing the Company identified by the Board 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.

A detailed description of the risks faced by the Company is contained in the Company`s Prospectus and should be read in conjunction with the risks described herein.

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.

DESCRIPTION OF RISK	DESCRIPTION AND POSSIBLE IMPACT	MITIGATING ACTION	TREND
Public Health Risk			
Global Pandemic Risk	The continued effects of the public health risks associated with the Covid-19 or any other 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. The pandemic may directly or indirectly affect all other risk categories mentioned in this matrix.	The Board discusses current issues with the Investment Manager to limit the impact of the pandemic on the business of the Company. The Board recognises that tourism is particularly affected by the various travel restrictions being imposed and considers that this is a risk that is likely to continue to impact upon the operating environment of the Company in the short term. The Board's actions are targeted at (i) protecting the welfare of the various teams involved in the affairs of the Company, (ii) ensuring operations are maintained to the extent possible and to protect and support the assets of the Company for the duration of the present crisis, and (iii) to mitigate insofar as possible the longer-term negative impact of economic and operational disruption caused by this and future pandemics.	➔

DESCRIPTION OF RISK	DESCRIPTION AND POSSIBLE IMPACT	MITIGATING ACTION	TREND
Risks Relating to the Company and its Investment Strategy			
Investment Strategy and Objective	The setting of an unattractive strategic proposition to the market and the failure to adapt to changes in investor demand may lead to the Company becoming unattractive to investors, a decreased demand for shares and a widening discount.	The Company's investment strategy and objective is subject to regular review to ensure that it remains attractive to investors. The Board considers strategy regularly and receives strategic updates from the Investment Manager, investor relations reports and updates on the market from the Company's Broker. At each Board meeting, the Board reviews the shareholder register and any significant movements. The Board considers shareholder sentiment towards the Company with the Investment Manager and Broker, and the level of discount at which the Company's shares trade.	→
Investment Restrictions	Investing outside of the investment restrictions and guidelines set by the Board could result in poor performance and inability to meet the Company's objectives, as well as a discount.	The Board sets, and monitors, its investment restrictions and guidelines, and receives regular reports which include performance reporting on the implementation of the investment policy, the investment process and application of the guidelines. The Investment Manager attends all Board meetings. The Board monitors the share price relative to the NAV.	→
Portfolio and Operational Risks			
Joint Venture Risk	The investments of the Group in Cuban real estate assets are made through Cuban joint venture companies in which Cuban government entities hold an equity interest, giving rise to risks relating to the liquidity of investments, government approval, corporate governance and deadlock.	Prior to entering into any agreement to acquire an investment, the Investment Manager will perform or procure the performance of due diligence on the proposed acquisition target. The Group tries to structure its equity investments in Cuban joint venture companies so as to include a viable exit strategy. The Investment Manager, or the members of the on-the-ground team, regularly attend the Board meetings of the joint venture companies through which Group interests are held, and actively manage relations with the management teams of each joint venture company, the relevant Cuban shareholders and relevant third parties to ensure that Group interests are enhanced.	→
Real Estate Risk	As an indirect investor in real estate assets, the Company is subject to risks relating to property investments, including access to capital and finance, global capital and financial market conditions, acquisition and development risk, competition, tenant risk, environmental risk and others, and the materialisation of these risks could have a negative effect on specific properties or the Group generally.	The Investment Manager regularly monitors the level of real estate risk in the Cuban market and reports to the Board at each meeting regarding recent developments. The Investment Manager works closely with the on-the-ground team, the external hotel managers and the joint venture managers to identify, monitor and actively manage local real estate risk.	→
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 and execution of construction works, including the availability and transportation of materials, increment weather, contractor risk, execution risk and the risk of delay. The materialisation of these risks could have a negative effect on the implementation of development projects of the Group.	The Investment Manager regularly monitors all construction and refurbishment activities carried out within Group companies and works closely with the on-the-ground management team and the joint venture managers to identify, monitor and actively manage all construction risks. The Investment Manager reports to the Board at each meeting regarding recent developments in this respect.	→

DESCRIPTION OF RISK	DESCRIPTION AND POSSIBLE IMPACT	MITIGATING ACTION	TREND
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, seasonal variations in cash flow, demand variations, changes in or significant disruptions to travel patterns, risk related to the manager of the hotel properties, and the materialisation of these risks could have a negative impact on specific properties or the Company generally.	The Investment Manager regularly monitors the local and regional tourism markets and meets regularly with the external hotel management to identify, monitor and manage global and local tourism risk and to develop appropriate strategies for dealing with changing conditions. The Company aims to maintain a diversified portfolio of tourism assets spanning various hotel categories (city hotel / beach resort, business / leisure travel, luxury / family) in numerous locations across the island.	↑
Valuation Risk	Asset valuations may fluctuate materially between periods due to changes in market conditions.	As part of the valuation process, the Investment Manager engages an independent third party valuer to provide an independent valuation report on each of the indirectly owned real estate assets of the Group. The valuations are also subject to review by the Investment Manager's Alternatives Pricing Committee.	→
Dependence on Third Party Service Providers	The Company is dependent on the Investment Manager and other third parties for the provision of all systems and services relating to its operations and investments, and any inadequacies in design or execution thereof, control failures or other gaps in these systems and services could result in a loss or damage to the Company.	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. Further details of the internal controls which are in place are set out in the Directors' Report on pages 34 to 39.	→
Loss of Key Fund Personnel	The loss of key managers contracted by the Investment Manager to manage the portfolio of investments of the Group could impact performance of the Company.	Under the Management Agreement, the Investment Manager has the obligation to at all times provide personnel with adequate knowledge, experience and contacts in the Cuban market. In order to mitigate key manager risk, the Investment Manager makes every effort to spread knowledge and experience of the Cuban market within the organisation so as to reduce reliance on a small team of individuals.	→
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. 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, the value of its investments, the liquidity or tradability of its shares, or its access to international capital and financial markets.	The Investment Manager closely follows developments relating to the relationship between the United States and Cuba and monitors all new restrictions adopted by the United States to measure their possible impact on the assets of the Group. The Group has adapted its investment model to the existing sanctions, but the risk remains of further sanctions being adopted in the future.	↓

DESCRIPTION OF RISK	DESCRIPTION AND POSSIBLE IMPACT	MITIGATING ACTION	TREND
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. However, in line with a more rational and favourable U.S. policy towards Cuba expected to be adopted by the new Biden administration in the United States, it is possible that Title III of the Helms-Burton Act may once again be suspended or repealed.	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.	↓
Liquidity and Transfer Risk	The continuation of regional tensions between the United States and Venezuela, as well as the global fall in international tourism and other economic impacts associated with the Covid-19 pandemic, may continue to negatively impact the fragile economic and liquidity position in Cuba, which may in turn have a negative impact on the position of the Company. During 2020, the Cuban government adopted new economic reforms aimed at creating an objective system for the allocation of limited liquidity reserves within the economy and providing "real financial autonomy" to Cuban foreign investment vehicles such as the joint venture companies in which the Company invests. These new reforms largely remove the requirement to obtain foreign exchange approvals for international payments such as the distribution of dividends to the Company. These measures may take time to show the intended effect or may not have the stated positive impact on the liquidity position of the country, which may have a negative effect of the affairs of the Company. 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 honor, reverse or otherwise impede legitimate transactions or assets of the Company, even where no U.S. link is established.	The Investment Manager actively manages the liquidity position of the Company, its subsidiaries and the joint ventures in which it invests so that cashflows are transferred to bank accounts outside of Cuba. In addition, financial facilities in which the Company participates are structured so that secured cash flows and debt service payments originate and remain outside Cuba. Although the interpretation of the new liquidity rules, as well as the practical ability of the Cuban financial system to successfully implement them in the short term, remain subject to uncertainty, the Investment Manager believes that the new liquidity rules will in most cases create an objective (non-discretionary) and largely decentralised mechanism for the allocation of liquid resources, thereby significantly increasing the financial autonomy of joint venture companies and representing a real reduction in liquidity risk. The Investment Manager is conscious of and closely follows developments concerning the U.S. legal restrictions that target financial transactions and assets. The Company does not carry out any international transfers in U.S. Dollars or through U.S. banks or intermediaries. The Investment Manager manages the banking relationships of the Company and generally acts at all times so as to minimise the impact of these legal provisions on the legitimate transactions and assets of the Company.	↓

DESCRIPTION OF RISK	DESCRIPTION AND POSSIBLE IMPACT	MITIGATING ACTION	TREND
Currency Risk	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$. As part of the 2020 economic reform package adopted by the Cuban government in order to continue modernising the Cuban economy, new monetary reforms aimed at harmonising exchange rates and eliminating Cuba's dual currency system will require all foreign investment vehicles to denominate their assets and legal obligations, and to carry out all transactions, in Cuban Pesos (previously denominated and carried out in US$). The Cuban Peso has a fixed (non-market) exchange rate of US$1.00 : CUP24, which may be subject to further devaluation at the discretion of the Cuban Central Bank.	The Company does not hedge its foreign currency risks. The cash and currency positions of each of the joint venture companies in which the Company has a participation are actively managed for the purpose of reducing currency risk to the greatest extent possible. There are presently no hedging mechanisms available to mitigate this new risk.	↑
Risks relating to Regulatory and Tax Framework			
Tax Risk	Changes in the Group's tax status or tax treatment in any of the jurisdictions where it has a presence may adversely affect the Company or its shareholders.	The Investment Manager regularly reviews the tax rules that may affect the operations or investments of the Company and seeks to structure the activities of the Company in the most tax efficient manner possible. However, the Company holds investment structures in numerous jurisdictions arising from past acquisitions, and the general direction of change in many jurisdictions is not favourable.	↑

The financial risks associated with the Company include market risk, liquidity risk and credit risk, all of which are described in greater detail in note 16 to the Consolidated Financial Statements.

Following the ongoing assessment of the principal and emerging risks facing the Company, and its current position, the Board is confident that the Company will be able to continue in operation and meet its liabilities as they fall due.

VIABILITY STATEMENT

VIABILITY STATEMENT

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

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

For the purposes of this viability statement, the Board has decided that a period of three years is an appropriate period over which to report. 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 risks as detailed in the Principal Risks reported on pages 11 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;
- The valuation of the Company's property portfolio, the Investment Manager's portfolio strategy for the future and the market outlook; and;
- The successful completion on 31 March 2021 of the issue of €25,000,000 10% senior unsecured convertible Bonds due 2026; and
- The commitments of the Company under the Construction Facility extended to TosCuba for the purpose of funding the construction of the Meliã Trinidad Península Hotel.

The Board has considered the impact of Covid-19 on the portfolio when assessing the viability of the Company and, in particular, considered:

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

Following review, the Directors have a reasonable expectation that the Company will be able to continue in operation and meet its liabilities as they fall due for the period of assessment, which is three years from the date of this Annual Report. In making this assessment, the Board has also considered the ongoing health and economic impacts of Covid-19, a substantial adverse change in the outlook for Cuba and the U.S embargo, or changes in investor sentiment could have an impact on the accuracy of its assessment of the Company's prospects and viability in the future.

GOING CONCERN

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

The Directors are mindful of the principal risks and uncertainties disclosed on pages 11 to 15 and the Viability Statement on page 16. The Company's only external debt obligations are the Bonds and the Board does not anticipate the need for further external finance over the next 12 months. The Company also has significant commitments under the Construction Facility extended to TosCuba for the purpose of funding the construction of the Meliã Trinidad Península Hotel. 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 this Annual Report.

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

SECTION 172 STATEMENT

Stakeholder Engagement

The Board wishes to describe to the Company's shareholders how the Directors have discharged their duties and responsibilities over the course of the financial year. This section serves as the Company's section 172 statement as required by the AIC Code on Corporate Governance 2019. It 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 2020, taking into account the likely long-term consequences of decisions, the need to foster relationships with all stakeholders, the desire for high standards of business conduct, the impact of the Company's operations on the environment, and the need to act fairly as between shareholders of the Company.

The Role of the Directors

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

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

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

Shareholders and Bondholders

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

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

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

In the event of any changes to strategy, the Board will proactively engage with major shareholders to determine their appetite for any such change. The Chairman offers to meet with key shareholders at least annually, and other Directors are available to meet shareholders as required. This allows the Board to hear feedback directly from shareholders. During the financial year to 31 December 2020, the Board members, and the Investment Manager, participated in several meetings with large shareholders to provide reports on the progress of the Company and receive feedback, which was then provided to the full Board.

The Company's AGM provides a forum, both formal and informal, for shareholders to meet and discuss issues with the Directors and Investment Manager of the Company. In normal circumstances, 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 the situation surrounding Covid-19 should affect the plans to hold the AGM on 17 June 2021 the Company will update shareholders through an announcement to the London Stock Exchange and will provide further details on the Company's website.

Investee Companies

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

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

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

Investment Manager

The Investment Manager's Report on pages 19 to 31 details the key investment decisions taken during the year and subsequently. The Investment Manager has continued to manage the Company's assets in accordance with the mandate provided by shareholders, with the oversight of the Board. The Board receives presentations from the Investment Manager at every Board meeting to help it to exercise effective oversight of the Investment Manager and the Company's strategy. The Board formally reviews the performance of the Investment Manager, and the fees it receives, at least annually. More details on the conclusions from the Board's review are set out on page 35.

Other Service Providers

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

The Community and the Environment

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

The Board has adopted an ESG Policy and associated operational procedures more fully described on pages 42 to 44 and is committed to environmental management in all phases of the investment process. The Company aims to invest responsibly, to achieve environmental and social benefits alongside returns.

Strategic Activity during the Year

The Chairman's Statement and Investment Manager's Report on pages 6 to 8 and pages 19 to 31 respectively, detail the key decisions taken during the year and subsequently. Notable actions where the interests of stakeholders were actively considered include:

- Dividend – as set out in the Chairman's Statement, the Board decided to continue the suspension of the dividend policy during 2021. During its deliberations, the Board considered the impact of the continued suspension on shareholders but agreed that, in light of the difficult and unpredictable economic conditions and the Company's existing and future undertakings, it was appropriate to maintain cash levels for the present time.

- Bond Issue – the Board discussed the Company's requirement for external finance and agreed that the issue of the Bonds was in the best interests of the shareholders as a whole over the long term as the proceeds will provide finance to allow the Company to fulfil its investment objective and complete the construction of the Meliã Trinidad Península beachfront hotel and invest in the industrial logistics project of Grupo B.M. Interinvest Technologies Mariel S.L., as well as for general corporate purposes.

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.

TWENTY-FIVE

Havana's Central Park at night

25 years ago

I vividly remember my first visit to Havana in May 1996, twenty-five years ago. It was evening. Cuba's capital was dark, and although the Clinton administration had just strengthened the U.S.-Cuban embargo by implementing the extra-territorial Helms-Burton Act, there was a lot of energy, interest, hope and engagement – on all levels. I felt similar sensations when Mick Jagger stayed in our Meliã Habana hotel, when President Obama was elected, re-elected, and visited Cuba, and when the U.S. and Cuba took the first significant steps towards rapprochement.

By contrast, after four years of Donald Trump, a global pandemic that has profoundly impacted world-wide tourism markets, a struggling Cuban economy, and conflicting views regarding the best way forward, it is impossible to deny the serious challenges ahead. However, my personal conviction remains that mutual respect, engagement and economic growth are the essential building blocks upon which the country will move forward and I believe that the Biden administration shares this view. This reinforces my optimism that better times lie ahead of us.

2021 is likely to be an extremely important year for Cuba. Economic recovery will in no small measure depend on the world's ability to control the Covid-19 pandemic, the restarting of international travel and the reopening of Cuba for tourism, but may also be boosted by recently-adopted measures aimed at the overhaul of Cuba's monetary system, the stimulation of national production and import substitution and the invigoration of the nascent private sector.

On the political front, an historic moment took place during the 8th Congress of Cuba's Communist Party held in Havana between 16 and 19 April 2021 when Raul Castro (age 89 years) resigned as First Secretary of the Party and was replaced by Cuba's President, Miguel Díaz-Canel (age 61 years), making the latter the first non-Castro appointed to this important position since 1959.

Notwithstanding numerous statements made by President Biden during the campaign last year with respect to the U.S. Cuban embargo, and in particular his intention to "... promptly reverse the failed Trump policies regarding Cuba...", sadly it would appear that improving the relationship with Cuba is not amongst Biden's chief foreign policy priorities. Although the restoration of international cooperation seems to be high on his government's agenda, it would appear that no immediate need is felt to ease the Cuba restrictions that are currently in place.

However, following a formal review, we expect the Biden administration to cancel the designation of Cuba as a "state sponsor of terrorism", and subsequently to adopt measures aimed at increasing remittances to Cuba, the easing of travel restrictions and the restoration of services and staffing at the U.S. embassy in Havana. One may disagree with President Biden's careful pace, but gathering bipartisan support for a more substantial overhaul of the U.S.' Cuba policy may prove to be more sustainable in the long term.

25th Anniversary

Following its start of operations in 1996, the Cuba-dedicated investment trust that is CEIBA today (originally named Beta Gran Caribe Fund Limited) raised approximately US$29 million in initial capital and began putting together its Cuban portfolio. At the time, it was a pioneer and the first investment trust (originally listed on the Irish Stock Exchange) to benefit from the provisions of the new Foreign Investment Act adopted by Cuba on 5 September 1995 to pave the way for foreign investment in the country. In 2001-2002, control of the Company passed to new shareholders, the present executive team was appointed and developed a new investment strategy, and net asset value, which had shrunk during the first five years of operation to approximately US$19 million, began to grow.

This year, CEIBA Investments Limited celebrates its 25th anniversary.

It is now listed on the Specialist Fund Segment of the London Stock Exchange, its present net asset value is approximately US$194 million / £142 million, and during the last 17 years it has distributed approximately US$89 million in dividends to its shareholders. We are proud of all that has been achieved over the years, together with our Cuban partners and our Cuban assets, and this notwithstanding the US Cuban embargo legislation and many other challenging circumstances faced over the years. We are also thankful for our Cuban employees, who have been essential in getting the Company where it is today.

2020 PERFORMANCE

The performance of the Company is largely dependent on the fair values of the properties in which it has an interest and the total amount of annual dividends distributed by the joint venture companies that own these properties. The fair values of the properties in which the Company has an interest, which are located in a frontier market, are calculated by the independent RICS valuer Arlington Consulting – Consultadoria Imobiliaria Limitada, trading under the name Abacus ("**Abacus**") using discounted cash flow models. As at 31 December 2020, the fair values of all of the assets in which CEIBA Investments has an interest decreased as a result of a fall in projected income levels.

The NAV Total Return for the year in US$ was (6.0%) (2019: (4.9%)), and in £ it was (9.4%) (2019: 0.8%). As at 31 December 2020, the Net Asset Value of the Company was US$194,425,614 / £142,875,966 (2019: US$206,734,334 / £157,656,016). The loss on the change in the fair value of the equity investments was (US$41,914,276) / (£30,801,202) (2019: (US$14,658,562) / (£11,178,649)). The total dividend income from the Cuban joint venture companies during the year ended 31 December 2020 was US$13,258,912 / £9,743,469 (2019: US$20,670,560 / £15,763,410). The net loss of the Company for the year ended 31 December 2020 attributable to the shareholders was (US$19,808,620) / (£14,556,599) (2019: net income of US$7,579,514 / £5,780,152).

During 2020, the hotel investments of the Company were harshly impacted by the Covid-19 pandemic, although the EBITDA of Miramar S.A. ("**Miramar**"), the owner of the Meliã Habana, Meliã Las Américas, Meliã Varadero and Sol Palmeras hotels (the "**Hotels**"), was still positive for the year at US$3.9 million (£2.9 million) as a result of the positive results generated during the first months of the year. The pandemic also had a significant impact on the construction of the TosCuba hotel project at Trinidad, which incurred serious delays.

The principal factor that contributed negatively to the results was the decrease in the fair value of Miramar S.A. of (US$24,703,820) / (£18,153,895) (2019: decrease of (US$26,742,193) / (£20,393,650)). The performance of the hotels of Miramar was profoundly impacted by the ongoing Covid-19 pandemic and the resulting dramatic collapse in the worldwide tourism and travel industries from March 2020 onwards. With two of its hotels closed from April 2020 onwards and the other two operating at minimal occupancy rates, the net loss after tax of Miramar was (US$3.5 million) / (£2.6 million) (2019: net income of US$17.9 million / £13.6 million). The combined occupancy rate of the Hotels for 2020 was 24% compared to a combined occupancy rate of 78% in 2019. This also resulted in lower dividend income earned by the Company from Miramar during the year of US$6,310,596 / £4,637,416 compared to US$11,537,327 / £8,798,388 in the prior year.

By contrast, the mixed-use office and retail centre of Inmobiliaria Monte Barreto S.A. ("**Monte Barreto**") had its best year ever, registering net income of US$14.4 million / £10.6 million (2019: US$13.5 million / £10.3 million). However, there was a decrease in the fair value of Monte Barreto of (US$5,268,689) / (£3,871,759) (2019: increase of US$10,537,071 / £8,035,591) due to a more conservative approach being taken regarding revenue growth during the next few years considering the pandemic's impact on the economy. Dividend income earned by the Company from Monte Barreto during the year was US$6,948,316 / £5,106,052 compared to US$9,133,233 / £6,965,022 in 2019.

CUBAN RESPONSE TO COVID-19 PANDEMIC

At the time of writing, Cuba has confirmed just over 100,000 total cases of the Covid-19 virus since the first case was registered in March 2020, and slightly more than 600 total deaths.

Cuba was very successful in defending against the virus from its first arrival in the country until the re-opening of flights in November 2020. Although strict protocols were imposed, including PCR testing on arrival in the case of tourists staying at resorts and a second PCR test five days following arrival as well as a quarantine period in the case of residents and Cuban expats staying with family members, the virus appears to have been reintroduced in a renewed fashion by Cuban expats visiting family without strictly complying with the mandated self-isolation requirements, especially around the year-end holidays.

In response to the relapse, authorities have reduced flights, introduced a new requirement that inbound travellers be able to show a negative PCR test before boarding and Havana was placed once again in a state of lockdown. However, few significant problems seem to have been identified at the tourism resorts, where health measures appear to have worked as intended.

Throughout the year, Cuba has been working on a number of vaccines to be used against the virus. The most promising of these vaccines, called Soberana 2, is presently in the final stage of phase 3 trials and showing positive results. Final approval of the vaccine is expected imminently, following which it will be rapidly rolled out to the population at large. The Finlay Institute, which developed Soberana 2, has announced a plan to produce up to 100 million doses before the end of 2021 and expects the entire Cuban population to be vaccinated during 2021, with a large excess of doses for export to other countries as part of Cuba's medical diplomacy efforts.

It remains impossible to predict how quickly the Cuban tourism sector will recover from the worldwide disruption caused by the Covid-19 pandemic. Although the Cuban Ministry of Tourism has not modified its projection of approximately 2.0-2.5 million visitors in 2021, it seems all but certain (given the circumstances in the principal outbound markets) that the first half of 2021 will disappoint.

Numerous Cuban tourism resort destinations are presently open, with a modest number of hotels under operation. Visitors have been arriving and departing in accordance with available flights and travel restrictions in outbound markets, with no significant virus-related issues since reopening of the market in mid-November 2020.

Hotel operators have tentative plans for a gradual reopening of hotels during 2021, although the ability to implement such plans will depend on external circumstances as the world emerges from the present pandemic.

THE ELECTION OF PRESIDENT BIDEN AND THE POTENTIAL IMPACT ON THE U.S.-CUBAN EMBARGO

President Biden with his Cabinet, April 2021

Joe Biden was inaugurated as President of the United States on 20 January 2021, which we hope will bring to a final close the highly toxic chapter of U.S.-Cuba relations dictated by the Trump administration over the last four years. Regarding Cuba, President Biden stated during his campaign that he will: "(…) promptly reverse the failed Trump policies that have inflicted harm on the Cuban people (…)" and "(…) immediately restore the Obama policy of engagement".

We believe that this statement of intent represents excellent news for Cuba and for the Company.

In the waning days of the Trump presidency, following the steady adoption over the course of the preceding four years of ever-increasing aggressive measures against Cuba, the U.S. administration took numerous controversial final steps to further penalise the island and to complicate the efforts of the incoming Biden administration to reverse course on Cuba policy. These included most notably the return of Cuba to the State Sponsor of Terrorism list, which may take time and effort to undo (since it will require a formal State Department review, a presidential certification to Congress and a 45-day waiting period).

However, other than the Terrorism list, the vast majority of anti-Cuba measures adopted by the Trump administration over the last four years can be reversed by simple executive order, without the need for any act of Congress, and so a return to the Obama policy of engagement with Cuba (leaving intact the underlying embargo legislation, which can only be revoked through legislative action) should be attainable with relative ease. We believe that the most likely first steps in such an effort could include:

1. Increasing U.S. travel to Cuba through the reinstatement of the general licence for the people-to-people category of authorised travel, the full restoration of commercial flights and cruise ship travel, the elimination of the Cuba Restricted List and the Cuba Restricted Accommodations List of businesses that cannot be engaged with by U.S. persons, and the reversal of other similar measures imposed by the Trump administration;

2. Increasing U.S. remittances to Cuba through the immediate removal of remittance limits;

3. Facilitating U.S. agricultural, medical and other exports to Cuba;

4. Facilitating U.S. financial transactions involving Cuba, including U-turn transactions whereby parties who are not subject to U.S. jurisdiction are allowed to use the U.S. financial system (and the U.S. dollar) for transactions related to Cuba that originate and terminate outside the U.S. and where no U.S. party is involved;

5. Suspension of Title III of the Helms-Burton Act;

6. Restoring full operations at the U.S. embassy in Havana (including the appointment of a U.S. ambassador); and

7. Removing Cuba from the list of State Sponsors of Terrorism.

The timing of the hoped-for return to a more productive and sensible Cuba policy remains uncertain, given the large number of important domestic and international issues that the new administration will need to confront, and numerous ongoing issues could potentially play a role, such as the question of Venezuela and the still unsolved mystery of U.S. diplomats who suffered ill health effects while stationed in Havana some years ago.

Moreover, with the newly restored Democratic control over both houses of Congress, it becomes possible once again to imagine a day when legislation fully rescinding the antiquated and counter-productive U.S. Cuban embargo can be introduced and have an honest chance of success. With the introduction of a new bill entitled the *U.S.-Cuba Trade Act of 2021* to the Senate on 4 February 2021, which aims to repeal all of the legislation making up the embargo and re-establish normal trade relations and travel to the island nation, it would appear that Congress will soon have the opportunity to make this happen.

CUBA – MODERNISATION OF THE ECONOMY AND MONETARY REFORM

Miguel Díaz-Canel, President of the Republic of Cuba (center), with Manuel Marrero, Prime Minister (left), in one of several "Mesa Redonda" television programmes commenting on the new economic reforms during 2020

Modernisation of the Cuban Economy

Since 2011, the Cuban government has been pursuing a concerted effort to modernise the Cuban economy, with the principal goal of increasing efficiency within the economic sphere and elevating the levels of social and economic development of the country. To this end, the Cuban Communist Party in 2011 adopted a series of guidelines (the "**2011 Guidelines**") on economic and social policy aimed at transforming all sectors of the economy and liberating the country's productive forces through the concession of greater management autonomy to businesses in the state sector, the development of complementary private sector activities and an increase in new foreign direct investment and finance. The principles and actions outlined in the 2011 Guidelines were subsequently reiterated in later documents and programmes adopted by the Cuban government, such as its 2030 Development Plan.

However, implementation of the 2011 Guidelines has moved forward at a very cautious pace over the years since their adoption and came to a virtual standstill in the face of heightened aggression from the United States during the Trump administration. The arrival of the Covid-19 pandemic earlier this year has further pressured the already bleak economic and liquidity positions of the country by bringing the Cuban tourism industry to an abrupt halt and paralysing numerous import activities, resulting in crippling shortages of food and other basic commodities as well as necessary inputs for local industry.

Reforms of 16 July 2020

In July 2020, after many years of start-and-stop progress, the Cuban government returned its economic modernisation strategy, as originally contemplated in the 2011 Guidelines, to the fore. The measures adopted last summer were aimed at boosting hard currency income in the short term through an increase in exports and in the local production of food and other necessary products that can substitute imports, and through the creation of a new internal hard currency market for certain goods and services. They also included measures meant to augment management control over corporate assets, financial resources and activities, and decrease government control over the economy and the centralised allocation of hard currency resources. The increase of foreign direct investment in the country and stimulation of private sector activities are core goals of the recent reforms.

For the joint venture companies in which the Company has a participation, the most important of these measures was the adoption of Resolution 115 issued by the Ministry of Economy and Planning ("**Resolution 115**") on the allocation of hard currency resources within the economy, which is expected to provide a much greater degree of financial autonomy to the management of joint venture companies and to have a significant positive effect on their operations.

In mid-December 2020, the final piece of the reform puzzle was made public with the announcement that the long-planned currency unification and exchange rate harmonisation would be brought into effect on 1 January 2021.

Monetary Reforms

Monetary reform has long been called for by observers because for many years there have been numerous currencies circulating in parallel in the Cuban economy, with a variety of distinct, mandated (non-market based) exchange rates between them, depending on parties and circumstances, causing substantial distortions in the economy.

The principal Cuban currency, the Cuban peso ("**CUP**"), has been officially pegged to the US$ at the rate of 1US$: 1CUP since 1959 for financial transactions between Cuban entities, with the exception of joint venture companies and other foreign direct investment vehicles. In practice, however, the retail exchange rate offered at State-owned currency exchange points (Cajas de Cambio or CADECA) has been 1US$: 24CUP for years. In parallel to the CUP, a second Cuban currency, the convertible peso ("**CUC**"), has circulated in the economy (also at a fixed exchange rate of 1US$: 1CUC) for the last two decades for local transactions involving a hard currency component. There were also numerous exchange rates between the CUC and the CUP. And lastly, certain transactions – including certain retail sales and the operations of foreign investment vehicles – have historically been denominated and carried out in US$.

Since the publication of the 2011 Guidelines, monetary reform has been recognised as a key component of the planned modernisation process. With little advance warning, the new measures constituting the reform were published in mid-December 2020 and came into effect on 1 January 2021.

The reform is directly applicable to foreign investment vehicles operating in the country, including joint venture companies, who will need to convert all of their accounting records to CUP and carry out all transactions in CUP going forward. By contrast, all entities operating in the Special Development Zone of Mariel will continue to denominate and carry out their operations exclusively in US$. We have included below, in the relevant sections dealing with our assets, comments regarding the expected impact of the new measures.

The principal goals of the reform are:

(i) the unification of the two Cuban currencies through the elimination of the CUC and the continuation of the CUP,

(ii) the harmonisation of exchange rates at 1US$: 24CUP,

(iii) the reduction or removal of subsidies in the Cuban economy, and

(iv) price and labour (salary, pension and social security) reforms aimed at correcting price levels.

The reform has been enacted through the adoption by different ministries of a large number of complex, interrelated resolutions and new measures continue to be adopted on a regular basis. The measures taken to date include rules relating to the conversion to CUP of cash, bank deposits and other monetary assets, as well as non-monetary items such as accounting records, contractual obligations and other legal instruments.

The reform will profoundly affect the pricing and payment of goods and services throughout the economy, including the foreign investment sector, as well as salaries, pension and social security payments. In addition, changes have already been made to the new Resolution 115 system for the allocation of hard currency resources to harmonise the allocation of financial resources with monetary reform. We expect further changes to be adopted in the coming months as problems arise and internal contradictions are discovered.

Amendments to Resolution 115: Allocation of Hard Currency Resources within the Economy

Prior to the adoption of Resolution 115, all allocations of hard currency for payments to be made outside the country (including the payment of dividends to foreign investors) were made centrally. This resulted in an inefficient and unfair allocation and numerous delays, especially during regular periods of reduced liquidity in the country, when payments to foreign investors appeared at times to be of secondary importance compared to other public expenditures.

Resolution 115, as recently amended to take into account monetary reform, provides for the systemic allocation of a certain level of "liquidity" (the ability to transfer funds overseas without the requirement of a prior foreign exchange permit) to the operations of foreign investment vehicles and other entities.

Since the system is untested it is as yet unclear whether the criteria used to determine the liquid resources to be allocated will be sufficient, in practice, to cover all international payments (imports, payments of dividends to foreign shareholder, etc.), but since Resolution 115 also includes the possibility to request exceptions we are confident that in most cases the new system will be workable, especially since the general rule is that all joint ventures must have the necessary liquid funds to allow them to comply at all times with their international obligations, including the payment of dividends.

We believe that this is a very significant step forward for the operations of Cuban foreign investment vehicles and in line with the stated aim of "providing real financial autonomy to foreign investment vehicles" and thereby reducing their dependence on centralised foreign exchange decisions. We expect that, following a transition period during which new working capital reserves will need to be accumulated, the new rules will provide a sound and predictable basis upon which joint venture companies will have the means to manage their international obligations in a timely fashion, including the payment of dividends to the foreign shareholder.

Conclusions

The corrective measures taken by the government to reduce the substantial distortions in the state sector of the Cuban economy caused by multiple exchange rates between the US$ and the CUP, as well as between the CUC and the CUP, are necessary steps that are intended to return the Cuban monetary system to an internally coherent system for regulating and reporting transactions within the economy.

Similarly, the new system for the allocation of hard currency reserves represents a significant step forward towards the goal of greater financial autonomy for foreign investment vehicles. However, the scope and complexity of both of these projects is immense, with probable effects throughout the economy, and we expect the transition to be complicated and not without growing pains.

In addition, by imposing the use of the CUP as functional and reporting currency for all foreign investment vehicles going forward, the Cuban government has introduced a new foreign exchange risk to the operations of these investment vehicles, and in particular to their foreign investors, since the CUP will likely be subject to future devaluations, which could impact investments in numerous ways. Like in many other countries, this is an additional factor that will need to be properly managed by investors in order ensure success.

Areas of concern regarding the possible impacts of the above on the operations of the joint venture companies in which the Company has an interest have been identified and we have raised these with our Cuban partners and government officials. We believe that these concerns will be properly addressed in due course, either through the obtention of exceptional treatment or through clarifications or changes to the applicable rules.

We believe that these reforms constitute significant transformations to the highly centralised economic model followed by the Cuban government to date, and that these represent a significant positive development for the operations of the joint venture companies in which the Company is invested, as well as presenting numerous opportunities for the future. We are following these developments closely. The Cuban government has very clearly stated that one of its core objectives, both in carrying out monetary reform and in creating the new system of hard currency autonomy, is to increase the attractiveness of the country for foreign investment and finance. Therefore, we trust that this outcome will be borne out in the final result, notwithstanding the complicated transition process that is underway.

CUBA – ECONOMIC BACKDROP AND OTHER RECENT DEVELOPMENTS

At the year-end session of the Cuban National Assembly, Minister of Economy and Planning Alejandro Gil confirmed that the Cuban economy contracted by 11% in 2020, battered by the pandemic, increased U.S. sanctions and internal inefficiencies. He forecasts growth of 6-7% in 2021 as tourism gradually recovers and monetary reforms create the conditions for new development.

8th Congress of the Communist Party of Cuba in Havana, April 2021

The congress of the Cuban Communist Party that took place on 16-19 April 2021 focused on core issues relating to the country's economic and social life. The further elaboration of the economic and social development model and the implementation of the 2011 Guidelines were central, although the stepping down of Raul Castro as First Secretary of the Party was the prime focus of the international press.

PORTFOLIO ACTIVITY

General

Overall, the performance of the Miramar Trade Center, the office complex of Monte Barreto, in which the Company has a 49% interest, had its most profitable year ever – occupancy rates remained in the high nineties throughout the year. Although revenues were similar to the previous year, net income increased by 6.2%, primarily as a result of savings in energy costs.

As a result of the Covid-19 pandemic and the resulting collapse of the worldwide travel industry, the Hotels faced an extremely challenging business environment, and the results reflect this. While the Sol Palmeras and the Meliã Habana hotels were able to maintain services throughout most of the year, occupancy and room rates were inevitably very much affected, while the Meliã Las Americas and Meliã Varadero hotels were closed from 1 April 2020 until the end of the year. At present, the Meliã Habana is one of the few hotels in Havana where arriving travellers can spend their obligatory isolation period. The ability of the Hotels to reopen and return to a normal operating environment will depend upon numerous factors such as the success of vaccination campaigns in the tourists' home countries, the development and rollout of a Cuban vaccine, the availability of flights and others. There is obviously a great deal of uncertainty connected with the performance of the hotel sector in 2021.

PORTFOLIO UPDATE

The Miramar Trade Center / Monte Barreto

The Company holds a 49% interest in Monte Barreto, the Cuban joint venture company that owns and operates the Miramar Trade Center. Occupancy levels of the Miramar Trade Center remained over 98% throughout 2020, notwithstanding the major disruption caused to the Cuban economy by the Covid-19 pandemic. Although revenues were similar to the prior year, net income in 2020 reached US$14.4 million / £10.6 million for the year (2019: US$13.5 million / £10.3 million), representing a 6.2% increase over the prior year and making 2020 the most profitable year since incorporation of the joint venture.

The Miramar Trade Center office complex

The principal drivers of the excellent results for the year were (i) continued high occupancy levels throughout the year, and (ii) a substantial reduction in operating expenses, primarily as a result of reduced electricity, consumables, third party services and other expenses resulting from reduced tenant activities during the Covid-19 pandemic of 2020.

Demand for international-standard office accommodation in Havana currently continues to exceed supply, predominantly from multi-national companies, NGOs and foreign diplomatic missions. Monte Barreto remains the dominant option in this market segment. As a consequence, and notwithstanding the Covid-19 pandemic, the outlook for Monte Barreto in 2021 remains very encouraging, as we expect occupancy levels to remain in the high nineties and loss of rental income as a result of the pandemic to be modest. In addition, further reductions to operating expenses are expected from the conversion of salaries, electricity and other local costs to Cuban Pesos, which undoubtedly is a positive outcome of the monetary reforms. However, in light of the present disruption in the market, the joint venture has temporarily halted its general strategy of rental increases as leases are renewed, which has resulted in a decrease in its fair value.

In accordance with the new provisions of Resolution 115 dealing with the allocation of hard currency resources, we expect that Monte Barreto will receive sufficient liquid resources in 2021 to distribute all profits generated during the year and to gradually pay out the remaining outstanding dividends from past periods. Commercial real estate activities have been excluded from some of the general rules relating to liquid payments, and consequently the local payments of many tenants of the joint venture will not be received with liquidity and conversely most local payments to be made by the joint venture will similarly not require liquidity. As a result, the joint venture will operate under a mixed regime having reduced liquidity requirements, where certain liquid resources of the joint venture will be generated internally and certain resources will be allocated centrally.

We are presently working with the management team of the joint venture to calculate the comprehensive liquidity requirements of the joint venture as well as the expected sources of liquidity available to it in the coming period in order to ensure that there will be sufficient liquid resources to distribute all dividends generated in 2021 and to gradually pay out the remaining outstanding dividends from past periods.

In December 2020, Monte Barreto paid US$4 million / £2.9 million in dividends to CEIBA MTC Properties Inc. by transferring that amount to TosCuba. These funds will be used by TosCuba in connection with the construction of the hotel and will be counted as disbursements under the construction facility as they are used (see below).

The valuation of Monte Barreto has been adjusted downward in the year by (US$5,268,689) / (£3,871,759), representing a 6% decline on the December 2019 valuation. This was driven by a more conservative approach towards revenue growth during the next few years considering the impact of the pandemic on the Cuban economy and the resulting decision to halt rental increases temporarily as leases are renewed.

The Hotels of Miramar

The Meliã Habana Hotel at dusk

Through its indirect ownership of a 32.5% interest in Miramar, the Group has interests in the following hotels:

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

The Hotels are operated by Meliã Hotels International S.A. ("**Meliã Hotels International**"), the Company's strategic partner in all of its hotel investments. Meliã Hotels International has a 17.5% equity interest in Miramar and a 10% equity interest in TosCuba, and remains fully committed to Cuba as one of its principal destinations.

Satellite view of the Varadero Hotels, at far left the Meliã Las Américas, star-shaped at center the Meliã Varadero and at right the Sol Palmeras

Performance of the Hotels

From arrival of the Covid-19 pandemic in Cuba in March 2020 through the end of the year the Hotels faced an extremely difficult operating environment. With international borders closed and international flights grounded, all Cuban hotels were ordered to be closed. The Sol Palmeras and the Meliã Habana hotels were able to maintain modest services throughout most of the year, but occupancy and room rates were at low levels. The Meliã Las Americas and Meliã Varadero hotels remained closed from 1 April 2020 through the end of the year (and they remain closed at the date of writing).

The Meliã Habana hotel is one of the few hotels in Havana where arriving travellers can spend their obligatory isolation period and the hotel is popular with flight crews and other essential travellers, so we expect that operations will continue at these levels until international travel markets recover later this year. The Sol Palmeras is also expected to remain open in the coming months, with a modest number of guests from countries that have resumed flights to Cuba (such as Russia), but our expectation is that occupancy will remain at very low levels until the Canadian and European markets resume in earnest when their populations are fully vaccinated and regular flights from these important outbound markets resume.

In general, the ability of the Hotels to return to normal operations will be dependent upon numerous factors such as the success of the vaccination campaigns in the principal outbound markets in Canada and Europe, the development and rollout of a Cuban vaccine, the availability of flights, the implementation by the Biden administration of a new, more positive Cuba policy, and others. Like in many other places, there is obviously a great deal of uncertainty connected with the performance of the Cuban hotel sector in 2021 and we expect that the effects of the Covid-19 pandemic will continue to be felt throughout the first half of 2021, and possibly through the first three quarters of the year.

Once hotel operations return to normal as the world emerges from the Covid-19 pandemic and international travel and tourism markets recover from the disruption suffered over the last year, we expect the liquid resources directly generated by the operations of Miramar to be more than sufficient to allow Miramar to distribute all profits to be generated during the year and to gradually pay out the remaining outstanding dividends from past periods. This is because under the new liquidity rules international tourism income is treated as direct export income (of which 80% of the liquidity can be retained by the joint venture). In addition, we anticipate that the adopted monetary reforms may have a positive impact on the cost structures (and potentially on the profitability) of the Hotels.

Confirming and Discounting Facility

In December 2019, HOMASI (the foreign shareholder of Miramar) executed a US$7 million confirming and discounting facility with Miramar for the purpose of confirming and discounting supplier invoices relating to the operations of the four hotels owned by the joint venture company. The facility is financed in part by a €3.5 million credit line received by HOMASI from a Spanish bank for this purpose. The facility has attractive economic terms and is secured by the offshore cash flows generated by the hotels. Given the limited operations of the Hotels during the last three quarters of 2020, the operations financed under the facility during the year were largely aimed at resolving past issues with suppliers, rather than current operations. We expect that confirming and discounting transactions under the facility will accelerate once again when the operations of the Hotels return to normal levels.

Planned Investments

The planned refurbishment and development plan of the Hotels has been delayed by the Covid-19 pandemic and by the implementation of the monetary reforms. Miramar has profited from the hotel closures to proceed with maintenance and certain limited improvement works, as well as with the planning and permitting processes. The board of the joint venture company will review the timing of the planned investments in the coming year as the tourism sector recovers and the full implications of the new monetary rules are clarified.

The TosCuba Project

Clockwise from top left: Insulation priming works of the pools at Meliã Trinidad Península Hotel. Facade finishing in lodging block 7. Gaby lounge with roof finalized. Tile works at the pool associated to swim-up rooms of lodging block 1

The Company has an 80% interest in Mosaico Hoteles S.A. ("**Mosaico Hoteles**"), representing a 40% indirect interest in TosCuba, the Cuban joint venture company that is constructing the 400 room Meliã Trinidad Península Hotel. The remaining 20% interest in Mosaico Hoteles is held by Meliã Hotels International. The Cuban shareholder in TosCuba is Cubanacán, with a 50% interest.

As at the end of 2020, all structural works of the hotel were completed and the project had reached an overall completion level of approximately 60%. Delays that had accumulated over the course of the project were exacerbated by the arrival of the Covid-19 pandemic in March 2020. In response to the crisis, the joint venture company slowed the pace of construction considerably for the remainder of the year.

During the first quarter of 2021, progress has been made at a modest pace on external finishing details and internal works, including doors, windows, flooring and other installations.

The total cost of the project – including incorporation of the joint venture company, acquisition of surface rights, construction of the hotel, and start-up costs – is presently estimated at US$76 million. Of this amount, US$16 million represents the share capital invested in TosCuba by its shareholders (CEIBA, US$6.4 million, Meliã Hotels International

US$1.6 million and Cubanacán US$8 million) and approximately US$12 million represents grants received or to be received under the Spanish Cuban Debt Conversion Programme. In accordance with the terms of the Spanish Cuban Debt Conversion Programme the funds granted should be used by the joint venture company to fund local purchases of goods and services delivered under the construction contract by Cuban suppliers, thereby reducing the external funding that would otherwise need to be provided.

The remaining funds necessary to complete the project will be disbursed under the construction finance facility that was originally extended in April 2018 as a US$45 million facility to be disbursed under two tranches of US$22.5 million / £16.5 million each. The first tranche (Tranche A) is presently being disbursed by CEIBA (80%) and Meliã (20%). Disbursements under Tranche B will only begin once Tranche A is fully disbursed. The construction finance facility is more fully described below. The €25 million in new funds raised through the issue of the Bonds in March 2021 will ensure the availability of funding for Tranche B of the facility and therefore that that the construction of the project can now proceed to completion.

The final terms of amendments to Tranche B of the construction finance facility are presently being negotiated, together with the construction contract, to take into account the new circumstances caused by the Covid-19 delay and other factors. Amended facility and construction agreements are expected to be executed shortly with a view to completing construction and start-up of the hotel before the start of the 2022-2023 high season.

Grupo B.M. Interinvest Technologies Mariel S.L.

Clockwise from top left: GBM Mariel location West of the container terminal in the Special Development Zone of Mariel. Computer generated image of the facilities. Execution of groundworks

In December 2020, the Company formalised its participation in a new multi-phase industrial logistics project to be developed in the Special Development Zone of Mariel, Cuba by acquiring a 50% interest in Grupo B.M. Interinvest Technologies Mariel S.L., the Spanish company that is developing the project.

Groundworks on the 11.3-hectare site for the construction of the first four warehouses of the project began in the first quarter of 2021.

The Company has paid an initial amount of US$303,175 / £222,792 for its 50% interest and is expected to invest a further US$1.5million / £1.1million during the course of 2021.

FINTUR and TosCuba Finance Facilities

FINTUR Facility

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

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

With effect from 1 April 2020, the Company and FINTUR agreed to revise the remaining outstanding payments under the FINTUR facility (combining the two tranches into a new single tranche C) and to provide a one-year period of grace on the payment of principal, with a two-year principal payment period thereafter. The first principal payment of the new Tranche C falls due on 30 June 2021. Interest payments were suspended until 31 December 2020, at which time interest accumulated during the year became payable.

FINTUR transferred funds from other sources to the collection account under the Facility and made the required interest payments at 31 December 2020 and at 31 March 2021.

As at 31 December 2020, the principal amount of US$2,110,795 / £1,551,143 was outstanding under the Company's participation in Tranche C of the Facility.

Cuba has reopened its borders to international travel and the tourism industry has resumed operations, although arrivals remain very modest at present because of numerous travel restrictions in outbound markets related to the Covid-19 pandemic as well as limited airlift at the present time. Operations are expected to gradually increase in the second half of 2021 and beyond as restrictions are lifted in outbound markets and airlines increase flights to the island.

All of the hotels granted as security for the repayment of the Facility remain closed at the present time. The Investment Manager meets regularly with FINTUR in order to gauge the speed with which the cash flows are likely return to acceptable levels and to determine whether any additional hotel security should be received.

TosCuba – Construction Finance Facility

CEIBA is the principal lender in the secured construction finance facility that was extended to TosCuba in 2018 in order to provide funding for the construction of the Meliã Trinidad Península Hotel. Originally, the facility was to be disbursed in two equal tranches of US$22.5 million. CEIBA (80%) and Meliã (20%) act as lenders under Tranche A. CEIBA is presently the sole lender under Tranche B, the repayment of which is fully guaranteed by Cubanacán.

The first disbursement under the facility was made in November 2018 in the lead-up period to the formal construction start of the project in December 2018, and as at 31 December 2020 the principal amount of US$16,106,466 / £11,836,027 had been disbursed under the Company's participation in Tranche A. The remainder of Tranche A of the facility is presently being disbursed. In order to complete the construction and start-up of the hotel, CEIBA intends to increase the maximum principal amount of Tranche B of the facility to US$29 million and negotiations are presently ongoing in this respect.

The facility may be syndicated and is secured by the future income of the hotel under construction. Tranche B of the facility is further secured by a guarantee given by Cubanacán, backed by offshore tourism income from another Cubanacán hotel in Cuba. Debt service under the facility is expected to start in 2023 and includes a repayment period of 9 years for Tranche A and 7 years for Tranche B.

OUTLOOK

We expect that, as a result of the Covid-19 pandemic, the very difficult economic circumstances faced by Cuba during 2020 will continue well into 2021, and that the local market conditions in which the Group operates will remain very challenging throughout a good part of the year. The further accentuation of the liquidity challenges faced by the Cuban economy as a result of the pandemic and the U.S. Cuban embargo may also negatively impact the timing of dividend and other payments to the Company.

However, as the world recovers from the pandemic, we expect that travel restrictions will start to be eased and that all of the Miramar hotels will re-open in 2021 and that all of our underlying Cuban real estate assets, the Cuban joint ventures in which we are invested and the loan facilities in which we participate will return to profitable trading.

We expect that the new monetary reforms and liquidity rules adopted by the Cuban government during the year will over time have a strong positive effect on the Cuban economy as well as on the operations of the joint venture companies of the Company. As a result of these new measures, and in particular the de-centralisation of decision-making that they mandate, management of the joint ventures is expected to have a much greater degree of control over the financial resources generated by their operations, which we expect to be largely beneficial for new investments, ongoing operations, performance and the ability to make timely distributions to shareholders.

In addition, the election of Joe Biden to the presidency of the United States brings a welcome sense of relief after the turbulent years of the Trump administration. We look forward to a new era where U.S. policy towards Cuba is once again driven by policy experts in the State Department rather than the rough and tumble forces of election politics in Florida. We expect that during the course of the coming year tensions will be lowered between the two countries and the new Biden administration will adopt numerous new measures that will gradually allow more U.S. travel to Cuba, more U.S. funds to flow to Cuba and ultimately a significant improvement to the foreign investment climate in the country, all of which will be very positive for the people of both countries, as well as for the Company and its assets.

Moreover, having successfully raised €25 million in new funds through the issuance of the Bonds at a very difficult time, demonstrating strong confidence on the part of our investors, for which we are grateful, we enter into an exciting new period of development for the Company. With immediate deployment capacity, we are very strongly positioned to enhance our position in the Cuban market by driving ahead with completion of the new hotel in Trinidad and construction of the first phase of the new industrial logistics project in Mariel. We will also be on the lookout for new opportunities.

Sebastiaan A.C. Berger
Aberdeen Asset Investments Limited
27 April 2021

THE BOARD OF DIRECTORS

The current Directors' details, all of whom are non-executive and are considered by the Board to be independent of the Investment Manager, are set out below. The Directors supervise the management of CEIBA Investments Limited and represent the interests of shareholders.

JOHN HERRING

Status: Non-Executive Chairman
Length of service: 11 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: 19 June 2020
Committee membership: Management Engagement Committee (Chairman)
Remuneration: £40,000 (US$54,432) per annum
All other public company directorships: None
Employment by the Investment Manager: None
Other connections with Investment Manager: None
Shared Directorships with any other Directors: None
Shareholding in Company: 40,000 Ordinary Shares, held indirectly representing 0.03 per cent. of the existing issued share capital of the Company. John also acts as a Consultant to Northview Investment Fund Limited 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. The Board has concluded that John continues to chair the Company effectively, fostering a collaborative spirit between the Board and Investment Manager, whilst ensuring that meetings remain focused on key areas of stakeholder relevance.

TREVOR BOWEN

Status: Independent Non-Executive Director
Length of service: 2 years and 10 months, appointed on 18 June 2018
Experience: Trevor has over 30 years' experience spanning across 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: 19 June 2020
Committee membership: Management Engagement Committee, Nomination Committee and Audit Committee (Chairman)
Remuneration: £40,000 (US$54,432) per annum
All other public company directorships: Cavalli Investments ICAV, KW Investment Funds ICAV & KW Real Estate ICAV, Kennedy Wilson Inc, Round Hill Music Royalty Fund Limited.
Employment by the Investment Manager: None
Other connections with Investment Manager: None
Shared Directorships with any other Directors: None
Shareholding in Company: 43,600 Ordinary Shares held indirectly representing 0.03 per cent. of the existing issued share capital of the Company.
Contribution: The Board has reviewed Trevor's contribution in light of his proposed re-election as a Director at the AGM. The Board has concluded that Trevor has chaired the Audit Committee effectively and continues to provide significant financial and risk management insight to Board discussions.

KEITH CORBIN

Status: Independent Non-Executive Director
Length of service: 2 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: 19 June 2020
Committee membership: Management Engagement Committee, Nomination Committee (Chairman) and Audit Committee
Remuneration: £35,000 (US$47,628) per annum
All other public company directorships: None
Employment by the Investment Manager: None
Other connections with Investment Manager: None
Shared Directorships with any other Directors: None
Shareholding in Company: None
Contribution: The Board has reviewed Keith's contribution in light of his proposed re-election as a Director at the AGM. The Board has concluded that Keith continues to provide significant insight to the Board and knowledge of the investment management sector and continues to chair the Nomination Committee effectively.

PETER CORNELL

Status: Senior Independent Director – Non-Executive
Length of service: 2 years and 10 months, appointed on 18 June 2018
Experience: Peter is a founding partner of Metric Capital, a pan-European special situations fund. He is a Non-Executive Director of a number of companies including PA Digital, Schroders (C.I.) Limited and Grant Thornton (C.I.) and a member of the International Advisory Board of the Madrid Business School. Previously he was Global Managing Partner of Clifford Chance until 2006. During his tenure with Clifford Chance his roles included managing partner for Spain and Continental Europe. He then became managing director of Terra Firma, a European private equity firm until 2011.
Last re-elected to the Board: 19 June 2020
Committee membership: Management Engagement Committee and Nomination Committee
Remuneration: £35,000 (US$47,628) per annum
All other public company directorships: None
Employment by the Investment Manager: None
Other connections with Investment Manager: None
Shared Directorships with any other Directors: None
Shareholding in Company: 100,000 Ordinary Shares held indirectly representing 0.07 per cent of the existing issued share capital of the Company.
Contribution: The Board has reviewed Peter's contribution in light of his proposed re-election as a Director at the AGM. The Board has concluded that Peter is an effective Senior Independent Director and his contribution to the Board, from an industry, legal and corporate governance perspective, has been invaluable.

COLIN KINGSNORTH

Status: Non-Executive Director
Length of service: 19 years, appointed on 10 October 2001
Experience: Colin is a partner and director of Laxey Partners Limited, a UK-based active value investment firm focusing on closed-end funds and property investments. 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 with Andrew Pegge. Since then Laxey Partners Ltd has become a prominent active value investor focusing on closed-ended funds and property investments. Colin holds a BSc in Economics and is a CFA Charterholder.
Last re-elected to the Board: 19 June 2020
Committee membership: Management Engagement Committee
Remuneration: £35,000 (US$47,628) per annum
All other public company directorships: None
Employment by the Investment Manager: None
Other connections with Investment Manager: None
Shared Directorships with any other Directors: None
Shareholding in Company: Colin is a partner and director of Laxey Partners Limited. Laxey Partners Limited and Value Catalyst Fund Limited (a fund managed by Laxey Partners Limited) together currently own, in aggregate, 30,979,316 Ordinary Shares representing 22.50 per cent of the issued share capital of the Company.
Contribution: The Board has reviewed Colin's contribution in light of his proposed re-election as a Director at the AGM. The Board has concluded that Colin continues to be an effective Director, providing support and challenge to the Investment Manager on behalf of all shareholders.

DIRECTORS' REPORT

The Directors present their Report and the audited Consolidated Financial Statements for the year ended 31 December 2020.

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 6 to 8.

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, 1987, as amended and the Registered Collective Investment Schemes Rules 2015 issued by the Guernsey Financial Services Commission.

The Company invests either directly or through holdings in special purpose vehicles, joint venture vehicles, partnerships, trusts or other structures. As at 31 December 2020, 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 Center, a 56,000m2 mixed-use office and retail complex in Havana;
- an indirect 32.5% interest in Miramar S.A., which is the Cuban joint venture company that owns the Meliã Habana Hotel and the Varadero Hotels;
- an indirect 40% interest in TosCuba S.A., which is the Cuban joint venture company that owns and is constructing the Meliã Trinidad Peninsula 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 2020 to 31 December 2020 as a registered collective investment scheme, so as to comply with the Registered Collective Investment Scheme Rules 2015.

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 are closely monitoring the latest market developments relating to Covid-19 and any possible future impact on the Group's investment portfolio and financing arrangements, and following enquiries with the Group's property 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 page 57 of this Report.

CAPITAL STRUCTURE AND ISSUANCE

The Company's capital structure is summarised in note 10 to the financial statements.

At 31 December 2020, there were 137,671,576 fully paid Ordinary Shares (2019 – 137,671,576) in issue.

Subsequent to the financial year end, the Company completed the issue of €25,000,000 10% senior unsecured convertible bonds due for repayment on 31 March 2026 (the "**Bonds**"). The conversion price of the Bonds is equal to the (unaudited) Net Asset Value per Ordinary Share as at 30 June 2020 (104.3 pence). The Bonds were issued on 31 March 2021 and were admitted to The International Stock Exchange ("**TISE**"), Guernsey, on 13 April 2021. The ISIN number of the Bonds is GG00BMV37C27. Interest payments on the Bonds will 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. Trading in the Bonds can take place over the counter (OTC) but is expected to be limited. The Company has not appointed a market maker in the Bonds that is a trading member of TISE and in the absence thereof no price data with respect to the Bonds will be published on TISE.

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, until such times as the Bonds are converted to Ordinary Shares and they thereby become shareholders of the Company.

MANAGEMENT AGREEMENT

On 31 May 2018, the Company entered into the Management Agreement under which ASFML 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. ASFML has delegated portfolio management to the Investment Manager. Both AFSML and the Investment Manager are wholly-owned subsidiaries of Standard Life Aberdeen plc.

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

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

MANAGEMENT FEE

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

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

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

In connection with execution of the Management Agreement, ASFML paid the Company US$5,000,000 to compensate the Company for the costs relating to its public offering and listing on the SFS as well as for releasing and making available the Company's internal management team to ASFML. In the event that the Management Agreement is terminated prior to the fifth anniversary of its coming into effect, the Company must pay ASFML a pro-rated amount of the US$5,000,000 payment based on the amount of time remaining in the five-year period. As such, this payment has been recorded as a deferred liability and is being amortised over the five-year period. The amount amortised each period is accounted for as a reduction of the management fee.

The Directors reviewed the terms of the Management Agreement and management fees during the year and have confirmed that, due to the investment skills, experience and commitment of the Investment Manager, the appointment of ASFML, on the terms agreed, is in the interests of shareholders as a whole. The Management Engagement Committee is responsible for undertaking a review of the Management Agreement on a regular basis and providing a recommendation on the continued appointment of the AIFM to the Board.

POLITICAL AND CHARITABLE DONATIONS

The Company does not make political donations and has not made any charitable donations during 2020 (2019: 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 16 to the financial statements.

THE BOARD

The names and short biographies of the Directors of the Company, all of whom are non-executive, at the date of this report are shown on pages 32 and 33. John Herring is the Chairman and Peter Cornell is the Senior Independent Director. Trevor Bowen, Keith Corbin and Peter Cornell are considered independent non-executive Directors.

The Board considers that John Herring and Colin Kingsnorth continue to be independent in character and judgement and bring a wealth of experience. However, due to John's historical connection with Northview Investment Fund Limited (the Company's largest shareholder), and his length of service on the Board, John is not considered independent for the purposes of The AIC Code of Corporate Governance (published in February 2019) (the "**AIC Code**"). In addition, Colin, having served on the Board for an extended period of time and as a representative of Laxey Partners Limited and the investment manager of the Value Catalyst Fund Ltd, both major shareholders in the Company, is also not considered independent for the purposes of the AIC Code.

The Board, which comprises five directors, regularly reviews composition of the Board and succession planning through the Nomination Committee. Given the tenure of the independent non-executive directors and the interests being represented by the other non-executive directors, as well as the current position of the Company, the Board does not have any immediate plans to change the composition of the Board.

ROLE OF THE CHAIRMAN AND SENIOR INDEPENDENT DIRECTOR

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

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

ELECTION OF THE BOARD

In accordance with corporate governance best practice, the Board has agreed that all Directors will retire annually and, if appropriate, will seek re-election at the annual general meeting of the Company. All Directors will stand for re-election at the forthcoming Annual General Meeting. The Board has reviewed the skills and experience of each Director and believes that each contributes to the long-term sustainable success of the Company. The Board has no hesitation in recommending their re-election 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 2020.

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 13);
- the role and responsibility of the chief executive (provisions 9 and 14); and
- executive directors' remuneration and establishment of a remuneration committee (provisions 33 and 36 to 40).

The Board considers that provisions 9, 14, 33 and 36 to 40 are not relevant to the position of the Company, being an externally-managed investment company. In particular, all of the Company's day to day management and administrative functions are outsourced to third parties. And, as set out above, the Board has not complied with provisions 11 and 13 and, with support from the Nomination Committee, has resolved that, given the projects currently underway at the Company, the specialist nature of the Company and 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 Board meetings during the year ended 31 December 2020.

DIRECTOR	NUMBER OF MEETINGS ATTENDED	MEETINGS DURING PERIOD ON THE BOARD
John Herring	4	4
Keith Corbin	4	4
Trevor Bowen	4	4
Peter Cornell	4	4
Colin Kingsnorth	4	4

The Board meets more frequently when business needs require, and met an additional 2 times during the financial year.

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 and at the Company's expense. This is in addition to the access which every Director has to the advice and services of the Company Secretary, which is responsible to the Board for ensuring that Board procedures are followed and that applicable rules and regulations are complied with.

Board and Committee Evaluation

Each year, the Company undertakes a performance evaluation of the Board and its committees as a whole as well as an appraisal of the Chairman and a Director's self evaluation. During the year, the evaluation was carried out by the Chairman and Senior Independent Director, with support from the Company Secretary. The evaluation concluded that the Board and committees were operating effectively with minor suggestions for improvement. On the basis of the results of the evaluation process, the Board has no hesitation in recommending to Shareholders the re-election of all Directors.

Board Committees

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

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

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

Audit Committee

Information regarding the composition, responsibilities and activities of the Audit Committee is detailed in the Report of the Audit Committee on pages 45 to 47 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 goes through 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 the tasks required. When considering the composition of the Board, members will be mindful of diversity, inclusiveness and meritocracy. Whilst the Board agrees that it is entirely appropriate that it should seek diversity, it does not consider that this can be best achieved by establishing specific quotas and targets and appointments will continue to be made based wholly 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 existing Directors. Once appointed, the successful candidate will receive a formal and tailored induction.

The remuneration of the Directors is reviewed on an annual basis by the Nomination Committee and compared with the level of remuneration for directorships of other similar companies. All Directors receive an annual fee and there are no share options or other performance-related benefits available to them. The remuneration of the Directors has been set in order to attract individuals of a calibre appropriate to the future development of the Company. The Company's policy on Directors' remuneration, together with details of the remuneration of each Director, is detailed in the Directors' Remuneration Report on pages 40 to 41.

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

During the year the Nomination Committee met once to consider board composition and succession planning for the role of the Chairman.

Management Engagement Committee

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

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

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

During the year, the Management Engagement Committee met once to consider the performance of, and the contractual arrangements with, the key service providers of the Company, including the Investment Manager, the AIFM and the Administrator and agreed that there was no requirement to change any service provider.

INTERNAL CONTROL & RISK MANAGEMENT

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

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

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

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

The principal risks and uncertainties faced by the Company are detailed on pages 11 to 15.

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

- the Investment Manager prepares forecasts and management accounts which allow the Board to assess the Company's activities and review its performance;
- the Board and Investment Manager have agreed clearly defined investment criteria, specified levels of authority and exposure limits. Reports on these issues, including performance statistics and investment valuations, are regularly submitted to the Board and there are meetings with the Investment Manager as appropriate;
- as a matter of course the Investment Manager's compliance department continually reviews the Investment Manager's operations and reports to the Audit Committee on a six monthly basis;
- written agreements are in place which specifically define the roles and responsibilities of the Investment Manager and other third-party service providers and, where relevant, ISAE3402 Reports, a global assurance standard for reporting on internal controls for service organisations, or their equivalents are reviewed;
- the Board has considered the need for an internal audit function but, because of the compliance and internal control systems in place within the Investment Manager, has decided to place reliance on the Investment Manager's systems and internal audit procedures; and
- the Audit Committee carried out an annual assessment of internal controls for the year ended 31 December 2020 by considering documentation from the Investment Manager, and the Depositary, including their internal audit and compliance functions and taking account of events since 31 December 2020. 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 12 to the financial statements. No other Directors had any interest in contracts with the Company during the period or subsequently. The conflicts of the non independent directors are well known to the Board and reviewed regularly.

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

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

SUBSTANTIAL INTERESTS

The Company has been advised that the following shareholders owned 5% or more of the issued Ordinary share capital of the Company at 31 December 2020:

SHAREHOLDER	NUMBER OF SHARES HELD	% HELD
Northview Investment Fund Ltd	37,862,018	27.5
Laxey Partners Limited	30,979,316	22.5
Standard Life Aberdeen plc	9,747,852	7.1
Citco Global Custody NV	8,373,144	6.1

There have been no significant changes notified in respect of shareholdings between 31 December 2020 and 27 April 2021.

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, Dorey Court, Admiral Park, St. Peter Port, Guernsey, GY1 2HT Channel Islands on 17 June 2021 at 2.00pm. An explanation of each resolution to be proposed at the AGM is included in the Letter from the Chairman on page 96. All shareholders will have the opportunity to put questions to the Board or the Investment Manager at the Company's AGM. Shareholders are encouraged to vote on the resolutions proposed in advance of the AGM and to submit questions to the Board and the Investment Manager by emailing CEIBA.Investments@aberdeenstandard.com.

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

In the event that the situation surrounding Covid-19 should affect the plans to hold the AGM on 17 June 2021 the Company will update shareholders through an announcement to the London Stock Exchange and will provide further details on the Company's website. As noted above, the Board encourages 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.

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. The Annual Report and Consolidated Financial Statements are widely distributed to other parties who have an interest in the Company's performance. Shareholders may obtain up to date information on the Company through the Company's website www.ceibalimited.co.uk.

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

By order of the Board

27 April 2021

JTC Fund Solutions (Guernsey) Limited
Secretary
Ground Floor, Dorey Court
Admiral Park, St Peter Port
Guernsey GY1 2HT

DIRECTORS' REMUNERATION REPORT

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

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

REMUNERATION POLICY

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

The Directors are non-executive and the Company's Articles of Incorporation limit the annual aggregate fees payable to the Board of Directors to no more than £500,000 (US$680,400) 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 were no changes to the Directors' Remuneration Policy during the year nor are there any proposals for changes in the foreseeable future. In the past year, aggregate fees of £185,000 (US$251,748) were paid to the Directors. The table below shows the fees agreed per annum.

	31 Dec 2020 (£)	31 Dec 2020 (US$)	31 Dec 2019 (£)	31 Dec 2019 (US$)
Chairman	40,000	54,432	40,000	52,452
Chairman of Audit Committee	40,000	54,432	40,000	52,452
Director	35,000	47,628	35,000	45,896

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 duties, as a Director of the Company.

PERFORMANCE AND SERVICE CONTRACTS

- The Directors' remuneration is not subject to any performance-related fee.
- No Director has a service contract.
- Although John Herring and Colin Kingsnorth are linked to large shareholders of the Company, no Director has 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 2020 the Nomination Committee reviewed the Directors' fees and agreed that no revisions were required for the financial year ended 31 December 2020 but will keep this under review. There are no further fees to disclose as the Company has no direct employees, chief executive or executive directors.

The total fees paid to, and received by, the Directors for the financial years to 31 December 2019 and 31 December 2020 are shown below.

Director	2020 (£)	2020 (US$)	2019 (£)	2019 (US$)
John Herring	40,000	54,432	40,000	52,452
Keith Corbin	35,000	47,628	35,000	45,896
Peter Cornell	35,000	47,628	35,000	45,896
Trevor Bowen	40,000	54,432	40,000	52,452
Colin Kingsnorth	35,000	47,628	35,000	45,896
Total	**185,000**	**251,748**	**185,000**	**242,592**

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 12 to the financial statements. The Directors (including connected persons) at 31 December 2020 are shown in the table below.

Director	31 December 2020 Ordinary Shares	31 December 2019 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]	30,979,316	30,979,316

1 Includes Ordinary Shares held by Laxey Partners Limited and Value Catalyst Fund Ltd.

The above interests are unchanged at 27 April 2021, 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 2020:

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

For and on behalf of the Board,

John Herring
Chairman
27 April 2021

ENVIRONMENTAL SOCIAL GOVERNANCE (ESG) STRATEGY

The 17 sustainable development goals (SDGs) to transform our world

INTRODUCTION

During the year the Company made significant progress on the development of an in-depth proposal for the Environmental Social Governance (ESG) Strategy to be implemented by the Company in the future. Although at present the Company does not have an explicit, detailed written ESG Strategy, de facto CEIBA has taken significant steps in the past in each of the three areas of such a strategy. The actions of elaborating, discussing and adopting a formal ESG Strategy will allow the Company to build a mutual understanding around the expectations of its stakeholders in relation to CEIBA's ESG Strategy, which in turn should also have a positive effect on the Company's financial sustainability.

In parallel with obtaining input regarding strategic goals from the Board, the Investment Manager, ESG specialists and other third parties, a detailed analysis will be carried out during the year of the Company and its assets. The principal goal is to present and table the formal ESG Strategy of CEIBA for approval during the present year so that we can present, explain and embed our ESG Strategy as one of the factors driving long-term value creation within CEIBA and influencing its performance against the strategic goals of the Company.

In short, we believe that by having a proper ESG Strategy in place, the Company will add a formal ESG framework as one of the drivers for long-term sustainable financial returns and adequately manage environmental, social, and governance factors as both risks and opportunities.

APPROACH

It is our intention that during the present year an in-depth analysis will be carried out on the general status of ESG factors within the Company, its subsidiaries and assets. Along with the above and the wider review of the ESG context in Cuba, this should enable the Company to highlight key ESG topics for focus. We also intend to verify whether it would be possible to periodically undertake existing assessments and methodologies to review ESG performance of the underlying assets and implement and monitor sustainability action plans. As a result, the Company will produce a draft ESG Policy and Approach that will be presented for approval to the Company's shareholders.

ON CUBA: SUMMARY OF COUNTRY LEVEL ESG ANALYSIS

In order to set the ESG policy and approach for the Company, it is important to understand the backdrop of ESG issues within the investment territory, Cuba, so that we are aware of current legislative frameworks 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 ASI's best practice approach. What follows is a summary overview of Cuba and how it performs in all the areas that are taken into account in when performing an ESG analysis.

Our general conclusion is that there are a large number of areas in which Cuba's performance stands out, especially compared to other Latin American and Caribbean countries, whilst there are other areas where it does not, principally because of the fact that Cuba has a single-party political system and is perceived internationally to score low on questions of political rights and civil liberties.

Over the last 25 years, Cuba has made a large number of small steps forwards, as well as some steps back, and more recently, it would appear that bigger steps forward are being taken, including the adoption of a new Constitution, the introduction of new legislation that regulates ongoing reforms, private enterprise and initiatives, monetary reforms (including currency unification), and the significant roll out of internet services, U.S. Dollar bank accounts and private import-export rights.

ESG TOPIC		MEASURE	PERFORMANCE
Anti-Money Laundering	G	FATF	Cuba is FATF compliant Cuba is a member of the Financial Task Force of Latin-America, GAFILAT, the purpose of which is to work toward developing and implementing a comprehensive global strategy to combat money laundering and terrorist financing as set out in the FATF Recommendations
Transparency	G	Transparency International's Corruption Perception Index	In 2019, Cuba ranked 60th of 176 countries globally and 12th of 32 countries in the Americas
Climate Change	E	Paris Climate Change Agreement	Cuba has ratified its commitment to decarbonize its economy by 2050 In 2016, Cuba officially ratified the Paris Agreement on Climate Change. Cuba also ratified the Doha Amendment to the Kyoto Protocol, adopted in December 2012 and the 2030 Agenda for Sustainable Development In 2020, Cuba was the 13th country to submit its nationally determined contribution (NDC). The updated NDC, which has a ten-year time frame from 2020-2030, outlines Cuba's strengthened climate change mitigation and adaptation of policies and actions
Sustainable Development	E, S	2030 Agenda for Sustainable Development	Adoption of the 17 UN SDGs with the commitment to eradicate poverty and achieve sustainable development by 2030 world-wide
Poverty and Nutrition	S	Multidimensional Poverty Index	Cuba is in the top five countries in the world with the lowest value
		Hunger and Malnutrition Index	Cuba is ranked amongst the first 17 countries to reduce the Hunger and Malnutrition Index on a sustained basis for several years
Gender equality	S	Article 44 of Cuban Constitution	"The state guarantees women the same opportunities and possibilities as men in order to achieve woman's full participation in the development of the country."
		Parliamentary seats in the Cuban National Assembly	As of 2015, women held 48.9% of the parliamentary seats in the Cuban National Assembly, ranking sixth of 162 countries on issues of female participation in political life
		Gender inequality index	In 2018, Cuba ranked number 67 out of 189 countries on the Gender Inequality Index, above almost all Latin American and Caribbean countries
Homicide and Drugs	S	Homicide Monitor	Cuba has one of the lowest homicide rates in the Western Hemisphere
		United Nations Office on Drugs and Crime (UNODC)	Cuba reported 4.99 deaths per 100,000 in 2016, which put the country in the top three countries in Latin America and the Caribbean with the lowest homicide rate, lower than the global average, and less than a third of the rate in the Americas
Terrorism	G, S	U.S. Department of State	Notwithstanding the fact that in its 2020 Cuba Crime and Safety Report the U.S. State Department's Overseas Security Council (OSAC) had assessed Cuba as being a low-threat location for terrorism (directed at or affecting official U.S. government interests) on 11 January 2021, the outgoing Trump administration designated Cuba as a "State Sponsor of Terrorism"

ESG TOPIC		MEASURE	PERFORMANCE
Rule of Law and Democracy	G	United Nations human rights conventions	Cuba is a signatory to 11 of the 18 conventions and has ratified eight of them
		The International Covenant on Civil and Political Rights and the International Covenant on Economic, Social and Cultural Rights	Cuba has not ratified this covenant
LGBT rights	S	Military stance	Homosexuals can serve openly in Cuba's military
		Same-sex marriage	Not explicitly included in Cuba's new Constitution. In early March 2019, the Cuban government launched public consultations on a new Family Code to be adopted in 2021, which would address same-sex marriage
		Sex-reassignment surgery	Legal since 2008 – surgeries that are performed in Cuban state hospitals are performed as part of Cuba's free healthcare system
Labour	G, S	Foreign workers	Work- and residency permits are required and issued for periods of up to three years.
		Cuban and permanent resident employees	Labour contracted through (State-owned) employment agencies. Contracting companies pay (in Cuban Pesos) salaries, taxes and social security contributions. Individual persons are approved on a case-by-case basis. Work regime of eight hours per day, 44 hours per week and 190.6 hours per month.

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

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

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

REPORT OF THE AUDIT COMMITTEE

COMMITTEE COMPOSITION

The Audit Committee (the "**Committee**") presents its report for the year ended 31 December 2020.

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

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 believe that the Company does not require an internal audit function of its own as it delegates its day to day operations to third parties from whom it receives regular internal controls reports.

FUNCTIONS OF THE COMMITTEE

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

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

The Committee's main audit review functions are;

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

FREQUENCY OF MEETINGS DURING THE YEAR

The Committee meets at least twice per 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 22 April 2021, 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 2020, the Committee considered the following significant issues, including, in particular, those communicated by the Auditor as key areas of audit emphasis during their planning and reporting of the year end audit.

Valuation of Investments

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

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

In determining the fair value of each equity investment, the Investment Manager and the Directors may also take into account additional relevant information that impacts the fair value of the relevant joint venture company that has not been considered in the valuation report of the underlying property of the joint venture. One such fair value consideration is cash held by the joint venture in excess of its working capital needs ("**Excess Cash**"). As the valuation of the underlying property only assumes a level of working capital to allow for day-to-day operations of the property, the existence of any Excess Cash needs to be included as an additional component of the fair value of the joint venture company. To determine the amount of Excess Cash, the Investment Manager and the Board estimate the amount of cash required by the property for working capital needs and deduct this amount from the cash and cash equivalents held by the joint venture. The above estimates are also reviewed by the Committee.

Revenue Recognition

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

Consideration and Approval of Principal Risks & Uncertainties

The Audit Committee considered, in detail, the principal risks & uncertainties, and emerging risks, facing the Company, particularly in light of the volatility impacting the economy and tourism industry in Cuba, as well as the ongoing U.S. sanctions. The Audit Committee considered the risk relating to the Company and its investment strategy at a corporate level, as well as the portfolio, operational and reputational risks, risks relating to investment in Cuba and the U.S. Embargo and the Company's regulatory and tax framework, and its disclosure in the Annual Report. The output from the risk assessment is set out in the Principal Risks & Uncertainties on pages 11 to 15. The Committee will review the matrix of risks at each committee meeting.

REVIEW OF FINANCIAL STATEMENTS

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

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

The Committee has reviewed the Annual Report and the work undertaken by the third-party service providers and is satisfied that, taken as a whole, the Annual Report and Consolidated Financial Statements are fair, balanced and understandable. In reaching this conclusion, the Committee has assumed that the reader of the Annual Report would have a reasonable level of knowledge of the investment industry in general. The Committee has reported its findings to the Board which in turn has made its own statement in this regard in the Directors' Responsibility Statement on page 48.

REVIEW OF AUDITOR

The Committee has reviewed the effectiveness of the auditor including:

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

TENURE OF THE AUDITOR

Grant Thornton was initially appointed as the Company's independent Auditor on 3 December 2019 and its appointment was approved by shareholders at the AGM on 19 June 2020.

The Audit Committee has performed a review of the external audit processes provided by the Auditor during the last year and can confirm that they are satisfied that Grant Thornton is a suitable independent Auditor and therefore supports the recommendation to the Board that the re-appointment of Grant Thornton be put to shareholders for approval at the Annual General Meeting.

ACCOUNTABILITY AND AUDIT

Each member of the Committee confirms that, so far as he is aware, there is no relevant audit information of which the Company's Auditor is unaware, and that he has taken all the steps that he ought to have taken as a Director in order to make himself 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
27 April 2021

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. 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 Company and of the profit or loss of the Company 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 32 to 33, 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;
- that 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; and
- 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.
- there is no additional information of which the Company's Auditor is not aware.

For CEIBA Investments Limited

John Herring
Chairman
27 April 2021

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

Opinion

We have audited the consolidated financial statements of CEIBA Investments Limited (the 'Parent Company') and its subsidiaries (collectively, the 'Group') for the year ended 31 December 2020 which comprise the consolidated statement of financial position, the consolidated statement of comprehensive income, the consolidated statement of cash flows, the consolidated statement of changes in equity and notes to the consolidated financial statements, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and International Financial Reporting Standards (IFRSs) as issued by the International Accounting Standards Board (IASB).

In our opinion, the consolidated financial statements:

- give a true and fair view of the state of the Group's affairs as at 31 December 2020 and of the Group's loss for the year then ended;
- are in accordance with IFRSs as issued by the IASB; and
- comply with The Companies (Guernsey) Law, 2008.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) 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 ethical requirements that are relevant to our audit of the consolidated financial statements in Guernsey, including the Financial Reporting Council's (FRC) Ethical Standard as applied to listed entities, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Conclusions relating to going concern

We are responsible for concluding 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 report to the related disclosures in the consolidated financial statements or, if such disclosures are inadequate, to modify the auditor's opinion. Our conclusions are based on the audit evidence obtained up to the date of our report. However, future events or conditions may cause the Group to cease to continue as a going concern.

Our evaluation of the directors' assessment of the group's ability to continue to adopt the going concern basis of accounting included:

- We assessed the determination made by the Board of Directors of the Group that the Company is a going concern and hence appropriateness of the financial statements to be prepared on going concern basis;

- We obtained the cash flow forecasts and sensitivities prepared by the management and tested for arithmetical accuracy of the models;

- We challenged the appropriateness of management's forecasts by challenging the assumptions used in the cash flow forecasts and considering the convertible bond finance raised post balance sheet and downside sensitivity analysis including their scenario that reflects their expectation on the impact of the continuing challenge of COVID-19;

- We assessed the disclosures in the consolidated financial statements relating to going concern to ensure they were fair, balanced and understandable and in compliance with IAS 1.

Based on the work we have performed, we have not identified any material uncertainties relating to events or conditions that individually or collectively, may cast significant doubt on the Group's ability to continue as a going concern.

In our evaluation of the directors' conclusions, we considered the inherent risks associated with the Group's business model including effects arising from Covid-19. We assessed and challenged the reasonableness of estimates made by the directors and the related disclosures and analysed how those risks might affect the Group's financial resources or ability to continue operations over the going concern period.

Based on the work we have performed, we have not identified any material uncertainties relating to events or conditions that, individually or collectively, may cast significant doubt on the Group's ability to continue as a going concern for a period of at least twelve months from when the consolidated financial statements are authorised for issue.

In auditing the consolidated financial statements, we have concluded that the directors' use of the going concern basis of accounting in the preparation of the consolidated financial statements is appropriate.

In relation to the Group's reporting on how they have applied the UK Corporate Governance Code, we have nothing material to add or draw attention to in relation to the directors' statement in the consolidated financial statements about whether the directors considered it appropriate to adopt the going concern basis of accounting.

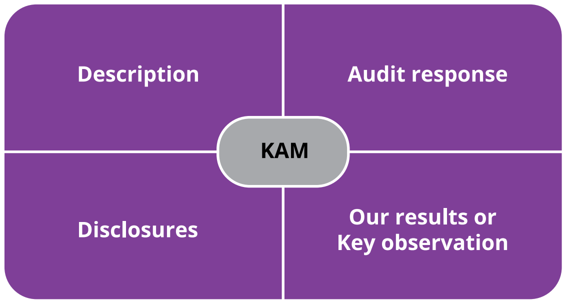
The responsibilities of the directors with respect to going concern are described in the 'Responsibilities of directors for the consolidated financial statements' section of this report.

Overview of our audit approach

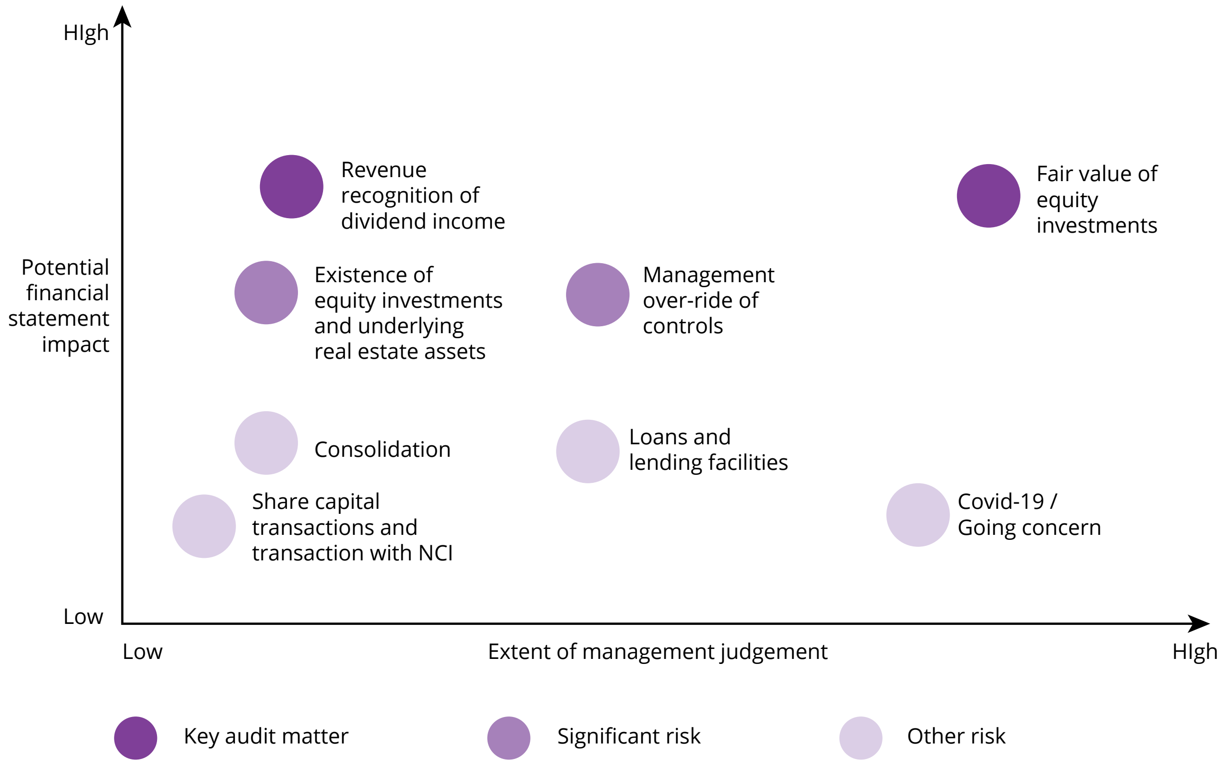
- Materiality: overall materiality of US$2.66 million, which represents 1.5% of the equity attributable to the shareholders of the Parent Company.
- Key audit matters: fair value of equity investments and revenue recognition of dividend income.
- Audit scope: we have performed a full-scoped audit on the parent company and 5 components. We performed analytical procedures on the remaining 1 component.

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 and include the most significant assessed risks of material misstatement (whether or not due to fraud) that we identified. These matters included those that had the greatest effect on: the overall audit strategy; the allocation of resources in the audit; and directing the efforts of the engagement team. 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.



In the graph below, we have presented the key audit matters, significant risks and other risks relevant to the audit.



Key Audit Matter	How the matter was addressed in the audit
Fair value of equity investments (2020: US$199.0 million, 2019: US$227.3 million) We identified fair value of equity investments as one of the most significant assessed risks of material misstatement due to fraud. As at 31 December 2020, the Group had equity investments in joint venture companies comprising 83% (2019: 87%) of the Group's total assets. The valuation of the equity investments comprises the value of the underlying Cuban real estate assets valued by a third-party valuer and the working capital in excess of operating requirements (excess cash) held within the joint ventures As explained in notes 2, 7 and 18, the investments are carried at fair value, determined using a valuation methodology which involves a high degree of management judgments and estimates. The valuation of the underlying real estate assets has been prepared in a period of significant market instability as a result of the Covid-19 pandemic, and it is not possible to ascertain when the Cuban tourism sector and economy will recover to anywhere near previous levels, which result in uncertainty in valuing the underlying properties. There is a risk that the fair value of these financial assets may be materially misstated due to use of incorrect or inappropriate judgements, estimates and assumptions in determining the fair value of the underlying real estate assets. Incorrect valuation 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 (page 45); Accounting policies in Note 2.5 to the Consolidated Financial Statements (page 61)*	Our audit work included, but was not restricted to the following: • Updated our understanding of the valuation process through more detailed discussions with management and external valuation expert and performed walkthrough to confirm our understanding of the systems and to test the design and implementation of relevant controls; • Assessed the competence, objectivity and independence of the external valuation expert; • Involved our GT UK valuation expert to review the valuation report and to evaluate the appropriateness of the valuation under the circumstances in accordance with IFRS 13, review the valuation report, test the significant inputs to the valuation, challenge cash flow forecasts and assumptions involved, and verify the mathematical accuracy of the calculation; • Reasonableness of excess cash calculation was verified by, and Ernst & Young (EY), auditor of joint ventures as included in our audit instructions to them. For items in the excess cash that EY was not able to cover, we assessed the reasonableness by verifying to supporting documents; • Assessed the Group's disclosures (see note 2.3) in relation to the use of estimates and judgements regarding the valuation of the equity investments, and the valuation policies adopted (see note 7) and fair value disclosures for compliance with IFRS 9 (see note 7). **Key observations** The Directors have disclosed in Note 2 a material valuation uncertainty in relation to the valuation of the underlying real estate assets. Based on our work, we did not find any material misstatement on the valuation of the equity investments. The assumptions and estimates used were reasonable in the circumstance and the Group's disclosures were adequate.
Revenue recognition of dividend received (2020: US$13.2 million, 2019: US$20.7 million) The Group's revenue for the year ended 31 December 2020 was mainly dividend income received. Under ISA (UK) 240 there is a presumed risk that revenue may be misstated due to the improper recognition of revenue. There is also a risk that revenue may be materially misstated due to improper revenue recognition or fraud which would have a significant impact on the Group's total income, which is a key performance indicater used by management. *Refer to the Audit Committee Report (page 45); Accounting policies in Note 3.4 to the Consolidated Financial Statements (page 63)*	Our audit work included, but was not restricted to the following: • Updated our understanding of the Group's revenue recognition process and assessed the adequacy of the relevant controls in place to prevent and detect fraud and errors in revenue recognition; • Assessed whether the Group's revenue recognition policy for dividend income (see note 3.3) is appropriate, in accordance with IFRS 15 and applied consistently; • Performed 100% testing of dividend transactions, reviewed the supporting documentation, such as minutes of meetings or board resolutions, bank statements and payment approvals, and checked if the transactions were recorded properly; **Our results** Based on our work, we did not find any material misstatements in recognition of dividend income.

Our application of materiality

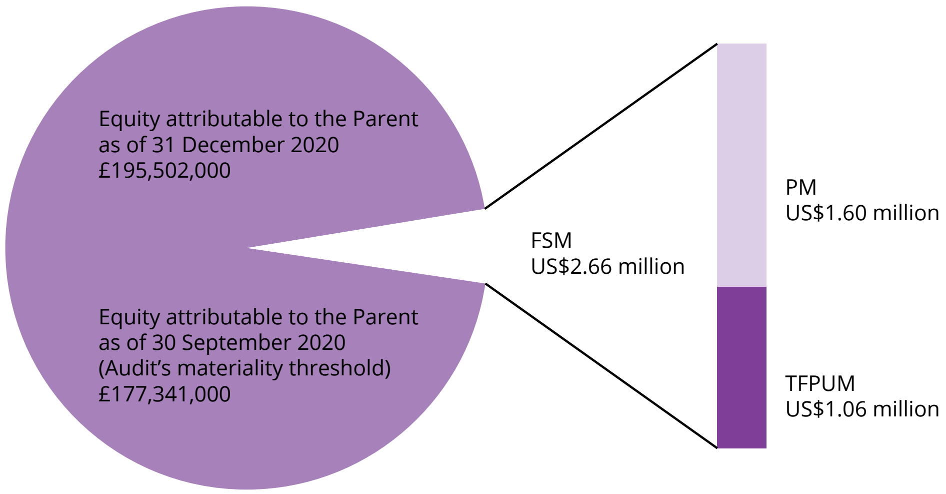
We apply the concept of materiality both in planning and performing the audit, and in evaluating the effect of identified misstatements on the audit and of uncorrected misstatements, if any, on the consolidated financial statements and in forming the opinion in the auditor's report.

Materiality was determined as follows:

Materiality measure	
Materiality for consolidated financial statements as a whole	We define materiality as the magnitude of misstatement in the consolidated financial statements that, individually or in the aggregate, could reasonably be expected to influence the economic decisions of the users of these consolidated financial statements. We use materiality in determining the nature, timing and extent of our audit work.
Materiality threshold	US$2.66 million (2019: US$3.11 million) which is 1.5 % of the equity attributable to the shareholders of the Parent Company.
Significant judgements made by auditor in determining the materiality	In determining materiality, we made the following significant judgements which included as follows: • Equity attributable to the shareholders of the Parent Company is considered the most appropriate benchmark as it aligned with the Group's capital growth objective and forms part of the Group's key performance measures; and; • Our materiality threshold was set at the lower level of our acceptable range due to the Group being a public interest entity. Materiality for the current year is lower than the level that was determined in prior year due the decrease of the Group's equity attributable to the shareholders of the Parent Company at 31 December 2020.
Significant revision of materiality threshold that was made as the audit progressed	There were no significant revisions of our materiality threshold as the audit progressed. Our preliminary assessment of overall materiality was based on 30 September 2020 management accounts. Applying the same basis, if 31 December 2020 actuals were used, our materiality threshold would have been £2.93 million. We did not revise materiality as the actual financial information resulted in a higher materiality. We concluded that it remained appropriate to use materiality determined in risk assessment and planning.
Performance materiality used to drive the extent of our testing	We set performance materiality at an amount less than materiality for the consolidated financial statements as a whole to reduce to an appropriately low level the probability that the aggregate of uncorrected and undetected misstatements exceeds materiality for the consolidated financial statements as a whole.
Performance materiality threshold	US$1.60 million (2019: US$1.87 million) which is 60% of consolidated financial statement materiality (2019: 60% of consolidated financial statement materiality).
Significant judgements made by auditor in determining the performance materiality	In determining performance materiality, we considered the following significant judgements: • Our risk assessment, including our assessment of the Group's overall control environment; and • Impact of increased complexity in business activities increase the risk of misstatements occurring due to Covid-19.
Significant revision of materiality threshold that was made as the audit progressed	There were no significant revisions of our materiality threshold as the audit progressed. Our preliminary assessment of performance materiality was based on 30 September 2020 management accounts. Applying the same basis, if 31 December 2020 actuals were used, our performance materiality threshold would have been US$1.7 million. We did not revise materiality as the actual financial information resulted in a higher materiality. We concluded that it remained appropriate to use materiality determined in risk assessment and planning.
Communication of misstatements to the audit committee	We determined a threshold for reporting unadjusted differences to the audit committee.
Threshold for communication	US$133,100 (2019: US$155,500) and misstatements below that threshold that, in our view, warrant reporting on qualitative grounds.

The graph below illustrates how performance materiality interacts with our overall materiality and the tolerance for potential uncorrected misstatements.

Overall materiality



FSM: Financial statements materiality
PM: Performance materiality
TFPUM: Tolerance for potential uncorrected misstatements

An overview of the scope of our audit

Our audit approach was based on a thorough understanding of the Group's business and is risk based, and in particular included:

Understanding the group, its components, and their environments, including group-wide controls

- We obtained an understanding of the group and its environment, including group-wide controls as follow:
  - The group's accounting process is supported by JTC Fund Solutions (Guernsey) Limited which provides accounting and administrative support for the group's operations.
  - Updated our understanding of the Group's internal controls environment including its IT systems and controls

Identifying significant components

- We identified and evaluated the components to assess their significance and to determine the planned audit response based on a measure of materiality. We determined significance as a percentage of the group's total assets and revenues.

Performance of our audit

- We performed substantive testing on significant transactions, balances and disclosures, the extent of which was based on various factors such as our overall assessment of the Group's control environment and the management of specific risks.
- The following components were determined to be significant; hence, a full scope audit was taken based on their relative materiality to the Group and assessment of audit risk:
  - CEIBA Property Corporation Limited
  - CEIBA MTC Properties, Inc.
  - CEIBA Tourism B.V.
  - HOMASI S.A.
  - Mosaico Hoteles S.A.
- We performed analytical procedures on the remaining component, Grandslam.
- We identified the fair value of equity investments and Revenue recognition of dividend received as key audit matters and the procedures performed in respect of these have been included in the Key audit matters section of our report.

Other information

The directors are responsible for the other information. The other information comprises the information included in the annual report, other than the consolidated financial statements and our auditor's report thereon. Our opinion on the consolidated financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, 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 we identify such material inconsistencies or apparent material misstatements, we are required to determine whether there is a material misstatement in the consolidated financial statements or a material misstatement of the other information. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in this regard.

Matters on which we are required to report by exception

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

- proper accounting records have not been kept by the Parent Company; or
- the 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

Corporate governance statement

The Listing Rules require us to review the directors' statement in relation to going concern, longer-term viability and that part of the Corporate Governance Statement relating to the Group's compliance with the provisions of the UK Corporate Governance Statement specified for our review.

Based on the work undertaken as part of our audit, we have concluded that each of the following elements of the Corporate Governance Statement is materially consistent with the consolidated financial statements or our knowledge obtained during the audit:

- the directors' statement in the consolidated financial statements about whether the directors considered it appropriate to adopt the going concern basis of accounting in preparing the consolidated financial statements and the directors' identification of any material uncertainties to the Group's ability to continue to do so over a period of at least twelve months from the date of approval of the consolidated financial statements;
- the directors' explanation in the annual report as to how they have assessed the prospects of the Group, over what period they have done so and why they consider that period to be appropriate, and their statement as to whether they have a reasonable expectation that the Group will be able to continue in operation and meet their liabilities as they fall due over the period of their assessment, including any related disclosures drawing attention to any necessary qualifications or assumptions;
- the directors' statement that they consider the annual report and consolidated financial statements taken as a whole is fair, balanced and understandable and provides the information necessary for shareholders to assess the Group's performance, business model and strategy;
- the directors' confirmation in the annual report that they have carried out a robust assessment of the principal and emerging risks facing the Group including the impact of Covid-19 and the disclosures in the annual report that describe the principal risks, procedures to identify emerging risks and an explanation of how they are being managed or mitigated including the impact of Covid-19;
- the section of the annual report that describes the review of the effectiveness of Group's risk management and internal control systems, covering all material controls, including financial, operational and compliance controls; and
- the section of the annual report describing the work of the audit committee, including significant issues that the audit committee considered relating to the consolidated financial statements and how these issues were addressed.

Responsibilities of directors for the consolidated financial statements

As explained more fully in the directors' responsibilities statement, the directors are responsible for the preparation of the consolidated financial statements and for being satisfied that they give a true and fair view, 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 and the Parent Company'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 the Parent Company 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 (UK) 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.

A further description of our responsibilities for the audit of the consolidated financial statements is located on the Financial Reporting Council's website at: www.frc.org.uk/auditorsresponsibilities. This description forms part of our auditor's report.

Explanation as to what extent the audit was considered capable of detecting irregularities, including fraud

Irregularities, including fraud, are instances of non-compliance with laws and regulations. We design procedures in line with our responsibilities, outlined above, to detect material misstatements in respect of irregularities, including fraud. Owing to the inherent limitations of an audit, there is an unavoidable risk that material misstatements in the consolidated financial statements may not be detected, even though the audit is properly planned and performed in accordance with the ISAs (UK).

The extent to which our procedures are capable of detecting irregularities, including fraud is detailed below:

- We obtained an understanding of the legal and regulatory frameworks applicable to the Group and industry in which it operates. We determined that the following laws and regulations were most significant: IFRS as adopted by IASB, Companies (Guernsey) Law, 2008, UK Corporate governance code, FCA Listing Rules, FCA Disclosure Guidance and Transparency Rules, Principles and recommendations of the AIC Code of Corporate Governance and the relevant tax compliance regulations in the jurisdictions in which the group operates. In addition, we concluded that there are certain significant laws and regulations that may have an effect on the determination of the amounts and disclosures in the consolidated financial statements and those laws and regulations relating to health and safety, employee matters, and bribery and corruption practices;
- We understood how the Group is complying with those legal and regulatory frameworks by, making inquiries to the management, those responsible for legal and compliance procedures. We corroborated our inquiries through our review of board minutes and papers provided to the Audit Committee;
- We assessed the susceptibility of the Group's consolidated financial statements to material misstatement, including how fraud might occur. Audit procedures performed by the engagement team included:
  - identifying relevant key controls and assessing the design and implementation of the relevant key controls management has in place to prevent and detect fraud;
  - challenging assumptions and judgements made by management in its significant accounting estimates;
  - utilising a valuation specialist to perform reasonableness testing on managements' valuation calculations on equity investments;
  - identifying and testing journal entries, in particular any journal entries posted with unusual account combinations; and
  - assessing the extent of compliance with the relevant laws and regulations as part of our procedures on the related financial statement item.
- In assessing the potential risks of material misstatement, we obtained an understanding of:
  - the Group's operations, including the nature of its revenue sources and services and of its objectives and strategies to understand the classes of transactions, account balances, expected financial statement disclosures and business risks that may result in risks of material misstatement;
  - the applicable statutory provisions; and
  - the Group's control environment, including:
    - the policies and procedures implemented to comply with the requirements of its regulator, including the adequacy of the training to inform staff of the relevant legislation rules and other regulations of the regulator;
    - the adequacy of procedures for authorisation of transactions, internal review procedures over Group's compliance with regulatory requirements;
    - the authority of, and resources available to the compliance officer; and
    - procedures to ensure that possible breaches of requirements are appropriately investigated and reported.

Use of our report

This report is made solely to the Parent 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 Parent 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 Parent Company and the Parent Company's members as a body, for our audit work, for this report, or for the opinions we have formed.

Cyril Swale
for and on behalf of Grant Thornton Limited
Statutory Auditor, Chartered Accountants
Guernsey, Channel Islands
27 April 2021

CONSOLIDATED STATEMENT OF FINANCIAL POSITION
As at 31 December 2020

	Note	31 Dec 2020 US$	31 Dec 2019 US$
ASSETS			
CURRENT ASSETS			
Cash and cash equivalents	4	4,270,860	13,102,578
Accounts receivable and accrued income	5	14,581,229	2,211,832
Loans and lending facilities	6	2,827,292	2,558,018
Total current assets		**21,679,381**	**17,872,428**
NON-CURRENT ASSETS			
Accounts receivable and accrued income	5	1,768,447	5,646,484
Loans and lending facilities	6	17,395,343	10,587,702
Equity investments	7	197,921,225	227,340,559
Property, plant and equipment	8	533,598	568,346
Total non-current assets		**217,618,613**	**244,143,091**
TOTAL ASSETS		**239,297,994**	**262,015,519**
LIABILITIES			
CURRENT LIABILITIES			
Accounts payable and accrued expenses	9	1,085,590	2,066,213
Deferred liabilities	14	1,000,000	1,000,000
Total current liabilities		**2,085,590**	**3,066,213**
Non-current liabilities			
Accounts payable and accrued expenses	9	1,129,709	-
Deferred liabilities	14	1,833,333	2,833,333
Total non-current liabilities		**2,963,042**	**2,833,333**
TOTAL LIABILITIES		**5,048,632**	**5,899,546**
EQUITY			
Stated capital	10	106,638,023	106,638,023
Revaluation surplus		319,699	319,699
Retained earnings		75,613,383	95,422,003
Accumulated other comprehensive income		11,854,509	4,354,609
Equity attributable to the shareholders of the parent		**194,425,614**	**206,734,334**
Non-controlling interest	10	39,823,748	49,381,639
TOTAL EQUITY		**234,249,362**	**256,115,973**
TOTAL LIABILITIES AND EQUITY		**239,297,994**	**262,015,519**
NAV	10	194,425,614	206,734,334
NAV per share	10	1.41	1.50

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

These audited Consolidated Financial Statements on pages 56 to 59 were approved by the board of Directors and authorised for issue on 27 April 2021.

They were signed on the Company's behalf:

Keith Corbin, Director

Peter Cornell, Director

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME
For the year ended 31 December 2020

	Note	31 Dec 2020 US$	31 Dec 2019 US$
INCOME			
Dividend income	7	13,258,912	20,670,560
Interest income		1,899,468	820,588
Travel agency commissions		6,113	15,426
Foreign exchange gain		1,157,566	-
		16,322,059	**21,506,574**
EXPENSES			
Foreign exchange loss		-	(383,162)
Loss on change in fair value of equity investments	7	(41,914,276)	(14,658,562)
Management fees	14	(1,864,518)	(1,985,429)
Other staff costs		(67,035)	(73,080)
Travel		(51,856)	(82,055)
Operational costs		(108,302)	(144,783)
Legal and professional fees		(1,368,707)	(1,028,242)
Administration fees and expenses		(292,534)	(266,250)
Audit fees	19	(270,909)	(465,514)
Miscellaneous expenses		(136,976)	(196,509)
Directors' fees and expenses	12	(232,677)	(239,085)
Depreciation	8	(39,645)	(38,062)
		(46,347,435)	**(19,560,733)**
NET (LOSS)/INCOME BEFORE TAXATION		**(30,025,376)**	**1,945,841**
Income taxes	3.7	-	-
NET (LOSS)/INCOME FOR THE YEAR		**(30,025,376)**	**1,945,841**
OTHER COMPREHENSIVE INCOME TO BE RECLASSIFIED TO PROFIT OR LOSS IN SUBSEQUENT PERIODS			
Gain on exchange differences of translation of foreign operations		11,538,310	3,158,328
OTHER COMPREHENSIVE INCOME THAT WILL NOT BE RECLASSIFIED TO PROFIT OR LOSS IN SUBSEQUENT PERIODS			
Revaluation reserve movements		-	21,250
TOTAL COMPREHENSIVE (LOSS)/INCOME		**(18,487,066)**	**5,125,419**
NET (LOSS)/INCOME FOR THE YEAR ATTRIBUTABLE TO:			
Shareholders of the parent		(19,808,620)	7,579,514
Non-controlling interest		(10,216,756)	(5,633,673)
TOTAL COMPREHENSIVE (LOSS)/INCOME ATTRIBUTABLE TO:			
Shareholders of the parent		(12,308,720)	9,653,677
Non-controlling interest		(6,178,346)	(4,528,258)
Basic and diluted (loss)/earnings per share	13	(0.14)	0.06

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

CONSOLIDATED STATEMENT OF CASH FLOWS
For the year ended 31 December 2020

	Note	31 Dec 2020 US$	31 Dec 2019 US$
OPERATING ACTIVITIES			
Net (loss)/income for the year		(30,025,376)	1,945,841
Items not affecting cash:			
Depreciation	8	39,645	38,062
Change in fair value of equity investments	7	41,914,276	14,658,562
Dividend income receivable		(13,258,912)	(20,670,560)
Interest income		(1,899,468)	(820,588)
Foreign exchange (gain)/loss		(1,157,566)	383,162
		(4,387,401)	(4,465,521)
(Decrease)/increase in accounts receivable and accrued income		(4,018,460)	98,064
(Increase)/decrease in accounts payable and accrued expenses		149,086	(136,740)
Non-cash movement in amortisation of deferred liability	14	(1,000,000)	(1,000,000)
Dividend income received		9,998,244	14,997,092
Interest income received		160,317	227,628
NET CASH FLOWS FROM OPERATING ACTIVITIES		**901,786**	**9,720,523**
INVESTING ACTIVITIES			
Purchase of equity investments	7	(303,175)	-
Purchase of property, plant & equipment	8	(4,897)	(47,893)
Loans and lending facilities disbursed		(6,190,914)	(7,408,813)
Loans and lending facilities recovered		(886,001)	1,777,407
NET CASH FLOWS FROM INVESTING ACTIVITIES		**(7,384,987)**	**(5,679,299)**
FINANCING ACTIVITIES			
Cash distribution to non-controlling interest	10	(3,463,951)	(1,786,874)
Payment of cash dividends		-	(8,560,689)
Contributions received from non-controlling interest		84,406	22,401
NET CASH FLOWS FROM FINANCING ACTIVITIES		**(3,379,545)**	**(10,325,162)**
CHANGE IN CASH AND CASH EQUIVALENTS		**(9,862,746)**	**(6,283,938)**
Cash and cash equivalents at beginning of the period		13,102,578	19,814,790
Foreign exchange on cash		1,031,028	(428,274)
CASH AND CASH EQUIVALENTS AT END OF THE PERIOD		**4,270,860**	**13,102,578**

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

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY
For the year ended 31 December 2020

FOR THE YEAR ENDED 31 DECEMBER 2019	Notes	Stated Capital US$	Revaluation Surplus US$	Retained Earnings US$	Other comprehensive income US$	Total Equity attributable to the parent US$	Non controlling interest US$	Total Equity US$
Opening Balance		106,638,023	298,449	96,403,178	2,301,696	205,641,346	55,674,370	261,315,716
Revaluation of assets / Net other comprehensive income/(loss) to be reclassified to profit or loss in subsequent periods	7, 10	-	21,250	-	2,052,913	2,074,163	1,105,415	3,179,578
Net income/(loss) for the year	10	-	-	7,579,514	-	7,579,514	(5,633,673)	1,945,841
Capital increase/contributions during the period	10	-	-	-	-	-	22,401	22,401
Cash distribution to non-controlling interest	10	-	-	-	-	-	(1,841,703)	(1,841,703)
Payable transferred to non-controlling interests	10	-	-	-	-	-	54,829	54,829
Dividend declared during the year		-	-	(8,560,689)	-	(8,560,689)	-	(8,560,689)
BALANCE AT 31 DECEMBER 2019		**106,638,023**	**319,699**	**95,422,003**	**4,354,609**	**206,734,334**	**49,381,639**	**256,115,973**

FOR THE YEAR ENDED 31 DECEMBER 2020	Notes	Stated Capital US$	Revaluation Surplus US$	Retained Earnings US$	Other comprehensive income US$	Total Equity attributable to the parent US$	Non controlling interest US$	Total Equity US$
Opening Balance		106,638,023	319,699	95,422,003	4,354,609	206,734,334	49,381,639	256,115,973
Revaluation of assets / Net other comprehensive income/(loss) to be reclassified to profit or loss in subsequent periods	7, 10	-	-	-	7,499,900	7,499,900	4,038,410	11,538,310
Net loss for the year	10	-	-	(19,808,620)	-	(19,808,620)	(10,216,756)	(30,025,376)
Capital increase/contributions during the period	10	-	-	-	-	-	84,406	84,406
Cash distribution to non-controlling interest	10	-	-	-	-	-	(3,463,951)	(3,463,951)
BALANCE AT 31 DECEMBER 2020		**106,638,023**	**319,699**	**75,613,383**	**11,854,509**	**194,425,614**	**39,823,748**	**234,249,362**

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

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2020

1. CORPORATE INFORMATION

These consolidated financial statements for the year ended 31 December 2020 include the accounts of CEIBA Investments Limited and its subsidiaries, which are collectively referred to as the "**Group**" or "**CEIBA**".

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

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

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

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

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

On 22 October 2018, CEIBA completed an initial public offering and listed its ordinary shares on the Specialist Fund Segment of the London Stock Exchange, where it trades under the symbol "CBA". The Group also entered into a management agreement, with effect from 1 November 2018, under which the Group has appointed Aberdeen Standard Fund Managers Limited ("**ASFML**" or the "**AIFM**") as the Group's alternative investment fund manager to provide portfolio and risk management services to the Group. The AIFM has delegated portfolio management to Aberdeen Asset Investments Limited (the "Investment Manager"). Both the AIFM and the Investment Manager are wholly-owned subsidiaries of Standard Life Aberdeen plc (see note 14).

2. BASIS OF PREPARATION

2.1 Statement of compliance and basis of measurement

These consolidated financial statements have been prepared under the historical cost convention, except for certain financial instruments as disclosed in note 3.9 and certain property, plant and equipment as disclosed in note 3.12 which are measured at fair value, in accordance with International Financial Reporting Standards ("**IFRS**") as issued by the International Accounting Standards Board ("**IASB**").

2.2 Functional and presentation currency

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

2.3 Use of estimates and judgments

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

Management judgements

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

a) That the Group is not an Investment Entity (see note 3.14);
b) That the Group is a Venture Capital Organisation (see note 3.15).
c) That the functional currency of the parent company (Ceiba Investments Limited) is US$ (see note 3.17)

Management estimates – valuation of equity investments

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

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

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

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

Change in Management estimates – valuation of equity investments

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

2.4 Reportable operating segments

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

2.5 Equity investments

Equity investments include the direct and indirect interests of the Group in Cuban joint venture companies, which in turn hold commercial properties, hotel properties and hotel properties under development. Cuban joint venture companies are incorporated under Cuban law and have both Cuban and foreign shareholders.

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

2.6 New standards, amendments and interpretations issued but not effective for the financial year beginning 1 January 2020 and not early adopted that are relevant to the Group

There are no other standards, interpretations or amendments to existing standards that are not yet effective that would be expected to have a significant impact on the Group.

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

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

3.1 Consolidation

The consolidated financial statements comprise the financial statements of CEIBA and its subsidiaries as at 31 December 2020. Control is achieved when the Group is exposed, or has rights, to variable returns from its involvement with the investee and has the ability to affect those returns through its power over the investee. Specifically, the Group controls an investee if and only if the Group has:

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

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

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

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

Subsidiaries are consolidated from the date on which control is transferred to the Group and cease to be consolidated from the date on which control is transferred out of the Group. Where there is a loss of control of a subsidiary, the 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 2020 and 31 December 2019:

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

(a) Company consolidated at 31 December 2020 and 31 December 2019.
(b) Company accounted at fair value at 31 December 2020 and 31 December 2019.

(i) Holding company for the Group's interests in real estate investments in Cuba that are facilitated by a representative office in Havana.
(ii) Operates a travel agency that provides services to international clients for travel to Cuba.
(iii) Holding company for underlying investments with no other significant assets.
(iv) Joint venture company that holds the Miramar Trade Center as its principal asset.
(v) On 11 March 2019, all of the shares in Mosaico Hoteles S.A. held by Mosaico B.V., together with (i) the full outstanding value of the shareholder loan extended by Mosaico B.V. to Mosaico Hoteles S.A., and (ii) all payables owed by Mosaico B.V., were transferred by Mosaico B.V. to CEIBA Tourism B.V. (80%) and to Meliã Hotels International (20%) in accordance with their shareholdings in Mosaico B.V., with the result that Mosaico Hoteles S.A. is now owned directly by CEIBA Tourism B.V. (80%) and Meliã Hotels International S.A. (20%) and Mosaico B.V. no longer has any assets or liabilities. Mosaico B.V. is in the process of being liquidated.
(vi) Joint venture that holds the Meliã Habana Hotel, Meliã Las Americas Hotel, Meliã Varadero Hotel and Sol Palmeras Hotel as its principal assets.
(vii) Joint venture company incorporated to build a beach hotel in Trinidad, Cuba.
(viii) Dutch company responsible for the holding and management of the Group's investments in tourism.
(ix) A Spanish company that is developing an industrial logistics warehouse project in the Special Development Zone of Mariel, Cuba.

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

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

The financial statements of foreign subsidiaries included in the consolidation are translated into the reporting currency in accordance with the method established by IAS 21, The Effects of Changes in Foreign Exchange Rates. Assets and liabilities are translated at the closing rates at the statement of financial position date, and income and expense items at the average rates for the period. Translation differences are taken to other comprehensive income and shown separately as foreign exchange reserves on consolidation without affecting income. Translation differences during the year ended 31 December 2020 were gains of US$11,538,310 (2019: gains of US$3,158,328).

The exchange rate used in these consolidated financial statements at 31 December 2020 is 1 Euro = US$1.2271 (2019: 1 Euro = US$1.2030).

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 or cash amounts have been received.

3.4 Interest income

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

3.5 Travel agency commissions

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

3.6 Fees and expenses

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

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

3.7 Taxation

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

Deferred tax liabilities are recognized 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 2020 and 31 December 2019 the Group has not established any deferred tax assets or liabilities.

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

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

3.8 Financial assets and financial liabilities

(a) Recognition and initial measurement

Financial assets 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 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 a positive or negative adjustment to the carrying amount in the statement of financial position with an increase or reduction in interest income. The adjustment is subsequently amortised through Interest and similar income in the income statement.

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

- Cash and cash equivalents,
- Accounts receivable and accrued income,
- Loan and advances,
- Accounts payable and accrued expenses

(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 the 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 change 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.

While cash and cash equivalents are also subject to the impairment requirements of IFRS 9, the identified impairment loss was immaterial. 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.

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 accrued income.

3.11 Property, plant and equipment

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

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

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

3.12 Stated capital

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

3.13 Acquisitions of subsidiary that is not a business

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

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

3.14 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, investment income.

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

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

3.15 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 measures it investments in joint venture companies at fair value through profit or loss.

3.16 Going concern

The Company's only external debt obligations is the Bond Issue completed in March 2021 (see note 20), and the Board does not anticipate the need for further external finance over the next 12 months. The Company also has significant commitments under the Construction Facility extended to TosCuba for the purpose of funding the construction of the Meliã Trinidad Península Hotel (see note 6). The Directors have reviewed cash flow projections that detail the revenue and commitments of the Group taking into account the above. As a result, the Directors have a reasonable expectation that the Company has adequate resources to continue in operational existence for the foreseeable future and has significant liquid funds to do so. Accordingly, the Directors have adopted the going concern basis in preparing the financial statements.

3.17 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$.

4. CASH AND CASH EQUIVALENTS

	31 Dec 2020 US$	31 Dec 2019 US$
Cash on hand	5,480	16,183
Bank current accounts	4,265,380	13,086,395
	4,270,860	**13,102,578**

5. ACCOUNTS RECEIVABLE AND ACCRUED INCOME

	31 Dec 2020 US$	31 Dec 2019 US$
Dividends receivable from Miramar S.A.	312,352	-
Dividends receivable from Inmobiliaria Monte Barreto S.A.	9,871,284	6,922,968
Loan interest receivable from TosCuba S.A.	1,716,307	633,070
TosCuba deposit (i)	4,000,000	-
Other accounts receivable and deposits	449,733	302,278
	16,349,676	**7,858,316**
Current portion	**14,581,229**	**2,211,832**
Non-current portion	**1,768,447**	**5,646,484**

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

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

	31 Dec 2020 US$	31 Dec 2019 US$
Up to 30 days	553,216	120,898
Between 31 and 90 days	249,214	66,335
Between 91 and 180 days	5,336,284	2,010,678
Between 181 and 365 days	8,442,515	13,921
Over 365 days	1,768,447	5,646,484
	16,349,676	**7,858,316**

The majority of the balance is made up of dividends receivable. The impairment on the dividends receivable has been assessed as low in terms of 3 stage model per IFRS 9 by assessing the credit risk of the counterparties who declared the dividend (Monte Barreto and Miramar). The overall credit risk for Toscuba has significantly increased from the prior year due to COVID 19 and the resulting prevailing economic conditions. This has resulted in the loan moving from Stage 1 to 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. Other accounts receivables 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 overall potential impairment loss on the total balance has been estimated to be immaterial.

6. LOANS AND LENDING FACILITIES

	31 Dec 2020 US$	31 Dec 2019 US$
TosCuba S.A. (i)	16,106,466	9,915,549
Casa Financiera FINTUR S.A. (ii)	2,110,795	3,230,171
Miramar Facility (iii)	2,005,374	-
	20,222,635	**13,145,720**
CURRENT PORTION	**2,827,292**	**2,558,018**
NON-CURRENT PORTION	**17,395,343**	**10,587,702**

(i) In April 2018, the Group entered into a construction finance facility agreement (the "**Construction Facility**") with TosCuba S.A. ("**TosCuba**") for the purpose of extending to TosCuba part of the funding necessary for the construction of the Meliã Trinidad Península Hotel. The Construction Facility is in the maximum principal amount of up to US$45,000,000, divided into two separate tranches of US$22,500,000 each. The Group has an 80% participation in Tranche A of the Construction Facility and a 100% participation in Tranche B. The Group has the right to syndicate Tranche B of the Construction Facility to other lenders.

The principal terms of the Construction Facility include, (i) a grace period for principal and interest during the construction period of the hotel, (ii) upon expiry of the grace period, accumulated interest will be repaid, followed by a repayment period of eight years during which blended payments of principal and interest will be made, (iii) interest will accrue on amounts outstanding under the Construction Facility at the rate of 8 per cent.

The first disbursement under the Construction Facility was made on 23 November 2018. Repayment of the Construction Facility is secured by an assignment in favour of the lenders of all of the future income of the Meliã Trinidad Península Hotel following start-up of operations. In addition, Tranche B of the Construction Facility is also secured by a guarantee provided by Cubanacán S.A., Corporación de Turismo y Comercio Internacional (the Cuban shareholder of TosCuba) as well as by a security assignment in favour of the Group (in its capacity as Tranche B lender) of all international tourism proceeds generated by the Meliã Santiago de Cuba Hotel. The Construction Facility represents a financial asset, based on the terms of the loan the loan is not repayable on demand and there is no expectation to be repaid within 12 months since there is a grace period during the construction period of the hotel and a further 8 year payment period. The credit risk has significantly increased from the prior year due to COVID 19 and the resulting prevailing economic conditions. This has resulted in the loan moving from Stage 1 to 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.

(ii) In July 2016, the Group arranged and participated in a €24,000,000 (US$29,450,400) 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$14,725,200). The Group had an initial participation of €4,000,000 (US$4,908,400) under the first tranche and a €2,000,000 (US$2,454,200) participation under the second tranche. The term of the facility was due to expire in June 2021 but, with the closure of nearly all Cuban hotels as a result of the Covid-19 pandemic, an additional grace period has been granted and the term has been extended to March 2023. In addition, the amounts outstanding under the two existing tranches of the facility were consolidated into a single tranche. The facility has a fixed interest rate of 8%, and under the renegotiated terms interest was accumulated until 31 December 2020 and is then to be paid in quarterly instalments. Eight quarterly principal payments will be due beginning in June 2021 and ending in March 2023. This facility is secured by Euro-denominated off-shore tourism proceeds payable to FINTUR by certain international hotel operators managing hotels in Cuba. The loan to FINTUR represents a financial asset. Based on historical analysis FINTUR has made all payments on time with no defaults since the inception of this facility as well with previous loan facilities. The loan is not repayable on demand. The credit risk has significantly increased from the prior year due to COVID 19 and the resulting prevailing economic conditions. This has resulted in the loan moving from Stage 1 to 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.

(iii) The Company's subsidiary HOMASI (the foreign shareholder of Miramar) executed a US$7 million confirming and discounting facility with Miramar for the purpose of confirming and discounting supplier invoices relating to the operations of the four Hotels owned by the joint venture company. The facility is financed in part by a €3.5 million credit line received by HOMASI from a Spanish bank for this purpose. The facility is secured by the offshore cash flows generated by the Hotels of Miramar. At 31 December 2020, a total of €1,634,238 (US$2,005,374) was disbursed under the facility. The loan is not repayable on demand. The credit risk has significantly increased from the prior year due to COVID 19 and the resulting prevailing economic conditions. This has resulted in the loan moving from Stage 1 to 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.

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

	31 Dec 2020 US$	31 Dec 2019 US$
Up to 30 days	555,101	504,135
Between 31 and 90 days	1,365,797	802,882
Between 91 and 180 days	404,897	802,882
Between 181 and 365 days	501,497	448,119
Over 365 days	17,395,343	10,587,702
	20,222,635	**13,145,720**

7. EQUITY INVESTMENTS

	31 Dec 2020 US$	31 Dec 2019 US$
Miramar S.A.	103,184,163	127,887,983
Inmobiliaria Monte Barreto S.A.	81,433,887	86,702,576
TosCuba S.A.	13,000,000	12,750,000
Grupo B.M. Interinvest Technologies Mariel S.L.	303,175	-
	197,921,225	**227,340,559**

	Miramar (i) US$	Monte Barreto US$	TosCuba (ii) US$	GBM Mariel US$	Total US$
BALANCE AT 31 DECEMBER 2018	**154,630,176**	**76,165,505**	**8,000,000**	**-**	**238,795,681**
Foreign currency translation reserve	3,203,440	-	-	-	3,203,440
Change in fair value of equity investments	(29,945,633)	10,537,071	4,750,000	-	(14,658,562)
BALANCE AT 31 DECEMBER 2019	**127,887,983**	**86,702,576**	**12,750,000**	**-**	**227,340,559**
Foreign currency translation reserve	12,191,767	-	-	-	12,191,767
Change in fair value of equity investments	(36,895,587)	(5,268,689)	250,000	-	(41,914,276)
Share equity acquired	-	-	-	303,175	303,175
BALANCE AT 31 DECEMBER 2020	**103,184,163**	**81,433,887**	**13,000,000**	**303,175**	**197,921,225**

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

Monte Barreto

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

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

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

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

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

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

In the case of Monte Barreto, the amount of cash required for working capital needs is estimated as the sum of: (i) 30% of tenant deposits, (ii) taxes payable, (iii) dividends declared and payable, (iv) a reserve for employee bonuses, and (v) 2 months of estimated operating expenses. The sum of these amounts is deducted from the balance of cash and cash equivalents of the joint venture with the remaining balance, if any, being considered Excess Cash. At 31 December 2020, the amount of Excess Cash that is included in the fair value of Monte Barreto stated in these financial statements is US$2,494,887 (2019: US$1,197,575).

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

	31 Dec 2020	31 Dec 2019
Discount rate (after tax) (i)	9.78%	9.75%
Occupancy year 1	97.3%	100%
Average occupancy year 2 to 8	97.3%	98.9%
Occupancy year 8 and subsequent periods	97.5%	97.5%
Average rental rates per square meter per month – year 1 to 6	US$27.23	US$28.28
Annual increase in rental rates subsequent to year 7 (ii)	2.5%	3.0%
Capital investments as percentage of rental revenue	3%	2%

(i) The effective tax rate is estimated to be 19% (2019: 19%).

(ii) The increase in rental rates in subsequent periods is in-line with the estimated rate of long-term inflation.

Miramar

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

At 31 December 2020 the Group holds 65% of the share equity of HOMASI, representing a 32.5% interest in Miramar. The remaining 35% interest in HOMASI is held by Meliã Hotels International, representing a 17.5% interest in Miramar, and has been accounted for as a non-controlling interest in these consolidated financial statements.

Key assumptions used in the estimated fair value of Miramar:

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

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

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 2020, the amount of Excess Cash that is included in the fair value of Miramar stated in these financial statements is US$12,984,162 (2019: US$21,680,176). Cash flows have been estimated for a ten year period. Cash flows from year 11 onward are equal to the capitalised amount of the cash flows at year 10. The key assumptions used in the discounted cash flow model are the following:

Meliã Habana	31 Dec 2020	31 Dec 2019
Discount rate (after tax) (i)	12.5%	12.5%
Average occupancy years 1 to 3	60.3%	69.3%
Occupancy year 4 and subsequent periods	72.2%	71.5%
Average daily rate per guest – year 1	US$134.19	US$137.75
Average increase in average daily rate per guest – year 2 to 6	4.9%	7.5%
Increase in average daily rate per guest subsequent to year 6 (ii)	2.5%	3%
Capital investments as percentage of total revenue	7%	7%

Meliã Las Américas	31 Dec 2020	31 Dec 2019
Discount rate (after tax) (iii)	12.9%	12.25%
Average occupancy years 1 to 3	63%	78%
Occupancy year 4 and subsequent periods	79.5%	79.5%
Average daily rate per guest – year 1	US$110.93	US$145.48
Average increase in average daily rate per guest – year 2 to 6	11%	3.8%
Increase in average daily rate per guest subsequent to year 6 (ii)	2.5%	3%
Capital investments as percentage of total revenue	7%	7%

Meliã Varadero	31 Dec 2020	31 Dec 2019
Discount rate (after tax) (iii)	12.9%	12.25%
Average occupancy years 1 to 3	64.6%	80.2%
Occupancy year 4 and subsequent periods	80.3%	80.4%
Average daily rate per guest – year 1	US$97.88	US$104.57
Average increase in average daily rate per guest – year 2 to 6	6%	4%
Increase in average daily rate per guest subsequent to year 6 (ii)	2.5%	3%
Capital investments as percentage of total revenue	7%	7%

Sol Palmeras	31 Dec 2020	31 Dec 2019
Discount rate (after tax) (iii)	12.9%	12.25%
Average occupancy years 1 to 3	65.1%	78.9%
Occupancy year 4 and subsequent periods	81.8%	80.3%
Average daily rate per guest – year 1	US$86.75	US$95.12
Increase in average daily rate per guest – year 2	12%	5%
Average increase in average daily rate per guest – year 3 to 6	5%	4%
Increase in average daily rate per guest subsequent to year 6 (ii)	2.5%	3%
Capital investments as percentage of total revenue	7%	7%

(i) The effective tax rate is estimated to be 19% (2019: 19%).

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

(iii) The effective tax rate is estimated to be 21% (2019: 21%).

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

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

The following table details the fair values of the equity investments at 31 December 2020 when applying lower rental rates / average daily rates:

	Financial statements US$	-5% US$	-10% US$	-15% US$
Monte Barreto	81,433,887	77,430,040	73,426,194	69,422,348
Miramar	103,184,163	99,236,033	95,287,903	91,330,479

The following table details the fair values of the equity investments at 31 December 2020 when applying higher rental rates / average daily rates:

	Financial statements US$	+5% US$	+10% US$	+15% US$
Monte Barreto	81,433,887	85,437,733	89,441,579	93,445,426
Miramar	103,184,163	107,132,293	111,080,424	115,028,555

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

	Financial statements US$	-5% US$	-10% US$	-15% US$
Monte Barreto	86,702,576	82,380,413	78,058,250	73,736,088
Miramar	127,887,983	124,636,618	121,384,942	118,096,999

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

	Financial statements US$	+5% US$	+10% US$	+15% US$
Monte Barreto	86,702,576	91,328,282	95,346,901	99,669,063
Miramar	127,887,983	131,139,349	134,390,715	137,642,082

Sensitivity to changes in the occupancy rates

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

The following table details the fair values of the equity investments at 31 December 2020 when applying lower occupancy rates:

	Financial statements US$	-5% US$	-10% US$	-15% US$
Monte Barreto	81,433,887	77,438,281	73,442,960	69,447,975
Miramar	103,184,163	98,256,156	93,324,630	88,330,847

The following table details the fair values of the equity investments at 31 December 2020 when applying higher occupancy rates:

	Financial statements US$	+5% US$	+10% US$	+15% US$
Monte Barreto (i)	81,433,887	86,441,244	n/a	n/a
Miramar	103,184,163	108,112,170	113,040,178	117,968,186

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

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

	Financial statements US$	-5% US$	-10% US$	-15% US$
Monte Barreto	86,702,576	82,279,267	77,852,944	73,423,072
Miramar	127,887,983	121,797,791	115,682,917	109,515,239

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

	Financial statements US$	+5% US$	+10% US$	+15% US$
Monte Barreto (i)	86,702,576	91,123,299	n/a	n/a
Miramar	127,887,983	133,978,176	140,068,370	146,158,565

(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 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 2020 when applying lower discount and capitalization rates:

	Financial statements US$	-1% US$	-2% US$	-3% US$
Monte Barreto	81,433,887	92,593,656	107,725,093	129,348,178
Miramar	103,184,163	113,376,155	125,923,155	141,725,407

The following table details the fair values of the equity investments at 31 December 2020 when applying higher discount and capitalization rates:

	Financial statements US$	+1% US$	+2% US$	+3% US$
Monte Barreto	81,433,887	72,875,764	66,111,224	60,633,360
Miramar	103,184,163	94,749,345	87,659,357	81,620,744

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

	Financial statements US$	-1% US$	-2% US$	-3% US$
Monte Barreto	86,702,576	98,365,774	114,227,257	137,096,450
Miramar	127,887,983	139,993,689	155,101,777	174,476,187

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

	Financial statements US$	+1% US$	+2% US$	+3% US$
Monte Barreto	86,702,576	77,753,412	70,660,355	65,941,079
Miramar	127,887,983	117,974,292	109,709,199	102,714,755

Sensitivity to changes in the estimation of Excess Cash

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

The amount of cash on hand required for working capital purposes may fluctuate due to a change in the aging of receivables and payables of the joint venture companies. Management believes that the maximum amount of cash that would be required to be kept on hand would not exceed three months of operating expenses. Therefore the following table details the changes in fair values of the equity investments at 31 December 2020 if the number of months of operating expenses used in the calculation is increased by an additional 1 to 3 months in comparison to the calculation used in these consolidated financial statements.

	Financial statements US$	+1 month US$	+2 months US$	+3 months US$
Monte Barreto	81,433,887	81,195,665	80,957,443	80,719,222
Miramar	103,184,163	101,161,741	99,139,318	97,116,896

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

	Financial statements US$	+1 month US$	+2 months US$	+3 months US$
Monte Barreto	86,702,576	86,464,354	86,226,132	85,987,911
Miramar	127,887,983	125,617,753	123,347,522	121,077,292

A reduction in the number of months of operating expenses used in the calculation would increase the changes in fair values of the equity investments at 31 December 2019 and 2018, however this is considered unlikely and therefore the related sensitivities have not been shown.

TosCuba

At 31 December 2020 and 2019 the Group owned an indirect 80% interest in Mosaico Hoteles S.A. ("**Mosaico Hoteles**"), which in turn has a 50% share equity interest in TosCuba, a Cuban joint venture company that is developing a 400 room 4-star hotel at Playa Maria Aguilar near the city of Trinidad, Cuba. The Group has made capital contributions of US$8,000,000 (2019: US$8,000,000) to TosCuba.

In 2019, TosCuba was awarded a US$10 million grant under the Spanish Cuban Debt Conversion Programme, a Spanish-Cuba initiative aimed at promoting Spanish private sector investments in Cuba under which outstanding bilateral debts owed to Spain by Cuba may be settled through awards granted to investment projects in Cuba from a special countervalue fund created for this purpose. Under these awards, local currency invoices relating to services and materials received in Cuba in the course of constructing the projects are paid from the countervalue fund on behalf of the joint ventures. As of 31 December 2020, TosCuba has received cash grants under the programme totalling US$10,000,000 (2019: US$9,500,000). The 50% interest of the Group in amounts received under the programme by TosCuba have been recorded as a change in the fair value in the investment in TosCuba.

The capital contributions made by the Company plus its share of the cash grants received by TosCuba under the Spanish Cuban Debt Conversion Programme have been determined to be the best observable measure of the Company's interest in the fair value of TosCuba. The Director's have determined that the fair value of TosCuba is reasonable taking into consideration the current percentage of completion of the hotel construction and the estimated cost to completion, the projected value of the hotel upon completion and current debt level of TosCuba.

Dividend income from equity investments

Dividend income (including participation payments) from the equity investments above during the year is as follows:

	31 Dec 2020 US$	31 Dec 2019 US$
Monte Barreto	6,948,316	9,133,233
Miramar	6,310,596	11,537,327
	13,258,912	**20,670,560**

Financial information of joint venture companies

The principal financial information of the joint venture companies for the years ended 31 December 2020 and 2019 is as follows:

	Monte Barreto (i) US$		Miramar (i) US$		TosCuba (ii) US$	
	2020 US$ 000's	2019 US$ 000's	2020 US$ 000's	2019 US$ 000's	2020 US$ 000's	2019 US$ 000's
Cash and equivalents	26,725	19,141	42,908	56,399	4,049	2,407
Other current assets	1,480	2,206	16,943	21,434	3,718	5,483
Non-current assets	46,865	48,507	135,464	138,054	48,459	32,828
Current financial liabilities	23,450	18,389	15,659	20,099	1,874	2,554
Other current liabilities	-	-	-	-	-	-
Non-current financial liabilities	3,696	3,687	1,055	1,055	28,352	12,164
Other non-current liabilities	-	-	-	-	-	-
Revenue	23,390	23,867	29,379	85,759	-	-
Interest income	62	31	-	-	-	-
Interest expense	-	-	-	-	-	-
Depreciation and amortisation	1,656	1,658	7,396	6,831	-	-
Taxation	2,533	2,919	-	263	-	-
Profit (loss) from continuing operations	14,378	13,536	(3,511)	17,872	-	-
Other comprehensive income	-	-	-	-	-	-
Total comprehensive income (loss)	14,378	13,536	(3,511)	17,872	-	-

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

(ii) Figures obtained from financial statements prepared under Cuban GAAP.

8. PROPERTY, PLANT AND EQUIPMENT

	Motor vehicles US$	Office furniture and equipment US$	Works of art US$	Total US$
Cost:				
At 1 January 2019	330,172	182,324	442,050	**954,546**
Additions	44,330	3,563	-	**47,893**
Revaluation	-	-	21,250	**21,250**
At 31 December 2019	374,502	185,887	463,300	**1,023,689**
Additions	-	4,897	-	**4,897**
Revaluation	-	-	-	**-**
At 31 December 2020	374,502	190,784	463,300	**1,028,586**
Accumulated Depreciation:				
At 1 January 2019	299,783	117,498	-	**417,281**
Charge	20,155	17,907	-	**38,062**
At 31 December 2019	319,938	135,405	-	**455,343**
Charge	22,372	17,273	-	**39,645**
At 31 December 2020	342,310	152,678	-	**494,988**
Net book value:				
At 31 December 2019	54,564	50,482	463,300	**568,346**
At 31 December 2020	32,192	38,106	463,300	**533,598**

9. ACCOUNTS PAYABLE AND ACCRUED EXPENSES

	31 Dec 2020 US$	31 Dec 2019 US$
Due to shareholders	5,926	5,399
Due to Meliã Hotels International SA (i)	176,941	354,581
Accrued professional fees	223,349	586,981
Management fees payable (see note 14)	1,565,065	1,041,950
Accrued Directors' fees	-	1,617
Other accrued expenses	186,127	57,116
Other accounts payable	57,891	18,569
	2,215,299	**2,066,213**
Current portion	**1,085,590**	**2,066,213**
Non-current portion	**1,129,709**	**-**

(i) Amounts due to Meliã Hotels International S.A. represent funds held for disbursement under the TosCuba Construction Facility, scheduled to be disbursed to the constructor in January 2020.

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

	31 Dec 2020 US$	31 Dec 2019 US$
Up to 30 days	179,136	409,709
Between 31 and 90 days	-	1,115,552
Between 91 and 180 days	606,842	535,553
Between 181 and 365 days	299,612	5,399
Over 365 days	1,129,709	-
	2,215,299	**2,066,213**

10. STATED CAPITAL AND NET ASSET VALUE

Authorised

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

Issued

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

	Number of ordinary shares	Stated capital US$
STATED CAPITAL		
Stated capital at 31 December 2019	**137,671,576**	**106,638,023**
Stated capital at 31 December 2020	**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 2020 US$	31 Dec 2019 US$
Total assets	239,297,994	262,015,519
Total liabilities	(5,048,632)	(5,899,546)
Less: non-controlling interests	(39,823,748)	(49,381,639)
NAV	**194,425,614**	**206,734,334**
Number of ordinary shares issued	137,671,576	137,671,576
NAV per share	**1.41**	**1.50**

Non-controlling interest

At 31 December 2020, the non-controlling interest corresponds to the 35% participation of Meliã Hotels International S.A. in the equity of HOMASI and the 20% participation of Meliã Hotels International S.A. in the equity of Mosaico Hoteles.

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

	31 Dec 2020 US$	31 Dec 2019 US$
Non-controlling interest of HOMASI	37,235,538	46,878,858
Non-controlling interest of Mosaico Hoteles S.A.	2,588,210	2,502,781
Total non-controlling interests	**39,823,748**	**49,381,639**

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

	31 Dec 2020 US$	31 Dec 2019 US$
Initial balance	49,381,639	55,674,370
Interest of non-controlling interest in net (loss)/income	(10,216,756)	(5,633,673)
Net other comprehensive income/(loss) to be reclassified to profit or loss in subsequent periods	4,038,410	1,105,415
Cash distribution to non-controlling interest	(3,463,951)	(1,786,874)
Capital contributions from non-controlling interest	84,406	22,401
Final balance	**39,823,748**	**49,381,639**

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

	31 Dec 2020 US$	31 Dec 2019 US$
Initial balance	46,878,858	54,161,837
Interest of non-controlling interest in net (loss)/income	(10,217,779)	(6,546,691)
Net other comprehensive income/(loss) to be reclassified to profit or loss in subsequent periods	4,038,410	1,105,415
Cash distribution to non-controlling interest	(3,463,951)	(1,841,703)
Final balance	**37,235,538**	**46,878,858**

The movement of the non-controlling interests of Mosaico Hoteles S.A. is as follows:

	31 Dec 2020 US$	31 Dec 2019 US$
Initial balance	2,502,781	-
Interest of non-controlling interest in net income	1,023	913,019
Non-controlling interest transferred from Mosaico B.V.	-	1,567,361
Capital contributions from non-controlling interest	84,406	22,401
Final balance	**2,588,210**	**2,502,781**

The movement of the non-controlling interests of Mosaico B.V. is as follows:

	31 Dec 2020 US$	31 Dec 2019 US$
Initial balance	-	1,512,533
Interest of non-controlling interest in net loss	-	(1)
Capital contributions from non-controlling interest	-	-
Non-controlling interest transferred to Mosaico Hoteles S.A.	-	(1,512,532)
Final balance	**-**	**-**

The principal financial information of HOMASI, Mosaico Hoteles S.A. and Mosaico B.V. for the years ended 31 December 2020 and 2019 is as follows:

	HOMASI		Mosaico Hoteles S.A.		Mosaico B.V.	
	2020 US$ 000's	2019 US$ 000's	2020 US$ 000's	2019 US$ 000's	2020 US$ 000's	2019 US$ 000's
Current assets	3,347	6,316	24	104	-	-
Non-current assets	103,184	127,888	13,000	12,750	-	-
Current liabilities	(144)	(264)	(83)	(340)	-	-
Equity	(106,387)	(133,940)	(12,941)	(12,514)	-	-
Income	6,311	11,615	250	4,751	-	-
Expenses	(46,055)	(30,320)	(245)	(186)	-	-
Depreciation	-	-	-	-	-	-
Taxation	-	-	-	-	-	-
Net income/(loss) for the year	(39,744)	(18,705)	(5)	4,565	-	(7)
Other comprehensive income	12,192	3,158	-	-	-	-
Total comprehensive income/(loss)	(27,552)	(15,547)	(5)	4,565	-	(7)

11. REPORTABLE OPERATING SEGMENTS

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

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

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 December 2020 US$			
	Commercial property	Tourism / Leisure	Other	Total
Total assets	85,371,003	123,678,118	30,248,873	**239,297,994**
Total liabilities	(1,977,422)	(3,071,210)	-	**(5,048,632)**
Total net assets	**83,393,581**	**120,606,908**	**30,248,873**	**234,249,362**
Dividend income	6,948,316	6,310,596	-	**13,258,912**
Other income	58	6,113	1,899,410	**1,905,581**
Change in fair value of equity investments	(5,268,689)	(36,645,587)	-	**(41,914,276)**
Allocated expenses	(1,819,091)	(2,272,417)	(341,651)	**(4,433,159)**
Foreign exchange gain	-	-	1,157,566	**1,157,566**
Net income	**(139,406)**	**(32,601,295)**	**2,715,325**	**(30,025,376)**
Other comprehensive loss	**-**	**11,538,310**	**-**	**11,538,310**
Total comprehensive income/(loss)	**(139,406)**	**(21,062,985)**	**2,715,325**	**(18,487,066)**
Other segment information:				
Property, plant and equipment additions	4,897	-	-	**4,897**
Depreciation	34,305	5,340	-	**39,645**

	31 December 2019 US$			
	Commercial property	Tourism / Leisure	Other	Total
Total assets	91,969,762	149,273,530	20,772,227	**262,015,519**
Total liabilities	(2,345,827)	(3,553,719)	-	**(5,899,546)**
Total net assets	**89,623,935**	**145,719,811**	**20,772,227**	**256,115,973**
Dividend income	9,133,233	11,537,327	-	**20,670,560**
Other income	-	15,426	820,588	**836,014**
Change in fair value of equity investments	10,537,071	(25,195,633)	-	**(14,658,562)**
Allocated expenses	(2,525,970)	(1,913,614)	(79,425)	**(4,519,009)**
Foreign exchange gain	-	-	(383,162)	**(383,162)**
Net income	**17,144,334**	**(15,556,494)**	**358,001**	**1,945,841**
Other comprehensive loss	**-**	**3,158,328**	**21,250**	**3,179,578**
Total comprehensive income/(loss)	**17,144,334**	**(12,398,166)**	**379,251**	**5,125,419**
Other segment information:				
Property, plant and equipment additions	47,893	-	-	**47,893**
Depreciation	32,416	5,646	-	**38,062**

12. RELATED PARTIES DISCLOSURES

Compensation of Directors

Each Director receives a fee of £35,000 (US$47,628) per annum with the Chairman receiving £40,000 (US$54,432). The Chairman of the Audit Committee also receives an annual fee of £40,000 (US$54,432). 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 2020 were US$232,677 (year ended 31 December 2019: US$239,085).

Transactions with other related parties

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

CPC and GrandSlam Limited, wholly-owned subsidiaries of the Group, lease office space totalling 319 square meters from Monte Barreto, a commercial property investment in which the Group holds a 49% interest. The rental charges paid under these leases are accounted for in operational costs and for the year ended 31 December 2020 amounted to US$24,500 (2019: US$ US$24,500) with an average rental charge per square meter at 31 December 2020 of US$37.64 (2019: US$37.64) plus an administration fee of 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. The Group has assessed that there is not a material impact to the consolidated financial statements as a result of the adoption of IFRS 16.

Transactions with Investment Manager

ASFML is a wholly-owned subsidiary of Standard Life Aberdeen plc which has an interest at 31 December 2020 in 9,747,852 shares of the stated capital (2019: 9,747,852). For further discussion regarding transactions with the Investment Manger see note 14.

Interests of Directors and Executives in the stated capital

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

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

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

At 31 December 2020 Colin Kingsnorth, a Director of CEIBA, is a director and shareholder of Laxey Partners Limited ("**Laxey**"). Laxey holds 23,736,481 shares (2019: 17,303,252 shares). Funds managed by Laxey hold 7,242,835 shares (2019: 13,676,064 shares).

At 31 December 2020 Sebastiaan A.C. Berger, the Investment Manager's fund manager and Chief Executive Officer of CEIBA, has an interest in 3,273,081 shares (2019: 3,273,081 shares).

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

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

13. BASIC AND DILUTED EARNINGS PER SHARE

The earnings (loss) per share have been calculated on a weighted-average basis and are arrived at by dividing the net income for the year/period attributable to shareholders by the weighted-average number of shares in issue:

	31 Dec 2020 US$	31 Dec 2019 US$
Weighted average of ordinary shares in issue	137,671,576	137,671,576
Net (loss)/income for the year attributable to the shareholders	(19,808,620)	7,579,514
Basic and diluted (loss)/earnings per share	(0.14)	0.06

14. INVESTMENT MANAGER

On 31 May 2018, the Group entered into a Management Agreement under which ASFML 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. ASFML has delegated portfolio management to the Investment Manager. Both ASFML and the Investment Manager are wholly-owned subsidiaries of Standard Life Aberdeen plc.

Pursuant to the terms of the Management Agreement, ASFML is responsible for portfolio and risk management on behalf of the Group and will carry out the on-going oversight functions and supervision and ensure compliance with the applicable requirements of the AIFM Rules. Under the terms of the Management Agreement, ASFML is entitled, with effect from 1 November 2018, to receive an annual management fee at the rate of 1.5 per cent of Total Assets. For this purpose, the term Total Assets means the aggregate of the assets of the Company less liabilities on the last business day of the period to which the fee relates payable within 14 days (excluding from such liabilities any proportion of principal borrowed for investment and treated in the accounts of the Company as current liabilities). The annual management fee payable by the Group to ASFML will be lowered by the annual running costs of the Havana operations of CEIBA Property Corporation Limited, a subsidiary of the Group. The management fees earned by the Investment Manager for the year ended 31 December 2020 were US$2,864,518 (2019: US$2,985,429). In order to assist the Group with its cash flow requirements the Investment Manager has agreed to defer payment of a portion of its fees earned during 2020 totaling US$1,129,709 until 2022 (see note 9).

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

In connection with the Management Agreement, ASFML 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 ASFML. In the event that the Management Agreement is terminated prior to the fifth anniversary of its coming into effect, the Group must pay to ASFML a prorated amount of the US$5,000,000 based on the amount of time remaining in the five year period. As such, this payment has been recorded as deferred liability and is being amortised over the five year period. The amount amortised each period is accounted for as a reduction of the management fee and the original effective interest rate applied in calculating the instruments amortised cost is materially equal to a market interest rate. At 31 December 2020, the amount of the payment recorded as a deferred liability is US$2,833,333 (2019: US$3,833,333) with US$1,000,000 (2019: US$1,000,000) being the current portion and US$1,833,333 (2019: US$2,833,333) being the non-current portion.

For the year ended 31 December 2020, the amount of the payment amortised and recorded as a reduction of the management fee expense in the consolidated statement of comprehensive income was US$1,000,000 (2019: US$1,000,000):

	2020 US$	2019 US$
Management fees earned	2,864,518	2,985,429
Amortisation of deferred liability	(1,000,000)	(1,000,000)
Management fee expense	**1,864,518**	**1,985,429**

15. COMMITMENTS AND CONTINGENCIES

Operating lease commitments

The rental charges paid under operating leases accounted for in operational costs of the statement of comprehensive income for the year ended 31 December 2020 amounted to US$24,500 (2019: US$24,500).

TosCuba Construction Facility

In April 2018, the Group entered into the TosCuba Construction Facility for the purpose of extending to TosCuba part of the funding necessary for the construction of the Meliã Trinidad Península Hotel. The Construction Facility is in the maximum principal amount of US$45,000,000, divided into two separate tranches of US$22,500,000 each, US$20,502,533 (2019: US$10,928,702) of which has been advanced as at 31 December 2020. The Group has the right to syndicate Tranche B of the Construction Facility to other lenders (see note 6).

FINTUR Facility

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

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

The Company had a €4,000,000 participation in Tranche A as well as a €2,000,000 participation in Tranche B of the most recent facility executed in March 2016 and amended in 2019. The total four-year facility had a full principal amount of €36,000,000 with an 8% interest rate. The facility was operating successfully without delay or default until March 2020, at which time all Cuban hotels were ordered to be closed as a result of the Covid-19 pandemic. The Company subsequently granted a further grace period to FINTUR and consolidated all amounts then outstanding under the two existing tranches into a new Tranche C. As at 31 December 2020 the principal amount of €1,716,667 (US$2,110,795) (2019: €2,883,333 (US$3,230,171)) was outstanding under the Company's participation in Tranche C of the facility.

16. FINANCIAL RISK MANAGEMENT

Introduction

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

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

Market risk

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

(i) Foreign currency risk

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

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

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

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

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

Effect of the variation in the foreign exchange rate %	Income (loss) 31 Dec 2020 US$	Income (loss) 31 Dec 2019 US$
+15	1,202,344	1,882,162
+20	1,603,125	2,509,549
-15	(1,202,344)	(1,882,162)
-20	(1,603,125)	(2,509,549)

(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 was as follows:

	Total US$	Fixed rate US$	Floating rate US$	Non-interest bearing US$
31 DECEMBER 2020				
Equity investments (US$)	197,921,225	-	-	197,921,225
Loans and lending facilities (€)	4,116,169	4,116,169	-	-
Loans and lending facilities (US$)	16,106,466	16,106,466	-	-
Accounts receivable and accrued income (US$)	16,052,751	-	-	16,052,751
Accounts receivable and accrued income (€)	296,925	-	-	296,925
Cash at bank (€)	3,992,756	-	-	3,992,756
Cash at bank (US$)	210,970	-	-	210,970
Cash at bank (£)	61,654	-	-	61,654
Cash on hand (£)	272	-	-	272
Cash on hand (€)	130	-	-	130
Cash on hand (US$)	1,058	-	-	1,058
Cash on hand (CUC)	4,020	-	-	4,020
31 DECEMBER 2019				
Equity investments (US$)	227,340,559	-	-	227,340,559
Loans and lending facilities (€)	3,230,171	3,230,171	-	-
Loans and lending facilities (US$)	9,915,549	9,915,549	-	-
Accounts receivable and accrued income (US$)	7,736,695	-	-	7,736,695
Accounts receivable and accrued income (€)	121,621	-	-	121,621
Cash at bank (€)	11,230,891	-	-	11,230,891
Cash at bank (US$)	1,191,898	-	-	1,191,898
Cash at bank (£)	663,606	-	-	663,606
Cash on hand (€)	996	-	-	996
Cash on hand (US$)	1,724	-	-	1,724
Cash on hand (CUC)	13,463	-	-	13,463

Credit risk

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

Maximum exposure to credit risk

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

	31 Dec 2020 US$	31 Dec 2019 US$
Loans and lending facilities	20,222,635	13,145,720
Future loan commitments (TosCuba Construction Facility) (i)	30,997,467	30,584,451
Accounts receivable and accrued income	16,349,676	2,142,673
Cash and cash equivalents	4,270,860	13,102,578
Total maximum exposure to credit risk	**71,840,638**	**58,975,422**

(i) The TosCuba Construction Facility is secured by future income of the hotel under construction and 50% of the principal construction facility amount is further secured by a guarantee given by Cubanacán S.A., Corporación de Turismo y Comercio Internacional, the Cuban shareholder of TosCuba S.A., backed by income from another hotel in Cuba. The credit risk has significantly changed from the prior year due to COVID 19 and the prevailing economic conditions. As a result of the risk moving from stage 1 to 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.

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 2020 US$	31 Dec 2019 US$
Cash at bank			
Cuba	Caa2	183,540	1,083,763
Guernsey	A2	152,420	725,110
Spain	Ba3	2,956,003	2,678,694
Spain	A2	20,538	18,913
Spain	Baa2	952,879	8,579,915
		4,265,380	**13,086,395**
Cash on hand			
Spain		-	100
Cuba		5,480	16,083
		5,480	**16,183**
Total cash and cash equivalents		**4,270,680**	**13,102,578**

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

Guarantees received

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

Liquidity risk

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

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

The Group also has entered into the Construction Facility for the purpose of extending to TosCuba part of the funding necessary for the construction of the Meliã Trinidad Península Hotel (see note 6). The Construction Facility is in the maximum principal amount of US$45,000,000 of which US$20,502,533 was disbursed as at 31 December 2020 (31 December 2019: US$10,928,702) and the participation of the Group was US$16,106,466 (31 December 2019: US$9,915,552). The Group has the right to syndicate Tranche B of the Construction Facility to other lenders

The principal of the Construction Facility is to be disbursed on a monthly basis on the percentage of construction completed in each preceding month. Prior to the Covid-19 pandemic, it was anticipated that the full amount of the Construction Facility would be disbursed by the end of 2020. However, the timing of construction has been affected by the pandemic and consequently the disbursement of the principal under the Construction Facility has been delayed and it is now anticipated that the final disbursement under the Construction Facility will be in July 2022. The Group currently has sufficient cash and cash equivalents to cover the full disbursement of the Construction Facility (see note 20 concerning the Bond Issue).

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

	31 Dec 2020 US$	31 Dec 2019 US$
Between 31 and 90 days	485,606	1,151,827
Between 91 and 180 days	3,011,861	1,317,800
Between 181 and 365 days	19,000,000	2,400,000
Over 365 days	8,500,000	25,714,823
	30,997,467	**30,584,450**

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 2020 and 2019 to a total of US$234,249,362 and US$256,115,973, respectively. The Group is not subject to external capital requirements.

17. FAIR VALUE DISCLOSURES

Key sources of estimation uncertainty

Determining fair values

The determination of fair values for investment and financial assets and liabilities for which there is no observable market price requires the use of valuation techniques as described in note 3.9 (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 3.9 (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, and are derived from market prices or rates or are estimated based on assumptions. Examples of instruments involving significant unobservable inputs include the equity investments of the Group in Cuban joint venture companies. Valuation models that employ significant unobservable inputs require a higher degree of management judgement and estimation in the determination of fair value. Management judgement and estimation are usually required for selection of the appropriate valuation model to be used, determination of expected future cash flows on the financial instrument being valued, selection of appropriate discount rates and an estimate of the amount of cash required for working capital needs of the joint ventures in order to determine if they hold any Excess Cash.

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

	31 December 2020 US$			
	Level 1	Level 2	Level 3	Total
Financial assets at fair value through profit or loss				
Equity investments	-	-	197,921,225	197,921,225
	-	**-**	**197,921,225**	**197,921,225**

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

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

	31 Dec 2020 US$	31 Dec 2019 US$
Unlisted private equity investments		
Initial balance	227,340,559	238,795,681
Total gains recognised in income or loss	(41,914,276)	(14,658,562)
Foreign currency translation reserve	12,191,767	3,203,440
Acquisitions and capital contributions	303,175	-
Final balance	**197,921,225**	**227,340,559**
Total losses for the year included in income or loss relating to assets and liabilities held at the end of the reporting year	(41,914,276)	(14,658,562)
	(41,914,276)	**(14,658,562)**

18. 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 December 2020 US$			
	Note	Fair value through profit or loss	Cash and Financial assets at amortised cost	Financial liabilities at amortised cost	Total carrying amount
Cash and cash equivalents	4	-	4,270,860	-	4,270,860
Accounts receivable and accrued income	5	-	16,349,676	-	16,349,676
Loans and lending facilities	6	-	20,222,635	-	20,222,635
Equity investments	7	197,921,225	-	-	197,921,225
		197,921,225	**40,843,171**	**-**	**238,764,396**
Accounts payable and accrued expenses	9	-	-	2,215,299	2,215,299
Deferred liabilities	14	-	-	2,833,333	2,833,333
		-	**-**	**5,048,632**	**5,048,632**

		31 December 2019 US$			
	Note	Fair value through profit or loss	Cash and Financial assets at amortised cost	Financial liabilities at amortised cost	Total carrying amount
Cash and cash equivalents	4	-	13,102,578	-	13,102,578
Accounts receivable and accrued income	5	-	7,858,316	-	7,858,316
Loans and lending facilities	6	-	13,145,720	-	13,145,720
Equity investments	7	227,340,559	-	-	227,340,559
		227,340,559	**34,106,614**	**-**	**261,447,173**
Accounts payable and accrued expenses	9	-	-	2,066,213	2,066,213
Deferred liabilities	14	-	-	3,833,333	3,833,333
		-	**-**	**5,899,546**	**5,899,546**

There were no reclassifications of financial assets during the year ended 31 December 2020 (year ended 31 December 2019: nil).

19. AUDIT FEES

Audit fees incurred for the period below:

	31 Dec 2020 US$	31 Dec 2019 US$
Audit fee expense	270,909	465,514

20. EVENTS AFTER THE REPORTING PERIOD

Cuban Monetary Reforms

On 1 January 2021 new monetary reforms adopted by the Cuban government came into effect. The principal goals of the reforms include: (i) the unification of the two parallel Cuban currencies through the elimination of the Cuban Convertible Peso and the continuation of the Cuban Peso ("**CUP**"), (ii) the harmonisation of exchange rates at US$1 : CUP24, (iii) the reduction or removal of subsidies in the Cuban economy, and (iv) price and labour (salary, pension and social security) reforms aimed at correcting price levels.

The reforms are directly applicable to foreign investment vehicles operating in the country, including joint venture companies, who will need to convert all of their accounting records to CUP and carry out all local transactions within the economy in CUP going forward. By contrast, all entities operating in the Special Development Zone of Mariel will continue to denominate and carry out their operations exclusively in US$.

The reforms will profoundly affect the pricing and payment of goods and services throughout the economy, including the foreign investment sector, as well as salaries, pension and social security payments. They are expected to remove significant distortions caused in the past by numerous exchange rates.

The Company is presently determining the full impact that the new measures will have on the operations and financial reporting of the joint venture companies in which it participates, but it is likely that the functional currency of the joint venture companies will change from US$ to CUP as a result of the reforms.

Bond Issue

On 31 March 2021, the Company completed the issue of €25 million (US$29,312,500) 10.00% senior unsecured convertible Bonds ("**Bonds**"). The Bonds were listed on The International Stock Exchange (Channel Islands) on 13 April 2021. The Bonds have a term of 5 years expiring on 31 March 2026, an interest rate of 10.00%, payable quarterly, and are convertible at the option of the Bondholder to Ordinary Shares of the Company, at any time, at a conversion price equal to the EURO equivalent of £1.043 (at the time of conversion, subject to adjustments). 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 proceeds of the Bonds will be used by the Company (i) to complete its funding obligations under the Construction Finance Facility relating to the construction of the Meliã Trinidad Península hotel, (ii) to advance the development of the GBM Mariel industrial logistics project, and (iii) for general corporate purposes.

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's total equity has grown from approximately US$19 million in 2001 to US$234 million as at 31 December 2020. During the 2020 accounting period the Company did not pay a cash dividend.

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, 1987 as amended

WEBSITE

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

INVESTOR WARNING

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

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

DIRECT

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

SHAREHOLDER ENQUIRIES

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

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

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

LITERATURE REQUEST SERVICE

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

Telephone: 0808 500 4000

Email: inv.trusts@aberdeen-asset.com

KEY INFORMATION DOCUMENT ("**KID**")

The KID relating to the Company and published by ASFML can be found on ASFML's website:
www.invtrusts.co.uk/en/fund-centre#literature.

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 register.fca.org.uk 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

2011 Guidelines	Guidelines on Social and Economic Policy adopted by the Cuban Communist Party in 2011.
Abacus	Arlington Consulting – Consultadoria Imobiliaria Limitada, trading under the name Abacus.
AGM	The Annual General Meeting of the Company to be held on 17 June 2021.
AIC	The Association of Investment Companies – the AIC is the trade body for closed-ended investment companies (www.theaic.co.uk).
AIFMD	The Alternative Investment Fund Managers Directive – The AIFMD is European legislation which created a European-wide framework for regulating managers of 'alternative investment funds' (AIFs). It is designed to regulate any fund which is not a UCITS (Undertakings for Collective Investments in Transferable Securities) fund and which is managed/marketed in the EU. The Company has been designated as an AIF.
Alternative Performance Measure or APM	An alternative performance measure is a financial measure of historical or future financial performance, financial position, or cash flows, other than a financial measure defined or specified in the applicable financial reporting framework.
ASFML or the AIFM	Aberdeen Standard Fund Managers Limited is a wholly owned subsidiary of Standard Life Aberdeen plc and acts as the Alternative Investment Fund Manager for the Group. ASFML is authorised and regulated by the Financial Conduct Authority.
ASI	Aberdeen Standard Investments is a brand of Standard Life Aberdeen plc
Bondholders	Registered holders of the Bonds.
Bonds	€25 million 10.00% senior unsecured convertible bonds due 2026.
CEIBA or the Company	CEIBA Investments Limited.
CEIBA MTC Properties	CEIBA MTC Properties Inc., a subsidiary of the Company.
CEIBA Tourism	CEIBA Tourism B.V., a subsidiary of the Company.
Construction Facility	The construction finance agreement entered into by the Group on 30 April 2018 in connection with the construction of the Meliã Trinidad Península Hotel.
Countervalue Fund	The countervalue fund created under the Debt Conversion Programme.
CPC	CEIBA Property Corporation Limited, a subsidiary of the Company.
Cubanacán	Cubanacán S.A., Corporación de Turismo y Comercio Internacional, a Cuban company.
CUC	Cuban Convertible Pesos, a former lawful currency of Cuba presently being phased out by 30 June 2021.
CUP	Cuban Pesos, the lawful currency of Cuba.
Debt Conversion Programme	The Spanish Cuban Debt Conversion Programme created by agreements between Spain and Cuba dated 2 November 2015 and 4 May 2016.
Depositary	JTC Global AIFM Solutions Limited, a wholly owned subsidiary of JTC Plc, is regulated by the Guernsey Financial Services Commission to provide Independent Depositary services for the Company and ASFML.
Discount	The amount by which the market price per share of an investment trust is lower than the NAV per share. The discount is normally expressed as a percentage of the NAV per share.
Dividend	Income from an investment in shares.
Dividend Yield	The annual dividends expressed as a percentage of the current share price.
EBITDA	Earnings Before Interest, Tax, Depreciation & Amortisation, a measure of the overall financial performance.
ECL	Expected credit loss.
Excess Cash	Cash held by a joint venture company in excess of its working capital needs.
Financial Conduct Authority or FCA	The FCA issues the Listing Rules and is responsible for the regulation of ASFML.
GBM Mariel	Grupo B.M. Interinvest Technologies Mariel S.L., a Spanish company in which the Group has a 50% interest.
Gearing	Investment Trusts can 'gear' or borrow money to invest but unit trusts are limited in this respect. Gearing can magnify a fund's return, however, a geared investment is riskier because of the borrowed money.
GrandSlam	GrandSlam Limited, a subsidiary of the Company.

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

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

ALTERNATIVE PERFORMANCE MEASURES

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

NAV Per Share

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

The NAV per share was US$1.41 / 103.8p as at 31 December 2020.

NAV Total Return

NAV total return involves investing the same net dividend in the NAV of the Company with debt at fair value on the date on which that dividend was earned. The table below provides information relating to the NAV of the Company for the years ending 31 December 2020 and 2019.

	2020 US$	2019 US$
Opening NAV	**206,734,334**	**205,641,346**
Dividends paid	-	(8,560,689)
Net comprehensive (loss)/income for the year	(12,308,720)	9,653,677
IFRS Closing NAV	**194,425,614**	**206,734,334**
Non-IFRS adjustment	2,833,333	3,833,333
Non-IFRS Closing NAV	**197,258,947**	**210,567,667**

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 2020, the share price was 84.5p / US$1.15 and the net asset value per share was 103.8p / US$1.41, the discount was therefore 18.6%.

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 17 June 2021

Notice of the Annual General Meeting of Shareholders of the Company to be held at Dorey Court, Admiral Park, St. Peter Port, Guernsey GY1 2HT, Channel Islands on 17 June 2021 at 2.00 p.m. is set out in *Appendix 1* to this document.

The Notice of Annual General Meeting contained in this document sets out the business to be carried out by way of ordinary 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 a Shareholder or Shareholders, present in person or by proxy, registered as holding 10% of the total voting rights of the Company. 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.

LETTER FROM THE CHAIRMAN

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**")

Registered office:
Dorey Court, Admiral Park
St. Peter Port, Guernsey
GY1 2HT, Channel Islands

27 April 2020

Dear Shareholders,

The purpose of this document is to give notice of the Annual General Meeting of the Company scheduled for 17 June 2021 at 2.00pm (the "**Meeting**"). The formal Notice of the Meeting is set out in *Appendix 1* of this document.

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

Matters to be dealt with at AGM

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

(a) as to ordinary business (Resolutions 1–8):

(i) to receive and adopt the Consolidated Financial Statements and Directors' Report for the year ended 31 December 2020;

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

(iii) to propose the re-election of Messrs Bowen, Corbin, Cornell, Herring and Kingsnorth as directors of the Company until the conclusion of the next Annual General Meeting of the Company;

(b) as to extraordinary business (Resolutions 9-10):

(i) to authorise the Company to buy back up to 10% of Ordinary Shares in issue as at the date of the resolution; and.

(ii) 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 2022.

Resolutions 1-8 will be proposed as ordinary resolutions. Resolutions 9-10 will be proposed as extraordinary resolutions.

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

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

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

Actions to be Taken

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

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

If you need help with voting online please contact our Registrar, Link Asset Services by email at enquiries@linkgroup.co.uk , or you may call Link on 0871 664 0391 if calling from the UK, or +44 (0) 371 664 0391 if calling from outside of the UK. They are open between 9.00 a.m. – 5.30 p.m., Monday to Friday excluding public holidays in England and Wales.

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

A Form of Proxy is set out in the Notice attached as Appendix 1 to this document, which contains information regarding the matters to be dealt with at the AGM. You are encouraged to complete and return the Form of Proxy in accordance with the instructions printed thereon to the Company's Registrar, Link Asset Services at PXS1, 34 Beckenham Road, Kent BR3 4TU, 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 2pm on 15 June 2021. 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 Asset Services at PXS1, 34 Beckenham Road, Kent BR3 4TU, 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 2pm on 17 June 2021. This will not preclude Members from attending and voting in person at the Meeting.

In the event that the situation surrounding Covid-19 should affect the plans to hold the AGM on 17 June 2021 the Company will update shareholders through an announcement to the London Stock Exchange and will provide further details on the Company's website. The Board would encourage all shareholders to exercise their votes, and submit any questions, in respect of the meeting in advance. This should ensure that your votes are registered in the event that attendance at the AGM might not be possible.

Recommendation

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

Yours faithfully,

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

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

APPENDIX 1

CEIBA INVESTMENTS LIMITED

(the "**Company**")

Registered No: 30083

Registered office: Dorey Court, Admiral Park, St. Peter Port, Guernsey GY1 2HT, Channel Islands

NOTICE OF ANNUAL GENERAL MEETING

NOTICE IS HEREBY GIVEN that the Annual General Meeting of Shareholders of the Company will be held at Dorey Court, Admiral Park, St. Peter Port, Guernsey, GY1 2HT Channel Islands on 17 June 2021 at 2.00 p.m. for the purpose of considering and, if thought fit, passing the following resolutions as ordinary resolutions of the Company (in the case of resolutions 1 to 8) and extraordinary resolutions of the Company (in the case of resolutions 9-10):–

ORDINARY RESOLUTIONS

ORDINARY BUSINESS:

1. To receive and adopt the Consolidated Financial Statements of the Company for the period ended 31 December 2020.
2. To ratify the appointment of Grant Thornton Limited, Guernsey as Auditors of the Company, to hold office until the conclusion of the next Annual General Meeting of the Company.
3. To authorise the Directors to fix the remuneration of the Company's Auditors until the next Annual General Meeting of the Company.
4. To re-appoint John Herring as a Director of the Company, to hold office until the conclusion of the next Annual General Meeting of the Company.
5. To re-appoint Trevor Bowen as a Director of the Company, to hold office until the conclusion of the next Annual General Meeting of the Company.
6. To re-appoint Keith Corbin as a Director of the Company, to hold office until the conclusion of the next Annual General Meeting of the Company.
7. To re-appoint Peter Cornell as a Director of the Company, to hold office until the conclusion of the next Annual General Meeting of the Company.
8. To re-appoint Colin Kingsnorth as a Director of the Company, to hold office until the conclusion of the next Annual General Meeting of the Company.

EXTRAORDINARY RESOLUTIONS

EXTRAORDINARY BUSINESS:

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.

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) as if the members' pre-emption rights contained in Article 6.2 of the Articles did not apply to any such issue, provided that this power shall be limited to the allotment and issue of up to 13,767,158 new ordinary shares of no par value in the Company (representing 10 per cent. of the issued share capital of the Company as at 27 April 2021. 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 2022; 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

JTC Fund Solutions (Guernsey) Limited
Corporate Secretary
27 April 2021

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 Asset Services, PXS1, 34 Beckenham Road, Beckenham, Kent BR3 4TU, by no later than 2 pm on 15 June 2021, 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 the situation surrounding Covid-19 should affect the plans to hold the AGM on 17 June 2021 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 17 June 2021 (or in the event that the Meeting is adjourned, only those Members registered on the register of Members of the Company as at close of business on the day which is two days prior to the adjourned Meeting) shall be entitled to attend in person or by proxy and vote at the Meeting in respect of the number of shares registered in their name at that time. Changes to entries on the register of Members after that time shall be disregarded in determining the rights of any person to attend or vote at the meeting.

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

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

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

10. In order for a proxy appointment made by means of CREST to be valid, the appropriate CREST message (a "**CREST Proxy Instruction**") must be properly authenticated in accordance with Euroclear UK & Ireland Limited's (EUI) specifications and must contain the information required for such instructions, as described in the CREST Manual. The message must be transmitted so as to be received by the Company's agent Link Asset Services, PXS1, 34 Beckenham Road, Beckenham, Kent BR3 4TU (CREST ID RA:10) by 2pm on 15 June 2021. For this purpose, the time of receipt will be taken to be the time (as determined by the timestamp applied to the message by the CREST applications host) from which the Company's agent is able to receive the message by enquiry to CREST in the manner prescribed by CREST.

11. CREST members and, where applicable, their CREST sponsors or voting service providers should note that EUI does not make available special procedures in CREST for any particular messages. Normal system timings and limitations will therefore

apply in relation to the input of CREST Proxy Instructions. It is the responsibility of the CREST member concerned to take (or, if the CREST member is a CREST personal member or sponsored member or has appointed a voting service provider(s), to procure that his CREST sponsor or voting service provider(s) take(s)) such action as shall be necessary to ensure that a message is transmitted by means of the CREST system by any particular time. In this connection, CREST members and, where applicable, their CREST sponsors or voting service providers are referred, in particular, to those sections of the CREST manual concerning practical limitations of the CREST system and timings. The Company may treat as invalid a CREST Proxy.

CEIBA INVESTMENTS LIMITED

(the "**Company**")

Registered No: 30083

PROXY

Form of Proxy for use by Shareholders at the Annual General Meeting of the Company to be held at Dorey Court, Admiral Park, St. Peter Port, Guernsey, GY1 2HT Channel Islands on 17 June 2021 at 2.00 p.m.

I/We

....

(Full name(s) in block capitals)

of

....

(Address in block capitals)

hereby

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

or

2.

....

....

(Name and address of proxy in block capitals)

as my / our proxy to attend, and on a poll, vote for me / us and on my / our behalf at the Annual General Meeting of the Company to be held on 17 June 2021 at 2.00 p.m. and at any adjournment thereof.

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

ORDINARY RESOLUTIONS

Ordinary Business	FOR	AGAINST	VOTE WITHHELD	DISCRETIONARY
1. THAT the Consolidated Financial Statements of the Company for the period ended 31 December 2020 be received and adopted.				
2. THAT the appointment of Grant Thornton Limited, Guernsey as Auditors 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 Auditors until the next Annual General Meeting of the Group.				
4. THAT the re-appointment of John Herring as a Director of the Company, to hold office until the conclusion of the next Annual General Meeting of the Company, be approved.				
5. THAT the re-appointment of Trevor Bowen as a Director of the Company, to hold office until the conclusion of the next Annual General Meeting of the Company, be approved.				
6. THAT the re-appointment of Keith Corbin as a Director of the Company, to hold office until the conclusion of the next Annual General Meeting of the Company, be approved.				
7. THAT the re-appointment of Peter Cornell as a Director of the Company, to hold office until the conclusion of the next Annual General Meeting of the Company, be approved.				
8. THAT the re-appointment of Colin Kingsnorth as a Director of the Company, to hold office until the conclusion of the next Annual General Meeting of the Company, be approved.				

EXTRAORDINARY RESOLUTIONS

Extraordinary Business	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.				
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) as if the members' pre‑emption rights contained in Article 6.2 of the Articles did not apply to any such issue provided that this power shall be limited to the allotment and issue of up to 13,767,158 new ordinary shares of no par value in the Company (representing 10 per cent. of the issued share capital of the Company as at 27 April 2021. 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 2022; 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 Asset Services, PXS1, 34 Beckenham Road, Beckenham, Kent BR3 4TU, by no later than 2pm on 15 June 2021, 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.**

Havana's iconic "Malecón" seaside promenade at dusk