ECI

28 YEARS OF EXCELLENCE

2023 SHAREHOLDER REPORT

ECI
since 1996

LETTER FROM CEO, MICHAEL K. COBB

Dear Shareholders,

As we close the chapter on 2023, a year filled with both significant achievements and challenges, I am reminded of the resilience and adaptability that defines ECI. The year was undoubtedly a mixed bag, featuring rigorous efforts to fulfill past commitments amidst a backdrop of slower new sales. Detailed insights into these dynamics are available in the sales reports and financial sections of this document where we post a $4.489M loss for 2023. The details of the loss are explained in the accompanying financial report in the context of the International Financial Reporting Standards (IFRS) cost and income reporting standards.

Navigating Industry Cycles: The real estate sector is notorious for its cyclicality. Responding to the most prolific sales period in our history from 2020 to 2022, where we sold 184 addresses (homes and lots) amounting to $27.9 million, ECI expanded its workforce to meet operational and construction needs. Starting in 2023, we made strategic adjustments to align our workforce and operational expenses with the slowing pace of new sales. As such, our workforce was streamlined from 199 employees in 2022 to 146 by the end of 2023, with a total combined operational expense reduction of 65%.

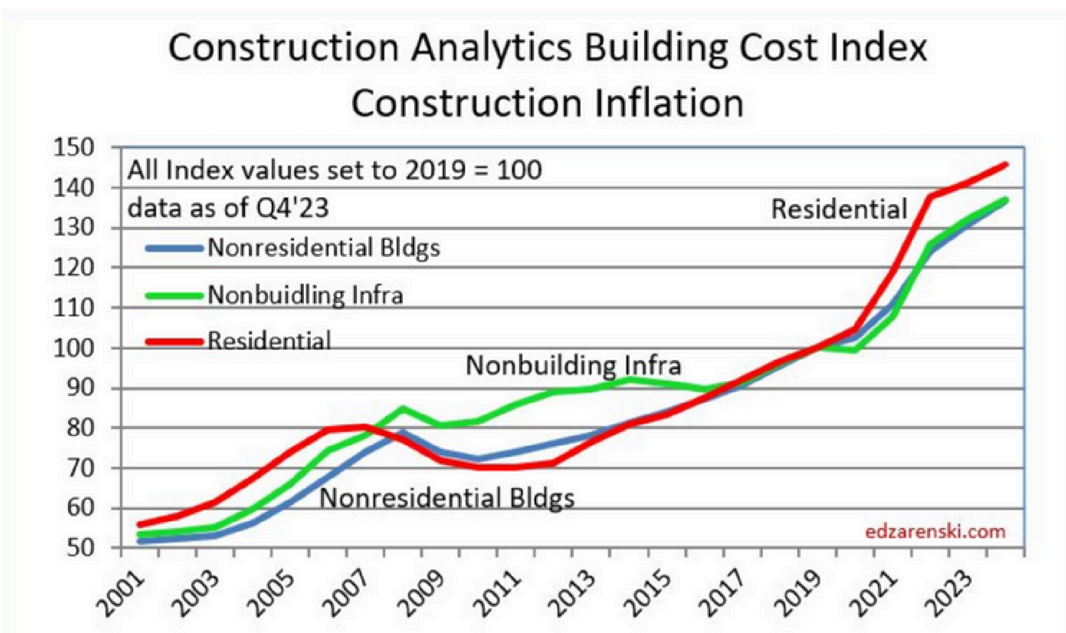
Commitment to Delivery: This past year, ECI delivered on its promises by completing 48 homes despite taking losses in delivering many of the homes and facing financial setbacks due to soaring material costs post-sale. The successful delivery of these homes amidst ongoing supply chain issues and the migration of key construction superintendents to the United States is a testament to our commitment and operational capability. Looking forward, we anticipate completing an additional 80 homes and condos (44 in Nicaragua, 36 in Belize) in 2024, fulfilling our obligations to clients and maintaining our solid reputation in the industry.

Market Dynamics and Industry Challenges: In conversations with other developers, lawyers, and industry professionals, it has become evident that sales of newly built properties have universally declined. While this downturn provides little solace, it confirms that ECI is not singular in facing slower sales.

The challenges we confront are indicative of broader market dynamics, influencing supply and demand across the sector.

Regionally, the slowdown in new property sales is a widespread phenomenon, not unique to ECI. Comprehensive market analyses from sources including the National Association of Realtors and global real estate market reports highlight a shift towards the resale of existing properties, often at considerably discounted values. This trend is reinforced by a significant 37.7% increase in building materials since 2020, as reported by the Associated Builders and Contractors. Such steep rises in costs directly impact the affordability and attractiveness of new built product, positioning resale properties as more financially viable options for many buyers.

This chart, sourced from construction analytics expert Ed Zarenski, illustrates the sharp rise in construction costs since 2020, emphasizing the financial hurdles for new property developments:



Moreover, sellers of properties built 5-10 years ago are capitalizing on these higher new construction costs by offering their homes at competitive prices that are still above their previous values but below replacement costs, thus extracting greater equity from their investments. Insights from title attorneys in the region corroborate that resales of these older properties constitute the largest share of title transfers over the last 18 months, signaling a robust secondary market that is outpacing new home sales.

Economic factors extend beyond construction costs. Wages in primary client markets like the United States and Canada have risen but have not kept pace with the construction inflation rate, 37% over recent years. This wage stagnation, combined with escalating interest rates, restricts prospective buyers' purchasing power and willingness to invest in overseas properties. Higher interest rates are particularly constraining, as they not only increase the cost of borrowing but also discourage financial outflows from domestic markets, making it less appealing for individuals to liquidate or leverage home equity for purchasing abroad.

These compounded factors delineate the challenges we face in stimulating new sales and underscore the necessity for strategic adaptability and innovative marketing strategies to align with current market conditions and buyer capabilities.

Ongoing and Delayed Projects in Panama and El Salvador: ECI's ventures in Panama and El Salvador are progressing, albeit with some delays. In Panama, we are actively developing two projects: the Grand Highlands in Dolega and a joint venture at Puerto Armeullos. We are currently addressing an exorbitant tax assessment in Dolega through legal channels, and development will not proceed until this issue is fully resolved. Meanwhile, in Puerto Armeullos, the architect hired by our JV partner is in the process of obtaining the necessary building and environmental permits and awaiting responses from the local authorities.

In El Salvador, our joint venture partner, is navigating through legal hurdles to subdivide a portion of their property, which will pave the way for the Bitcoin Beach project. We are optimistic about his prospects to resolve these legal matters, potentially by Q3 of 2024, which would enable us to recommence our engineering and development efforts on this exciting project.

Strategic Review of Solar de Lalem Property in Portugal:
The Solar de Lalem property in the Azores, Portugal, acquired in 2022 to capitalize on the country's Golden Visa program, is now under strategic review for potential divestment. Political risks are inherent in any international venture, and the abrupt termination of the real estate path to Portugal's Golden Visa in October 2023 has led us to reconsider the property's role within our portfolio. Despite its marginal profitability as a standalone hospitality operation in 2023, we are carefully evaluating our investment to determine if it aligns with our broader strategic goals and resource allocation.

Other Project Updates:

- **Grand View Estate, Costa Rica:** Signed an exclusive sales agreement for a third-party community there to capitalize on leads in our database who want a property in Costa Rica right now.
- **Gran Pacifica, Nicaragua:** Preparing for the development of a boutique surf resort, Arenas del Mar, with planned construction start January 2025.
- **Gran Pacifica, Nicaragua:** Discussions continue for construction of the next condo building utilizing existing infrastructure.
- **Gran Pacifica, Nicaragua:** Initial planning and marketing campaign completed for the ISLA Low-EMF neighborhood. Units currently for sale.

Exciting Developments in 2024:

- Marriott steel began arriving in Belize for the superstructure late 2023. Vertical progress in just the last few months is impressive.

MARCH 2023

MARCH 2024

- ECI hired Jorge Insua, to become ECI's Controller and head of Finance and Accounting. Jorge is hands-on with extensive experience in business planning, analysis, and control, financial statements and reporting, cash flow projections, and cash management.

- A 3rd party group expressed interest in building a solar array at Gran Pacifica to provide power to the community. In addition to the inherent benefits of being green and off-grid during daylight hours, Gran Pacifica will benefit from a powerful marketing story and differentiator in the marketplace. Additionally, our utility company will see a lower cost of power resulting in a wider profit margin.

- In 2024, ECI Developments entered an exciting partnership with Tablerock Jungle Lodge in Belize, overseeing the resort's significant expansion. Construction will begin in Q3 2024 and be completed by the end of 2025. The project will include the addition of 13 cabana rooms, 2 pools, and 2 new restaurants. ECI will earn 21% of the total cost of this expansion, reflecting our commitment to fostering growth and enhancing luxury travel experiences in prime locations.

All in all, 2023 was a mixed year, but one where ECI honored its commitments to clients by delivering homes and titles. Leads into the marketing funnel grew by 30,000 expanding the base of folks we can serve as the real estate cycle trends upward in the future. In the meantime, pushing forward on the Marriott® in Belize, identifying niche markets like the digital nomads and low EMF community, sourcing alternative construction methodologies to reduce the price of new construction and time to delivery, are all a top immediate focus. Strategic focus remains a return to profitability, bringing our company to an audit ready state, and preparing for an exit strategy of some kind. While the marketplace and world events continue to throw curveballs, ECI and our team are dedicated to the completion of these goals.

The next shareholder update will be provided early in 2025. I hope that many of you will visit our properties sometime between now and the end of the year to see first-hand the incredible work and results ECI is delivering. As a company that's been in existence for 28 years, with a plan to continue for the next 28 years and more, honoring commitments and building community is the foundation of our reputation in the industry.

Thank you again for your continued support, encouragement, and belief that we are on the right track for our shared successful future.

--Michael K. Cobb.

CHAIRMAN & CEO

FINANCIALS

CASHFLOW, REVENUE, AND EXPENSES ON PROPERTY SALES

The following illustration is provided as context when reviewing subsequent financial charts.

In the period 2018 through 2023 the “Property Income (Contracts)” totaled a little over $24 MM. “Property Income (Recognized)” or revenue for “Condo Sales” [not including Marriott® sales] that were delivered was just under $9 MM. However, the construction costs (both recognized and uncapitalized) to build the homes under contract from 2018 through 2023 was just over $26.5 MM. In short, the majority of the costs to build the homes dramatically impacted cash flow (outflows), while a large portion of the revenue (Property Income - Contracts) or inflow is yet to be received and recognized.

In 2024, the majority of the recognized revenues associated with the “Property Income – Contracts” will appear on the 2024 P&L. Utilizing the International Financial Reporting Standards (IFRS) has led to significant posted losses in prior years. However, in 2024, ECI will show significant “recognized revenue” posting at $13.3MM.

	2018	2019	2020	2021	2022	2023	
Property Income (Recognized)							
Condo Sales	$ 149,192	$ -	$ -	$ 913,458	$ 1,229,486	$ 6,625,527	**$ 8,917,663**
Lot Sales	$ 239,000	$ 115,000	$ 300,850	$ 838,722	$ 159,900	$ -	
Furniture Packages	$ -	$ -	$ -	$ 116,089	$ 29,234	$ 49,125	
Teak	$ 182,150	$ 82,284	$ 153,145	$ 2,539,373	$ 241,512	$ 25,005	
Total Property Income	**$ 570,342**	**$ 197,284**	**$ 453,995**	**$ 4,407,643**	**$ 1,660,132**	**$ 6,699,658**	
Cost of Sales							
Development and Construction Cost	$ 20,375	$ 3,084	$ 32,819	$ 137,657	$ 1,276,911	$ 5,872,842	
(Uncapitalized) Construction In Progress						$ 16,430,619	
Commissions	$ 121,139	$ 31,038	$ 286,674	$ 1,551,853	$ 768,236	$ 158,632	
Total Cost of Sales	**$ 141,514**	**$ 34,123**	**$ 319,494**	**$ 1,689,510**	**$ 2,045,147**	**$ 22,462,093**	**$ 26,691,880**
Gross Profit	**$ 428,828**	**$ 163,161**	**$ 134,501**	**$ 2,718,133**	**($ 385,015)**	**($ 15,762,435)**	

	2018	2019	2020	2021	2022	2023	
Properties Sold	0	1	37	91	36	2	
Property Income (Contracts)	**$ -**	**$ 143,010**	**$ 4,838,503**	**$ 12,354,253**	**$ 6,345,465**	**$ 329,800**	**$ 24,011,031**

INCOME STATEMENT

ECI DEVELOPMENTS, INC
Consolidated Income Statement
January - December, 2023
(Amounts in US Dollars)

	Jan 2023	Feb 2023	Mar 2023	Apr 2023	May 2023	Jun 2023	Jul 2023	Aug 2023	Sep 2023	Oct 2023	Nov 2023	Dec 2023	Total 2023
Properties Sold	1	1	0	1	0	2	3	0	1	0	0	0	9
Property Income (Contracts)	$169,900	$499,410	$0	$334,900	$0	$564,810	$461,000	$0	$499,410	$0	$0	$0	$2,529,430

	Jan-23	Feb-23	Mar-23	Apr-23	May-23	Jun-23	Jul-23	Aug-23	Sep-23	Oct-23	Nov-23	Dec-23	Total 2023
Property Income (Recognized)													
Condo Sales	$128,900	$1,700,481	$0	$431,600	$225,800	$671,567	$132,900	$1,334,000	$ 443,810	$101,900	$ 619,600	$ 789,500	$6,580,058
Lot Sales	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0
Furniture Packages	$0	$31,972	$0	$0	$0	$0	$0	$1,556	$0	$15,598	$0	$0	$49,125
Teak	$30,050	$0	$0	$0	$6,880	$12,761	$1,739	$3,000	$0	$0	$0	($29,425)	$25,005
Change Orders	$890	$890	$890	$890	$4,681	$0	$1,639	$0	$1,382	$0	$28,602	$5,603	$45,469
Total Property Income	**$159,840**	**$1,733,343**	**$890**	**$432,490**	**$237,361**	**$684,328**	**$136,278**	**$1,338,556**	**$445,192**	**$117,498**	**$648,202**	**$765,678**	**$6,699,658**
Other Income													
Hospitality Income	$109,490	$97,481	$96,109	$88,422	$74,538	$64,077	$78,474	$56,818	$65,184	$48,043	$63,721	$92,930	$935,286
Utilities Income	$29,746	$30,073	$32,813	$36,442	$29,164	$18,475	$15,054	$16,845	$12,807	$11,129	$21,241	$25,549	$279,337
Interest Income	$7,794	$8,556	$10,506	$9,020	$10,466	$8,663	$8,350	$11,020	$7,141	$9,307	$9,864	$1,284	$101,970
Management Fee (Panama Teak)	$2,956	$5,868	$3,728	$1,726	$9,045	$3,530	$6,942	$0	$0	$0	$0	$0	$33,795
Total Other Income	**$149,986**	**$141,978**	**$143,156**	**$135,609**	**$123,214**	**$94,744**	**$108,820**	**$84,683**	**$85,132**	**$68,479**	**$94,825**	**$119,762**	**$1,350,388**
Total Income	**$309,826**	**$1,875,321**	**$144,046**	**$568,100**	**$360,575**	**$779,073**	**$245,098**	**$1,423,238**	**$530,324**	**$185,977**	**$743,027**	**$885,440**	**$8,050,045**
Cost of Sales													
Cost of Hospitality	$54,002	$89,678	$30,852	$56,576	$30,662	$23,425	$33,415	$41,504	$39,502	$47,921	$23,258	$43,244	$514,039
Development and Construction Cost	$104,298	$1,491,241	$12,625	$409,236	$205,126	$553,610	$101,132	$1,300,761	$366,605	$91,818	$551,982	$684,408	$5,872,842
Total Cost of Sales	**$158,301**	**$1,580,918**	**$43,477**	**$465,812**	**$235,788**	**$577,035**	**$134,547**	**$1,342,265**	**$406,108**	**$139,739**	**$575,240**	**$727,651**	**$6,386,880**
Gross Profit	**$151,526**	**$294,403**	**$100,569**	**$102,288**	**$124,787**	**$202,038**	**$110,552**	**$80,973**	**$124,216**	**$46,238**	**$167,787**	**$157,789**	**$1,663,165**
Administrative Expenses													
General Admin. Expenses	$366,116	$341,170	$329,013	$307,957	$280,450	$307,734	$281,059	$228,133	$228,357	$230,946	$184,705	$183,193	$3,268,833
General Property Maintenance	$47,704	$22,971	$42,988	$43,383	$45,411	$28,485	$36,791	$22,670	$34,437	$15,713	$19,124	$19,132	$378,807
Marriott Expenses	$4,007	$1,601	$3,474	$5,562	$3,112	$1,506	$1,076	$1,323	$1,961	$5,075	$1,430	$2,856	$32,983
Total Administrative Expenses	**$417,827**	**$365,741**	**$375,475**	**$356,901**	**$328,974**	**$337,725**	**$318,927**	**$252,125**	**$264,755**	**$251,734**	**$205,259**	**$205,181**	**$3,680,623**
Selling Expenses													
Sales and Marketing	$48,782	$63,456	$11,784	$14,044	$16,423	$48,377	$14,861	$16,814	$15,993	$19,504	$24,797	$962	$295,798
Commissions	$19,785	$14,826	$1,705	$1,559	$6,589	$13,946	$10,345	$11,885	$4,859	$7,437	$4,276	$11,422	$108,634
Referral Fees	$13,471	$5,198	$600	$0	$6,306	$8,898	$2,271	$1,096	$0	$3,968	$1,518	$6,673	$49,998
Marriott Commissions	$0	$3,995	$0	$4,500	$0	$36,076	$9,220	$3,989	$21,323	$0	$0	$0	$79,104
Marriott Referral Fees	$0	$1,498	$0	$0	$0	$5,993	$0	$0	$19,841	$0	$0	$0	$27,332
Total Selling Expenses	**$82,037**	**$88,974**	**$14,088**	**$20,104**	**$29,318**	**$113,291**	**$36,697**	**$33,784**	**$62,017**	**$30,909**	**$30,591**	**$19,057**	**$560,867**
EBITDA	**($348,338)**	**($160,312)**	**($288,994)**	**($274,716)**	**($233,505)**	**($248,978)**	**($245,072)**	**($204,936)**	**($202,557)**	**($236,405)**	**($68,063)**	**($66,449)**	**($2,578,325)**
Net Financial Costs													
Interest Expense	$31,207	$25,822	$35,207	$46,777	$42,189	$38,354	$61,977	$9,870	$9,855	$9,841	$9,827	$14,688	$335,615
Interest Expense- Marriott	$127,788	$126,308	$127,788	$127,295	$127,788	$127,295	$127,788	$127,788	$127,295	$127,788	$112,500	$112,500	$1,499,918
Total Net Financial Costs	**$158,995**	**$152,131**	**$162,995**	**$174,072**	**$169,976**	**$165,648**	**$189,764**	**$137,657**	**$137,150**	**$137,629**	**$122,327**	**$127,188**	**$1,835,533**
Income before Income Tax	**($507,333)**	**($312,443)**	**($451,989)**	**($448,788)**	**($403,481)**	**($414,626)**	**($434,836)**	**($342,593)**	**($339,707)**	**($374,034)**	**($190,390)**	**($193,637)**	**($4,413,858)**
Taxes	$25,871	$14,361	$2,974	$6,161	$2,731	$1,970	$1,309	$1,266	$2,648	$1,419	$1,073	$1,061	$62,844
Gain/(Loss) in Foreign Currency	$967	$1,100	$905	$1,171	$903	$1,107	$1,114	$1,267	$1,369	$1,174	$822	$1,148	$13,047
Net Income	**($534,172)**	**($327,904)**	**($455,868)**	**($456,121)**	**($407,115)**	**($417,703)**	**($437,260)**	**($345,126)**	**($343,723)**	**($376,627)**	**($192,286)**	**($195,846)**	**($4,489,749)**

Note: 'Hospitality Income' represents the 1/3 (or 30%) of gross income from the rental agreements but does not include Solar de Lalem (see separate P&L).

BALANCE SHEET

ECI DEVELOPMENTS, INC
Consolidated Balance Sheet
As of December 31, 2023
(Amounts in US Dollars)

Assets	
Current Assets	
Bank Accounts	$14,988,542
Accounts Receivable	$8,708,925
Total Current Assets	**$23,697,468**
Fixed Assets	
Land	$23,732,972
Property in the Azores	$2,222,846
Property, Plant and Equipment (Net)	$918,382
Total Fixed Assets	**$26,874,200**
Other Current Assets	
Loans Receivable	$1,601,636
Other Receivables	$180,959
Intercompany Receivables	$10,625,308
Inventory of Lots for Sale	$263,642
Construction in Progress	$16,430,619
Marriott Project	$8,683,309
Other Assets	$362,702
Total Other Current Assets	**$38,148,176**
Total Assets	**$88,719,843**

Liabilities	
Current Liabilities	
Advance Customer Payments	$18,568,482
Advance Customer Payments (Marriott)	$6,907,862
Accounts Payable	$2,641,001
Short-Term Bonds	$1,373,963
Marriott Interest Provision	$1,462,500
Tax Payables	$168,011
Payroll Liabilities	$350,804
Other Payables	$761,834
Total Current Liabilities	**$32,234,459**
Long-Term Liabilities	
Primary Marriott Loan	$30,000,000
Secondary Marriott Loan	$4,000,000
Long-Term Loans	$4,662,797
Intercompany Payables	$13,085,030
Severance Provision	$111,795
Total Long-Term Liabilities	**$51,859,622**
Total Liabilities	**$84,094,081**
Equity	
Common Stock and Paid in Capital Shares	$37,662,136
Accumulated Earnings	($28,546,625)
2023 Net Income	($4,489,749)
Total Equity	**$4,625,762**
Total Liabilities and Equity	**$88,719,843**

SOLAR DE LALEM

Accounting and banking for Solar de Lalem is handed in separate systems and directly in Portugal (represented in euros), so a P&L has been provided to reflect 2023.

Solar de Lalém
Profit and Loss
January - December 2023

		Total
Income		
Room Revenue		276,285.59
Uncategorised Income		100.00
Total Income	€	**276,385.59**
Gross Profit	€	**276,385.59**
Other Income(Loss)		
Reimbursement		1,165.98
Total Other Income(Loss)	€	**1,165.98**
Expenses		
Advertising/Promotional		2,676.01
Bank charges		923.71
Commissions and fees		18,441.04
Dues and subscriptions		859.05
Equipment rental		5,760.50
Insurance - General		2,254.01
Legal and professional fees		8,470.99
Meals and entertainment		97.30
Office expenses		4,054.53
Office/General Administrative Expenses		27,921.05
Repairs and Maintenance		24,571.96
Supplies		903.94
Tools		1,969.98
Travel expenses - general and admin expenses		3,417.34
Travel expenses - selling expenses		140.00
Uncategorised Expense		767.20
Wage expenses		67,167.94
Total Expenses	€	**170,396.55**
Net Earnings	€	**107,155.02**

LOANS

Three of eight ECI loans and lines of credit are related party loans. Gran Pacifica and ECI Development have respectively borrowed $1,976,534 and $842,834 at an interest rate of 7.5% from Hardwoods Unlimited, an entity owned by related parties. These loans/lines were established in 2012 when all other sources of funding for the company were non-existent. ECI Development has an open line of credit with Georgetown Trust in the amount of $901,843 where the related parties are directors and officers of both companies.

ECI Developments, Inc Other Obligations	31-Dec-23	31-Mar-24
Other Obligations	**$40,036,761**	**$39,658,362**
Bondholders Obligations (Short-Term)	**$1,373,963**	**$937,582**
Loans Obligations (Long-term Principal only)		
Marriott Primary Loan	**$30,000,000**	**$30,000,000**
Marriott Secondary Loan	**$4,000,000**	**$4,000,000**
Other Loans (Long-term)	**$4,662,797**	**$4,720,780**
Teak Hardwoods ECI Ltd	$1,976,534	$2,195,092
Teak Hardwoods GP	$842,834	$748,081
Georgetown Trust ECI Ltd	$901,843	$976,566
La Hacienda Mortgage Loan 400202	$503,818	$474,122
CIBL Loan 400165 (West Amber) ECI Ltd	$437,770	$326,918

Teak Hardwoods ECI Ltd – Loan provided by Teak Hardwoods Panama to ECI Development Ltd.

Teak Hardwoods GP – Loan provided by Teak Hardwoods Panama to Gran Pacifica.

Teak Hardwoods Panama is a Panamanian Entity representing two loans extended to two different business entities within ECI.

BONDS

ECI successfully retired $695,071 in infrastructure bonds in 2023 bringing total debt down from $933, 603 to $78,582 (with $159,950 balance being applied towards a Marriott® Residence). The new bond offering (paying an interest rate of 6% in cash and 6% in shares) has received agreements (as outlined below), with $900K funded to date. These funds are ear-marked and used for the backlog of construction. The bond was closed to new entries at the end of 2023, except for those that have already inquired or held a pending status.

SHARES SOLD IN 2023

1. Shares sold in 2023 - 242,000 for a total of $454,720.
2. Total Shares Issued in 2023 – 581,792.

The share price is currently $2.25. There were no distributions to shareholders in 2023.

2023 COMPENSATION TO OFFICERS & DIRECTORS

Michael Cobb

- Cash in the amount of $0
- Share options in the amount of $149,379 (66,391 Shares)

Nagel and Associates

- Legal Fees in the amount of $30,000.00
- Admin Fees in the amount of $34,023.83
- Share options in the amount of $242,802 (107,912 Shares)

All other directors and officers

- Total share options in the amount of $180,000 (80,000 Shares)

Shares Issued in 2023

Purchased Shares	242,000
Michael Cobb	66,392
Nagel & Associates	107,913
Other Directors and Officers	80,000
Management Staff	85,487
TOTAL Shares Issued	**581,792**

Note: "Other Directors and Officers" included 3 members, and "Management Staff" included 9 members.

SALES, MARKETING, & BUSINESS INTELLIGENCE

The year 2023 was a dynamic period for our marketing, resulting in significant growth in lead generation, improved engagement metrics, and a continued focus on enhancing our online presence. This benefited the company, even in a lagging economy, by funneling a greater number of prospects into the sales pipeline. However, in 2023, ECI experienced a lower 'opportunity to win ratio' (closure rate), as reflected in the chart below (including Marriott® sales).

One bright spot was that CEO Michael Cobb's consulting company, Development Advisors (Est. 2002) secured a contract to expand the Tablerock Resort. This contract should net ECI significant revenues in 2024 and 2025. Mr. Cobb continues to pursue additional JV's and lines of business, including a long-term continuing care opportunity in Panama.

ECI 2023 Sales Report

SALES BALANCED SCORECARD KPIS

Year	Q1	Q2	Q3	Q4	Total
2021					
Count of New Deals	105	179	122	70	**476**
Closed Won Deals	61	93	59	46	**259**
Closed Lost Deals	27	63	46	39	**175**
All Closed Deals	88	156	105	85	**434**
Win Rate	69.32%	59.62%	56.19%	54.12%	**59.68%**
Closed Won Deal Amount	$6,033,188.74	$7,378,707	$4,524,293	$4,813,395	**$22,749,583.74**
2022					
Count of New Deals	55	57	106	47	**265**
Closed Won Deals	28	22	15	16	**81**
Closed Lost Deals	40	35	41	21	**137**
All Closed Deals	68	57	56	37	**218**
Win Rate	41.18%	38.60%	26.79%	43.24%	**37.16%**
Closed Won Deal Amount	$2,226,302	$3,115,510	$2,222,337	$1,606,187.78	**$9,170,336.78**
2023					
Count of New Deals	34	55	69	23	**181**
Closed Won Deals	4	9	10	4	**27**
Closed Lost Deals	21	29	16	26	**92**
All Closed Deals	25	38	26	30	**119**
Win Rate	16.00%	23.68%	38.46%	13.33%	**22.69%**
Closed Won Deal Amount	$713,522	$1,382,518	$910,593	$42,556	**$3,049,189**

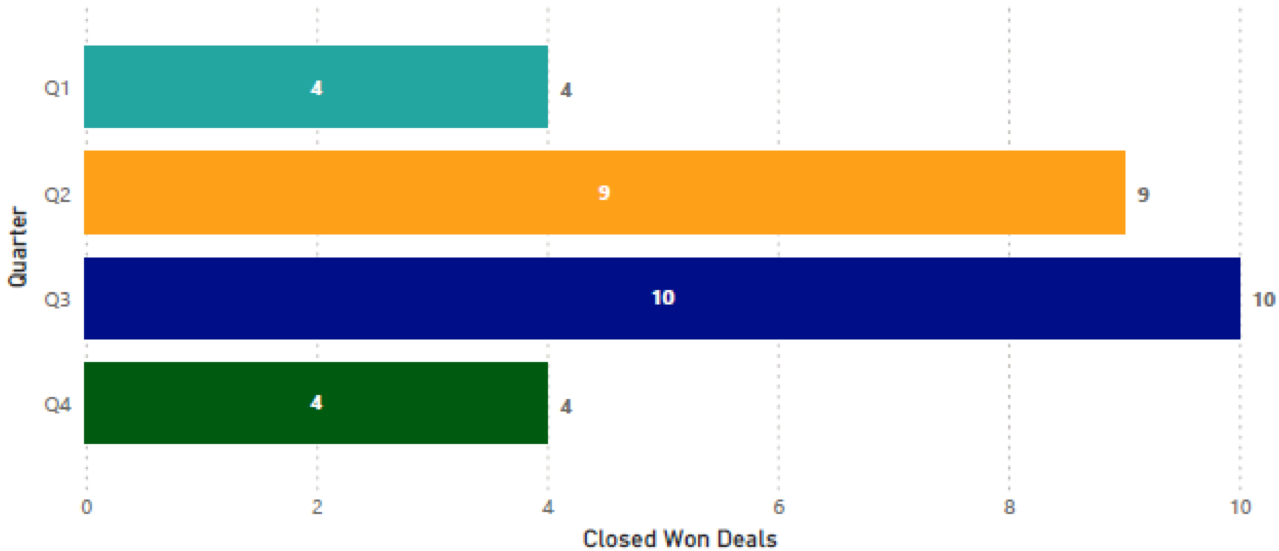
Win Rate is being defined as Closed Won Deals/All Closed Deals.

ECI DEVELOPMENTS, INC

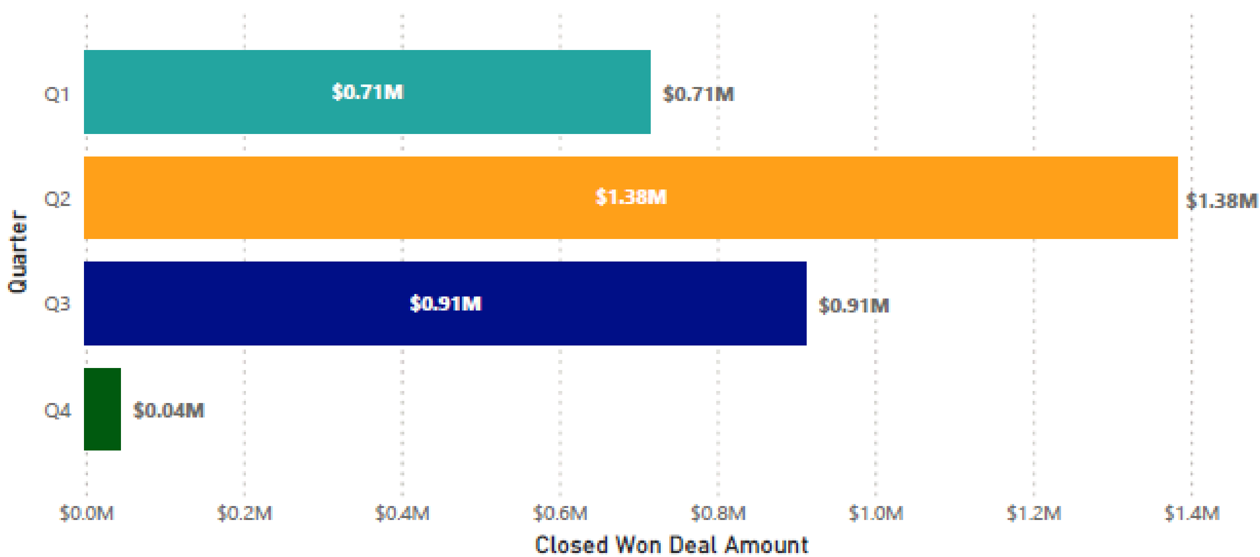
Chart of Properties Sales from 2018 to 2023

	FY 2018		FY 2019		FY 2020		FY 2021		FY 2022		FY 2023		Total		
	Qty	$	Qty	$	Qty	$	Qty	$	Qty	$	Qty	$	Qty	$	
Total Properties Sold															
Nicaragua															
EVA	0	$ -	0	$ -	11	$ 1,258,900	50	$ 5,535,655	13	$ 1,964,850	0	$ -	74	$ 8,759,405	
MILA	0	$ -	0	$ -	0	$ -	10	$ 1,312,230	1	$ 139,900	0	$ -	11	$ 1,452,130	
BELA	0	$ -	0	$ -	0	$ -	11	$ 3,061,718	6	$ 2,174,410	0	$ -	17	$ 5,236,128	
Momotombo	0	$ -	0	$ -	3	$ 399,700	0	$ -	0	$ -	0	$ -	3	$ 399,700	
San Diego Viejo Lots	2	$ 174,000	0	$ -	4	$ 155,000	2	$ 219,525	3	$ 122,400	0	$ -	11	$ 670,925	
Santa Barbara Lots	0	$ -	0	$ -	0	$ -	2	$ 660,000	0	$ -	0	$ -	2	$ 660,000	
MILA Lots	1	$ 139,000	1	$ 30,000	0	$ -	0	$ -	0	$ -	0	$ -	2	$ 169,000	
Total	**3**	**$ 313,000**	**1**	**$ 30,000**	**18**	**$ 1,813,600**	**75**	**$ 10,789,128**	**23**	**$ 4,401,560**	**0**	**$ -**	**120**	**$ 17,347,288**	
Belize															
Tes	0	$ -	1	$ 143,010	14	$ 2,065,723	2	$ 339,800	2	$ 389,805	0	$ -	19	$ 2,938,338	
Fleet	0	$ -	0	$ -	9	$ 1,114,180	1	$ 88,740	2	$ 217,700	0	$ -	12	$ 1,420,620	
Galleon	0	$ -	0	$ -	0	$ -	10	$ 1,186,300	3	$ 429,700	2	$ 329,800	15	$ 1,945,800	
Marriott	0	$ -	4	$ 962,270	2	$ 303,050	3	$ 1,286,810	4	$ 1,702,508	7	$ 2,199,630	20	$ 6,454,268	
Total	**0**	**$ -**	**5**	**$ 1,105,280**	**25**	**$ 3,482,953**	**16**	**$ 2,901,650**	**11**	**$ 2,739,713**	**9**	**$ 2,529,430**	**66**	**$ 12,759,026**	
Panama															
Freedom Village	0	$ -	0	$ -	0	$ -	3	$ 442,205	2	$ 329,800	0	$ -	5	$ 772,005	
Total	**0**	**$ -**	**0**	**$ -**	**0**	**$ -**	**3**	**$ 442,205**	**2**	**$ 329,800**	**0**	**$ -**	**5**	**$ 772,005**	
Honduras															
Reef	0	$ -	0	$ -	0	$ -	4	$ 387,605	7	$ 699,300	0	$ -	11	$ 1,086,905	
Total	**0**	**$ -**	**0**	**$ -**	**0**	**$ -**	**4**	**$ 387,605**	**7**	**$ 699,300**	**0**	**$ -**	**11**	**$ 1,086,905**	
Total Properties Sold	**3**	**$ 313,000**	**6**	**$ 1,135,280**	**43**	**$ 5,296,553**	**98**	**$ 14,520,588**	**43**	**$ 8,170,373**	**9**	**$ 2,529,430**	**202**	**$ 31,965,223**	
	3	$ 313,000	2	$ 173,010	41	$ 4,993,503	95	$ 13,233,778	39	$ 6,467,865	2	$ 329,800	182	$ 25,510,956	whithoun Marriott
	0	$ -	1	$ 143,010	37	$ 4,838,503	91	$ 12,354,253	36	$ 6,345,465	2	$ 329,800	167	$ 24,011,031	whithoun Marriott and Lots

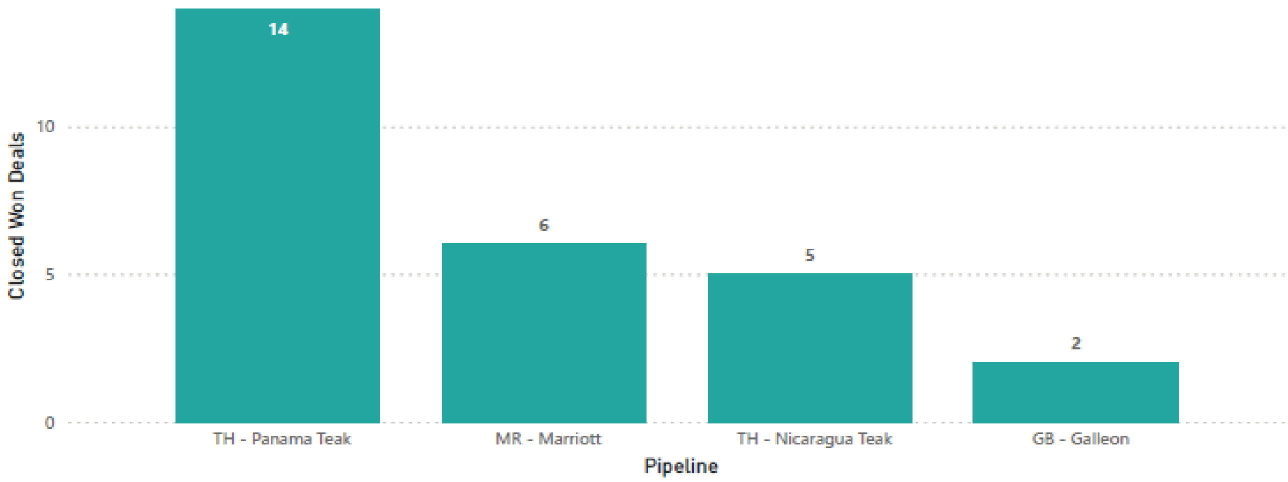
All 2023 Closed Won Deals by Quarter



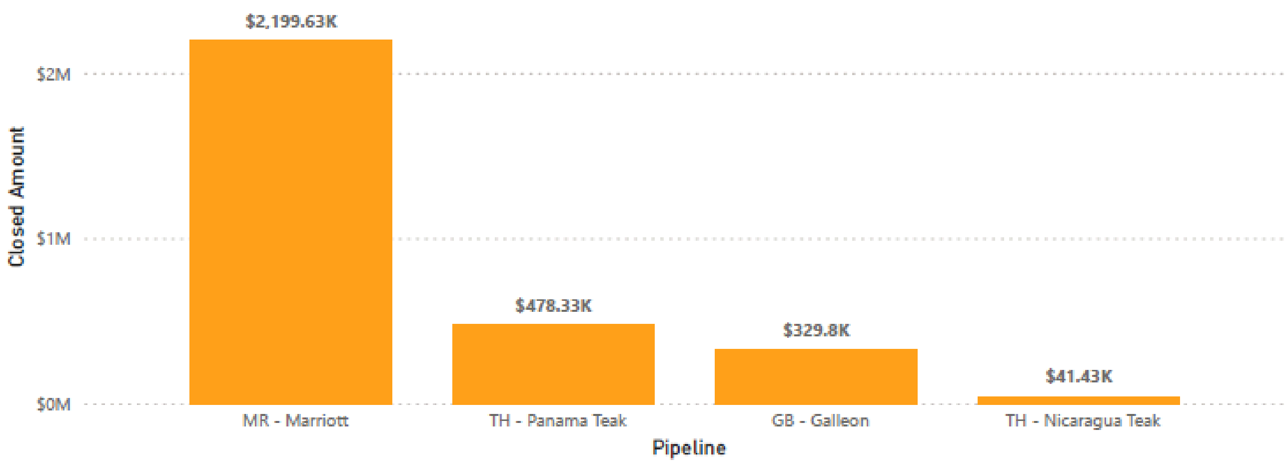
All 2023 Closed Won Amount by Quarter



All 2023 Closed Won Deals by Pipeline

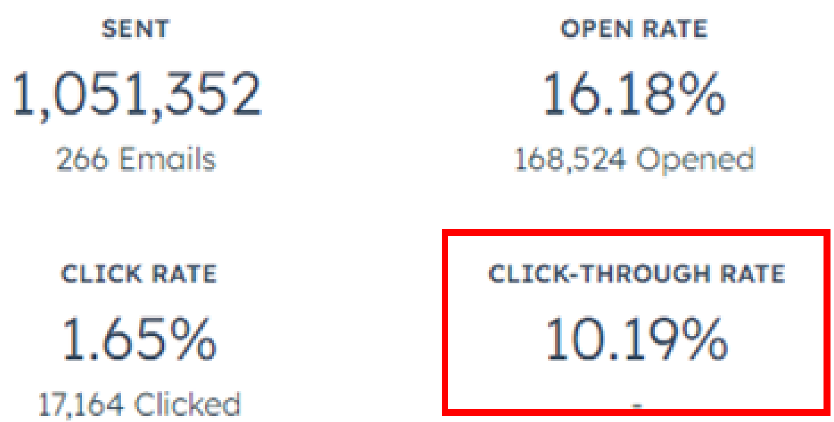


All 2023 Closed won Amount by Pipeline

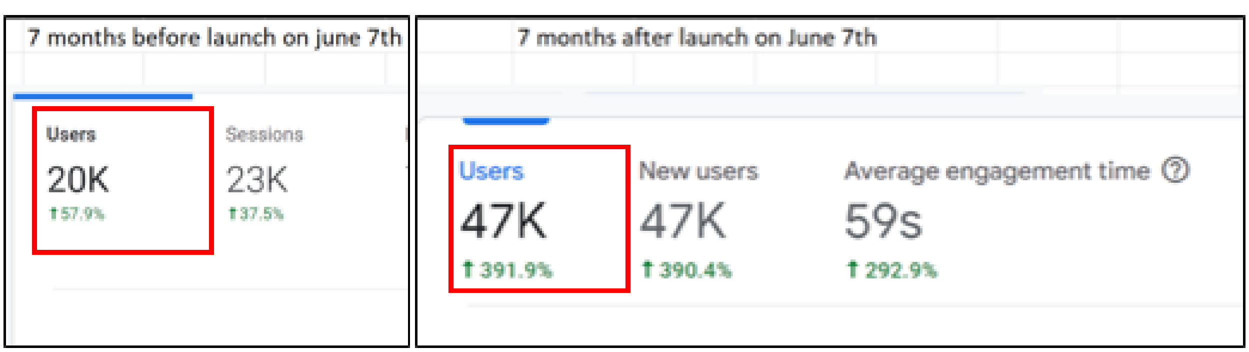


ECI deployed targeted email campaigns, sending 1,051,000 individual emails to our proprietary database. The open rate achieved was 16.18%, with an impressive **click-through rate of 10.19%** (real estate average is 0.89%, source: Constant Contact). Unsubscribes remained inconsequential.

Email Totals by Sent, Opened, and Clicked in 2023



While the newly designed ECI website **(launched in June 2023)** maintains its status as one of ECI's top source of form fills, our 'landing page view to form submission' rate witnessed a notable increase, **reaching 13.48%**. This surge resulted in new leads, demonstrating an upward trend in visitor engagement. Users spent an average of **5.6 minutes per page** (in comparison to 0.5 minutes on the prior website), indicating a heightened interest and thorough exploration of our content.

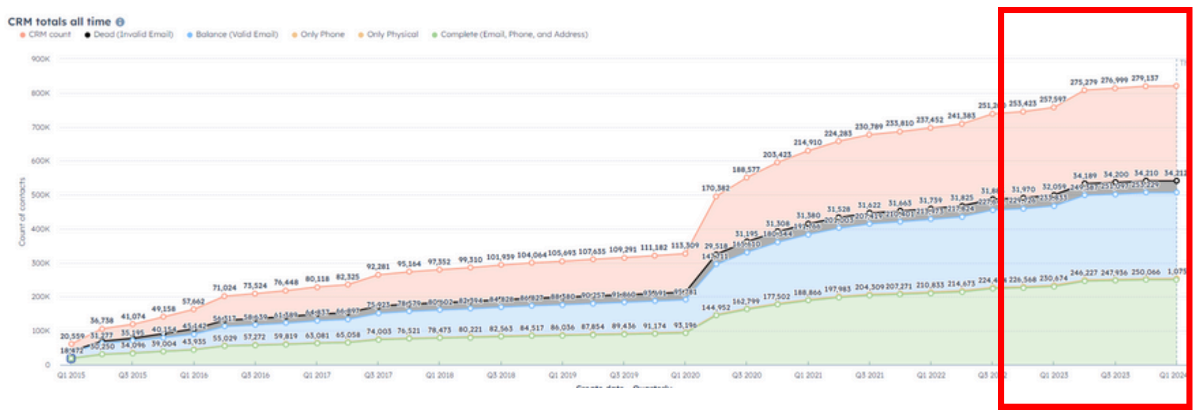


Our social media channels, particularly Facebook and Instagram, continued to be powerful lead generators for both real estate and hospitality business units. ECI boasts a total **following of 65,000** across these platforms. The goal for 2024 is an ambitious increase to 100,000 followers.

Despite a modest advertising budget and the new ECI website being active for a little over 6 months, our paid ads on Google and Facebook demonstrated impressive results. ECI achieved a total of **4 million impressions** and **58,000 clicks to the website.** Recognizing the potential of these channels, Marketing plans to increase our ad budget in 2024 to further amplify our lead generation capabilities. As well, search engine optimization efforts have led to an organic traffic increase. The average organic traffic in January 2023 was approximately 21.9 visits per day, and in December 2023, it increased to about 49 visits per day. This represents a **percentage increase of approximately 123.71%**.

The results seen in 2023 have been instrumental in shaping our marketing strategy for the future. The integration of various channels, optimization of website performance, and the commitment to engaging content have collectively contributed to a successful quarter and set the stage for continued growth in the year ahead.

In 2023, ECI received **30K new leads**, representing a **10% growth in our database** (compared to an 8% increase in 2022). This increase highlights the effectiveness of various sales, marketing, database, and hospitality initiatives. ECI conducted a detailed follow-up on the reconversion/reassignment of 26,344 old leads to ensure that all are properly sent to sales staff for follow-up. This benefited the company by making sure ECI consistently, efficiently, and regularly reaches every possible prospect with its marketing/sales content.



Throughout 2023, ECI executed a data cleansing project divided into two phases:

1. Lead Sources - thoroughly reviewed the history of Lead Sources within HubSpot, achieving a 30% optimization. ECI simplified and corrected errors, ensuring the highest quality of our database.

2. Categories - Divided into four phases, this project started with cleansing 87,491 leads in July, followed by reviewing and cleansing 123,585 leads in October. After these two phases, ECI cleaned up the total list of categories by 6.5%. In December, ECI updated the categories for 123,584 leads, achieving a 5% optimization, totaling 11% in the initial phases. This will enhance our list segmentation and help us as an improved filter that the sales team can use to provide prospects most effectively the type of information they have indicated that they prefer.

The Business Intelligence Team is also leveraging the full potential of HubSpot while improving our proximity to leads through an enhanced customer relationship experience such as personalized notifications to let our Property Consultants know when a contact attends a webinar.

For 2024, ECI is excited about new ideas and projects to continue enhancing and optimizing the database. ECI aims to leverage the full potential of HubSpot while improving our proximity to leads through an enhanced CRM experience. ECI will continue working with marketing and sales to identify new areas of opportunity.

REAL ESTATE BUSINESS UNIT OVERVIEW

CONSTRUCTION

ECI's construction team continues to balance the reality of completing previously sold projects, starting new sales, new projects coming online, supply and market conditions, and reducing costs to increase profitability. This ongoing effort is a moving target with many third-party market factors and conditions impacting the ability to manage a steady delivery timeline. As more controls are put into place, more of the unforeseeable factors are being anticipated to minimize their impact on our clients and to ECI's bottom line.

During 2023, ECI achieved the following construction and development accomplishments:

- 48 homes/condos were delivered in 2023.
- Identified key vendors who work efficiently within the needs of our various projects.
- Opened credit lines with more vendors to maximize the company's access to debt.
- Identified new suppliers and reduced costs for new projects and/or recurrent purchases.
- Additional procurement policies and controls were instituted.
- Implemented tighter contracts for the subcontractors to enforce on time and within budget delivery.
- Used sub-contractors to expand team bandwidth to manage the quality assurance processes and focus more on planning than problem-solving.

- Made historical studies on past projects and budgets to build optimization models for new developments, standardizing future procurement policies and pricing models.

- Communication to clients through 2023 improved significantly, as ECI appointed a point person to notify clients about their construction progress and updates.

- As part of our efficiency efforts, ECI focused on value engineering creating a base design but with pre-set upgrade packages, with pre-set pricing, for clients to build their custom home without putting a significant burden on the construction team having to conduct change orders or customer work during and/or after the construction process.

PROPERTIES

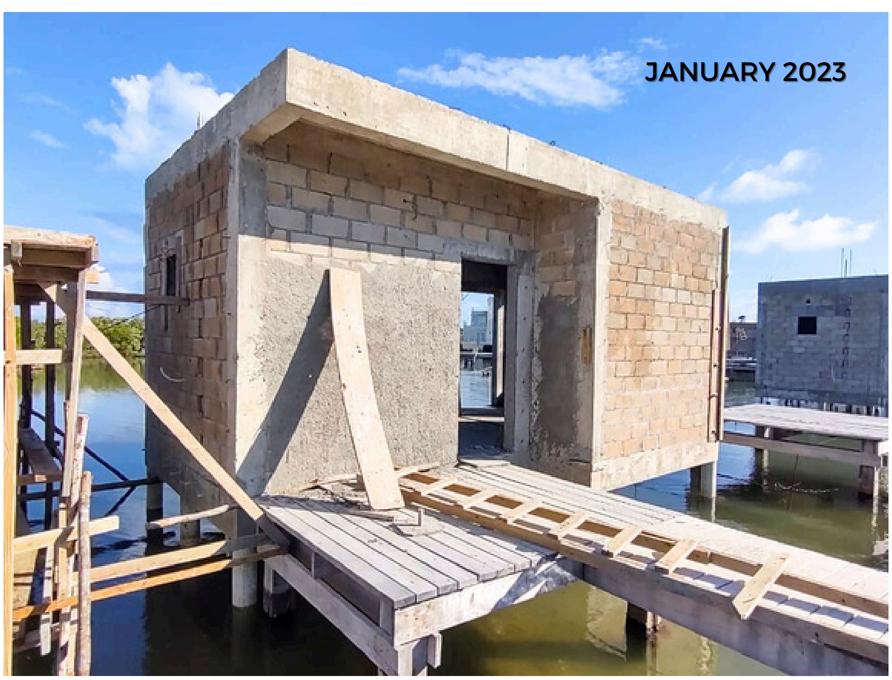
ECI is excited to inform you about the significant progress made on our projects.

BELIZE MARRIOTT RESIDENCES

The foundations were completed along with retaining walls, water and fire tanks, and the basement slab. The adult swimming pool is nearly finished. Structural completion expected by end-2024, and a grand opening set for August 2025.

TINY OVER-THE-WATER HOMES TES IN BELIZE

ECI finished installing ceilings in 19 out of 20 houses and completed masonry work on the cistern tank platforms and water supply for the desalination plant. About 80% of the houses are structurally complete, with window frames installed in half of them. ECI expects to finish all construction by mid-June, and fully furnished deliveries are scheduled for mid-July 2024.
January 2023



GALLEON BUILDING, BEST WESTERN GRAND BAYMEN GARDENS

Progress at GALLEON has been delayed pending pre-cast panel production and delivery, projecting a September 2024 opening date.

GRAN PACIFICA BEACH AND GOLF RESORT IN NICARAGUA

Of the 96 houses sold, 58 houses were completed at the end of 2023.
Eco-Village Asuchillo (EVA) – Beachfront Eco-Lifestyle Alternative (BELA) – and Modern Innovative Lifestyle Alternative (MILA)

At EVA, 44 out of 74 sold homes have been completed, with the remaining homes on track for delivery in 2024. Turning to BELA, ECI successfully delivered 4 out of 13 houses to their owners, who now live in the community. At MILA, ECI has achieved 100% construction and delivery of the homes.

EVA

BELA

MILA

PRODUCT DEVELOPMENT: NEW OPPORTUNITIES & OFFERINGS

ECI currently has seven (7) other projects, either in-process or under development, in which ECI is actively engaged and managing these future opportunities forward as potential revenue streams and long-term value to ECI.

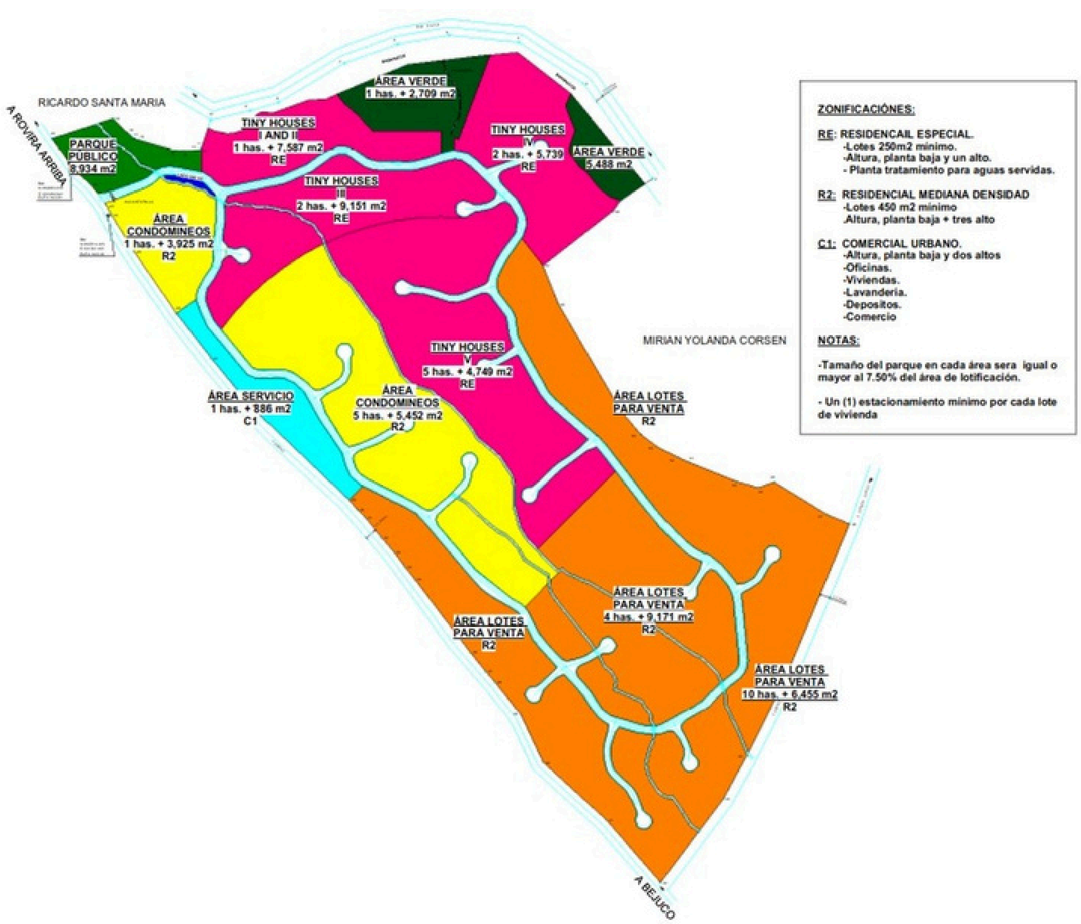
GRAN ZONTE (EL SALVADOR)

Nominal progress was made on our Gran Zonte project in 2023 pending the outcome of a negotiation between our strategic partner and one of his partners.As of the end of 2023, the legal progress to subdivide and remove a section (outlined in red) of the property is ongoing. In the meantime, ECI continues to keep our engineering team in
El Salvador apprised of the status.

Area being removed from parcel, with the balance to be retitled.

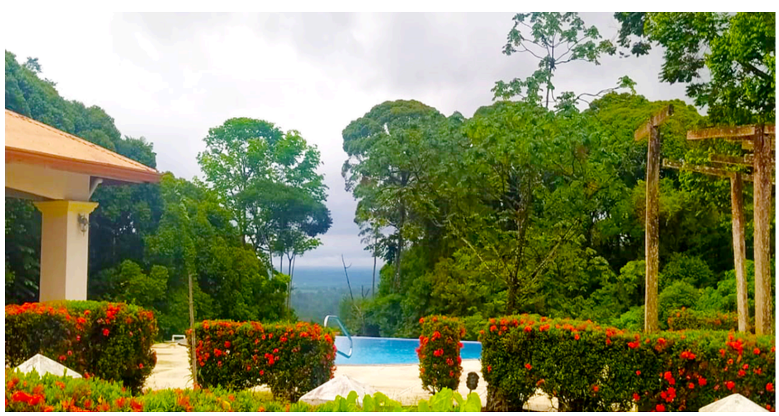
GRAN HIGHLANDS (PANAMA)

After the initial zoning approval, our engineering team met with the managers of the utility companies which are key players in the process (water, electricity, and internet), and explained the scope of the development and the need for more infrastructure coming to the property's main access. The major delay for the project stems from a challenge by the municipality to previous taxes paid before the property was purchased. However, a “Solvencia” was issued by the municipality before ECI transacted declaring all taxes paid. ECI has engaged a law firm to resolve the challenge on our behalf.



GRAND VIEW ESTATE (COSTA RICA)

In 2023, we signed an exclusive sales agreement with strategic partner Gill Phelan for the promotion of Grand View Estates.



COMMON AREA
Picturesque Views - The Clubhouse & Pool have been designed and located to provide amazing views of both the GVE property and the beautiful surrounding landscape.

ARENAS DEL MAR (NICARAGUA)

ECI has signed a sales agreement with Nicaragua businessman Carlos Pellas Jr. where he agrees to purchase oceanfront property for a boutique resort at Gran Pacifica. A beautiful surfing lodge is planned for the site, construction is slated to kick off in January 2025.

PROPOSED RENDERING OF ARENAS DEL MAR RESORT

MASAYA (NICARAGUA)

ECI continues to hold discussions with a US-based construction firm regarding the building of a third oceanfront condo building next to the existing building shown here. ECI would sell the land, extend the infrastructure, and be the sales agent, but not the builder.

INTENTIONAL SANCTUARY LIFESTYLE ALTERNATIVE (ISLA) – LOW EMF VILLAGE (NICARAGUA)

One of ECI's forward-looking projects is a low EMF-free (electrical, magnetic, RF/cellular) designation. Sales to people affected by EMF could be a doorway to a massive opportunity to develop and build a small village for sale to like-minded individuals.

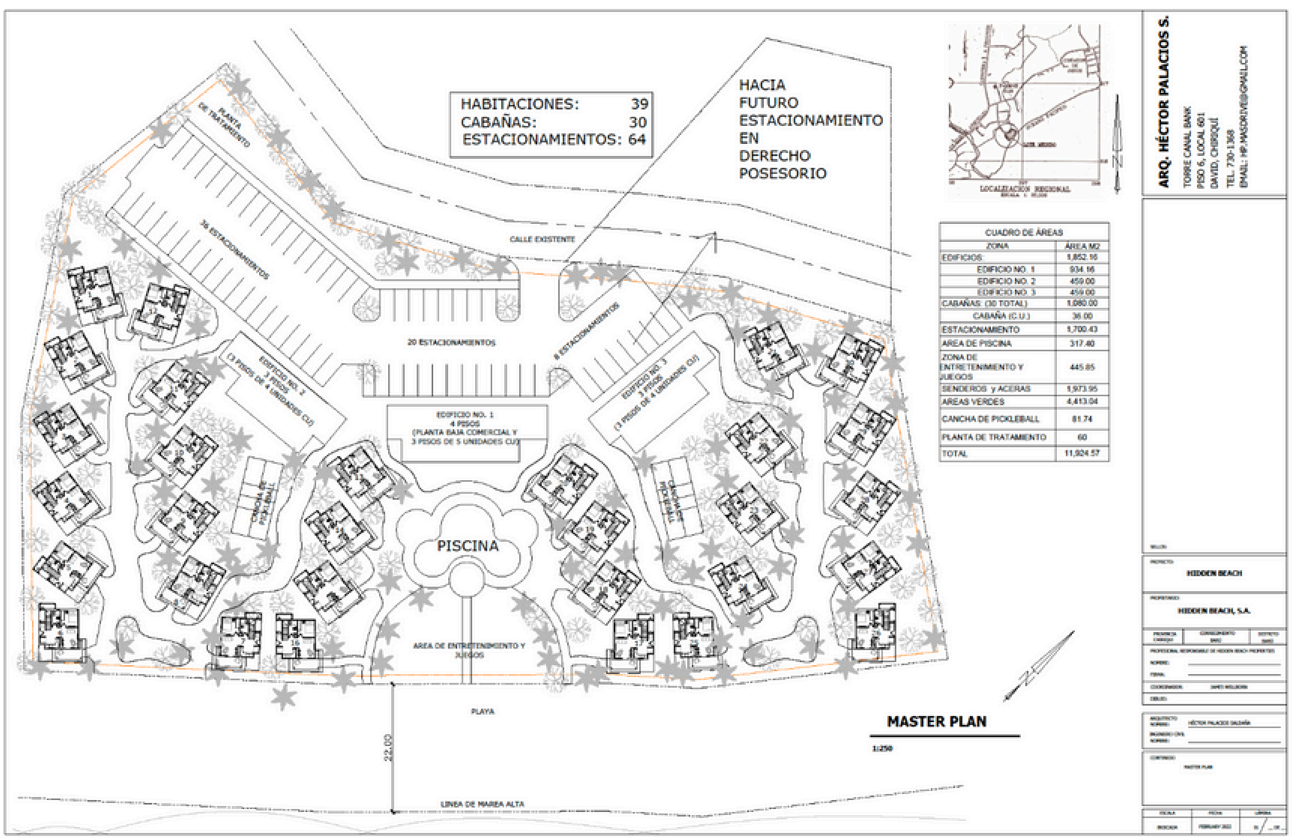
This planned neighborhood (sitemap below) has completed its initial EMF testing via Cathy Cooke, a certified building biologist. The neighborhood would be comprised of standard homes and tiny homes. ECI is also receiving advice on the requirements of this community from several building, architecture, and construction experts, which will be critical factors in meeting the needs of and attracting this clientele.

HIDDEN BEACH (PANAMA)

IIn 2020, ECI was approached by our JV partner, a partner in our Gran Caribbean property. There has been proposed a joint venture to develop a tract of property in Panama for the construction of 64 units.

This oceanfront property is just five minutes from the town of Puerto Armuellos, the port, and about 12 kilometers from the border with Costa Rica. The location is “privileged,” meaning foreign investors can own the property. The property is within a few meters of the main road with access to water and power from the local community, making it easy to develop.

Our partner’s design team and ECI have completed the initial sitemap and home mix. Our partner’s architect is working with the municipality on the permitting elements. Final drawings should be submitted in the second quarter of 2024 for permitting by the local municipality. Once approved, ECI will commence developing and selling this project.



PROPERTY MANAGEMENT (NICARAGUA)

The property management team in Gran Pacifica focused a great deal of time, money, and bandwidth on maintenance of the electrical network at the property and obtaining a newly required license to operate a potable water and waste treatment plant systems. Other priorities included landscaping of the EVA community, maintenance of amenities and the teak plantation.

1. Maintenance of the Electrical Network

During 2023, our property management team continued to assess the electrical network that started in late 2022 and to complete the following:

a. Analysis of each transformer – diagnosis, and status of each of them.
b. Maintenance to the primary network: replacement of insulators, fuses, lightning rods, copper cables, and compression connectors, among other items.
c. Revision of the electrical loads and corrections to maintain a correct balance.
d. Maintenance to single phase panes – 17 transformers.
e. Maintenance of the golf course irrigation pumps.

This maintenance was mostly corrective, but our goal is to establish and maintain a preventive maintenance schedule.

2. Application for the License of operation for the Potable and Treatment plant system:

Nicaragua's National Water Authority passed a new law and regulations now requiring any private entity that manages the distribution of potable water service and management of treatment systems to obtain a license. ECI's application was reviewed, and the company was notified that ECI must create a separate entity for managing the system. ECI expects to have that completed before mid-2024.

3. EVA Landscaping for Common Areas:

ECI has begun the landscaping and planting of trees and tropical plants in the EVA common areas. The plants, flowers, and species indigenous to the environment have enhanced the look and feel of this neighborhood.

4. Amenities Maintenance: Golf Course, horse stables, Volleyball, football, tennis courts and palapas.

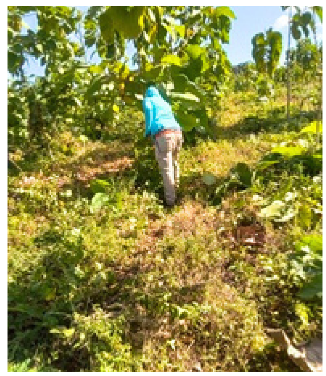
ECI implemented a Resort & Security Protocol Fee to fund maintenance and improvement of amenities to enhance user's experience at Gran Pacifica.

5. Gran Pacifica Teak Plantations:

A total of 70 hectares have been planted in the three plantations located at Gran Pacifica. Our team conducts different activities every month to help monitor the growth and development of the plantations in their different stages.

The regular maintenance activities include mowing the trails, removing weeds, trimming the branches to correct the posture of the trees, improving the access roads after rainy season, watering the new trees, planting windbreaks with other species and creating new roads as fire breaks to protect the trees from any wildfires and protection of the plantations through our forest ranger.








6. Property Titles

In 2023, a total of 110 titles were issued to their owners and 93 were registered with government authorities, thus giving owners full title to their properties. The titles were issued in these communities – Santa Barbara (1), Momotombo (5), San Diego Viejo (1), EVA (14), BELA (3), MILA (3) and Teak (83).

7. Corporate Social Responsibility

- Through a special partnership with Chair the Love, MINSA (The Ministry of Health of Nicaragua), and Gran Pacifica, ECI imported and provided the gift of mobility (wheelchairs) to 210 people from different cities of Nicaragua, such as Jinotepe, Masaya, Leon, Chinandega, and Managua.

- A proactive outreach to local police authorities helped some 70 ECI employees obtain their driver's licenses. The police came to the property to provide the required workshop and conducted the written and practice tests.

- During 2023 our team was able to rescue 7 nests for a total of 519 baby turtles. The survival rate for this year was approx. 60%. ECI had 272 Paslama and 247 Leatherbacks which is great considering that in previous years ECI only rescued 2 nests. With the support of our residents, and the members of the GP team, ECI expects to continue to grow the program so turtles continue to visit us and keep future generations thriving.

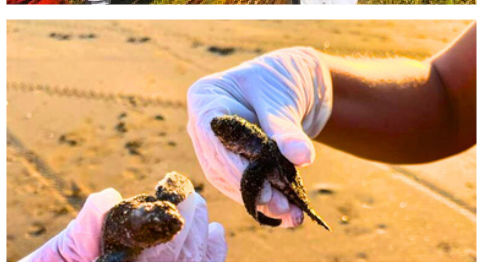
- First Aid training was held for employees with the White Cross of Nicaragua for responding to emergencies. Then during the year, the team put their learning to work when helping a guest and an employee in distress.

- ECI created an English language program for our maintenance, hospitality, and administrative employees. This included two Basic English courses covering 24 employees, and Advanced English with eight employees.

- Since 2021, ECI has relocated over 30 hives, totaling approximately 450,000 bees. This not only protects residents and employees but has helped to preserve nine productive hives, which over three years have produced over 30 gallons of local honey.







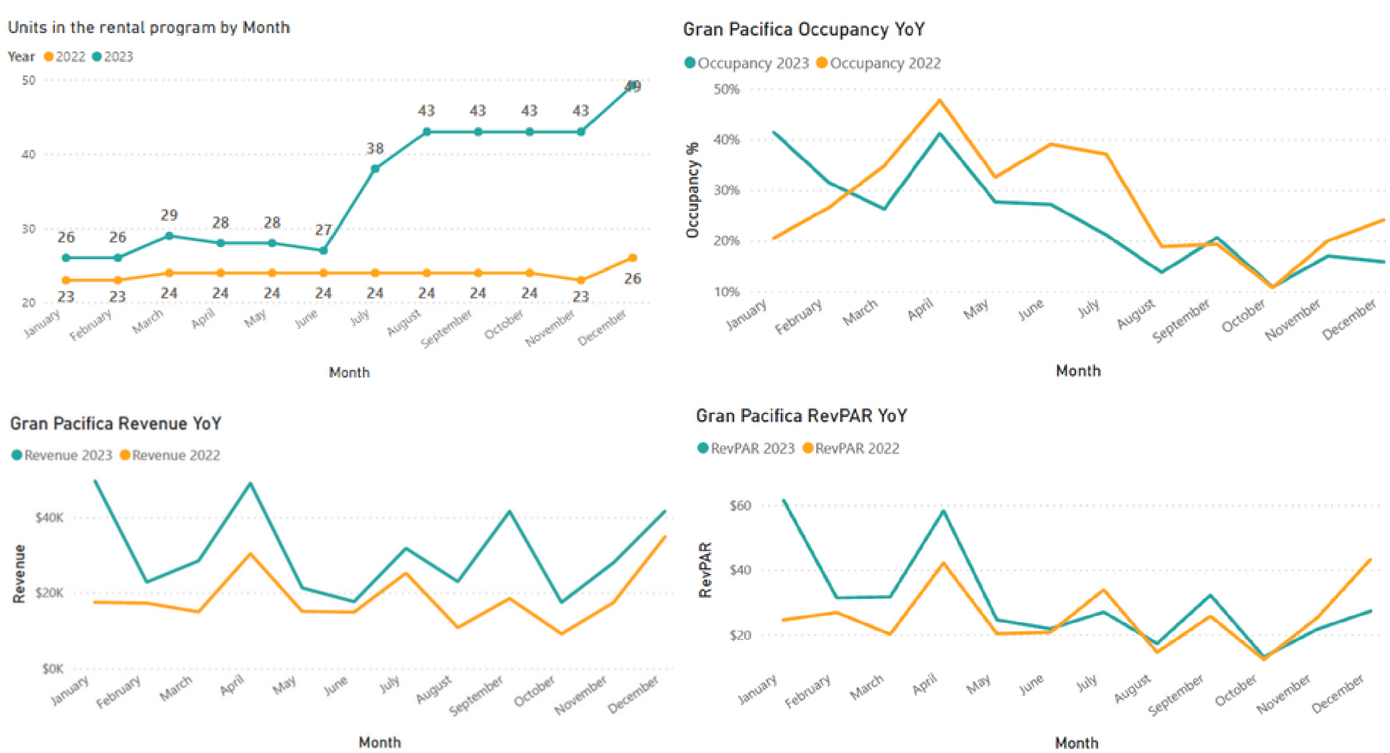

HOSPITALITY BUSINESS UNIT OVERVIEW

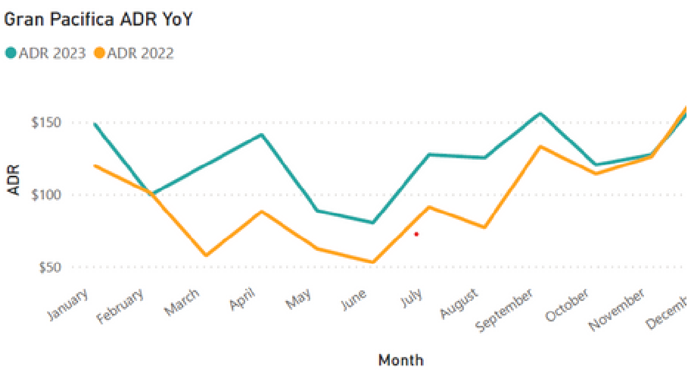
ECI's Hospitality business unit exists to serve guests on holiday and vacation, and as an important introduction to the ECI branded products. In 2023, ECI serviced over 6,300 room nights in Belize and Nicaragua. This regular, recurring revenue stream benefited the company as a balance against other losses.

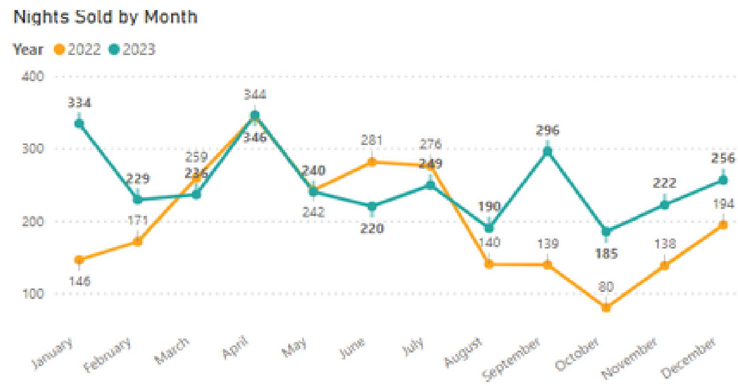
It is important to note that the occupancy rate is a formula consisting of occupied rooms divided by the number of rooms. With the increasing number of rooms adding to inventory, gross rental nights must also increase to maintain the same occupancy percentage. Both occupancy percent and hard room nights occupied 2022 vs 2023 are provided.

Metrics and key performance indicators such as Average Daily Rate (ADR), the average price a guest pays per occupied room – Revenue per Available Room (RevPAR), the total revenue generated by all rooms whether sold or unsold – and Hotel Occupancy Rate (OCC) are used in the charts below.

Gran Pacifica: Units booked by month





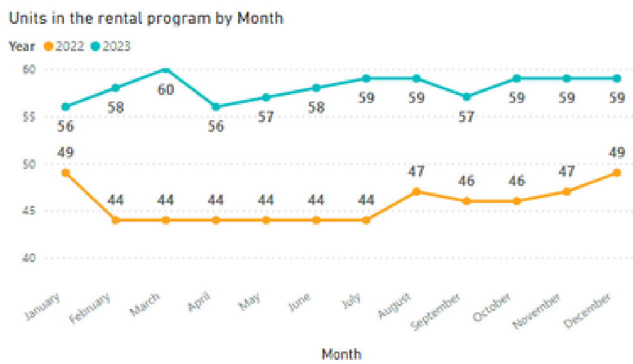


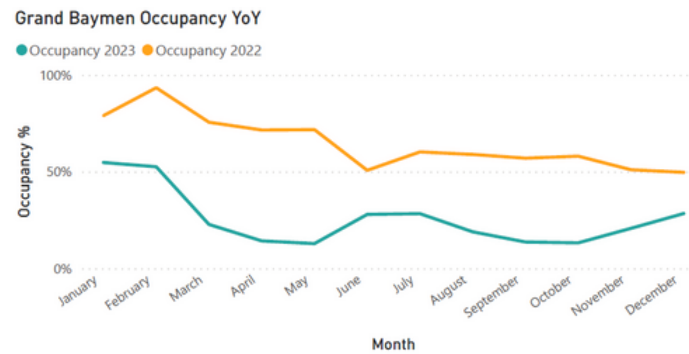
Gran Pacifica: Originating source of confirmed bookings

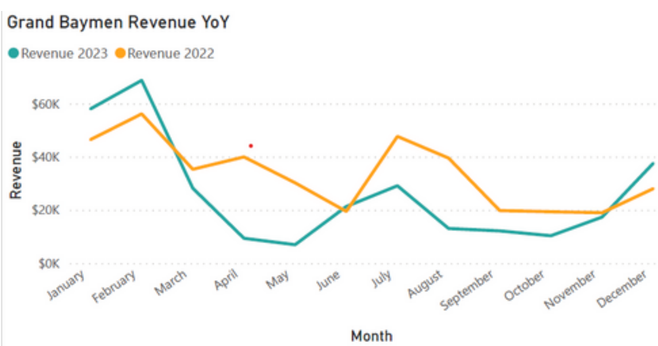
Source	Nights Sold	Revenue
Phone	1596	$218,585.91
Website/Booking Engine	315	$47,413.21
Email	596	$43,246.24
WhatsApp	238	$29,956.86
Corporate Negotiated	64	$8,964.89
Social Events (Weddings, Birthdays, etc...)	53	$7,336.71
Booking.com (Hotel Collect Booking)	47	$7,099.30
Expedia (Hotel Collect Booking)	29	$6,215.49
Sales Team	15	$2,790.50
Walk-In	17	$2,650.55
Airbnb (API)	10	$1,573.58
Complimentary ECI	12	$900.00
Expedia (Channel Collect Booking)	2	$222.40
Complimentary Owner	9	$0.00
Total	**3003**	**$376,955.64**

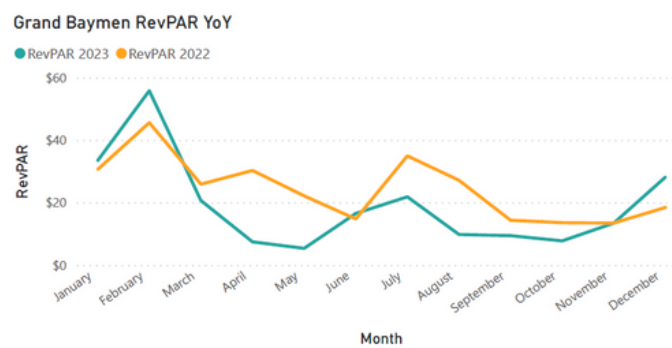
Grand Baymen / Best Western: As of Q1, 2023, inventory increased with the delivery of Fleet Building (with ten additional Residences in the rental program).

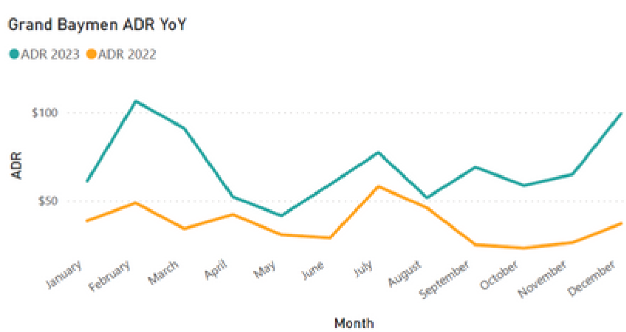
Grand Baymen: Units booked by month.

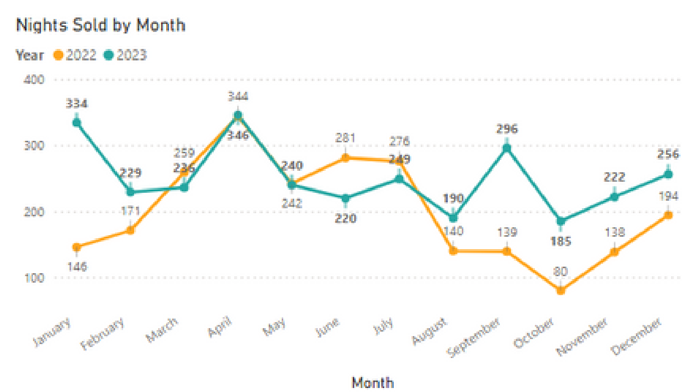










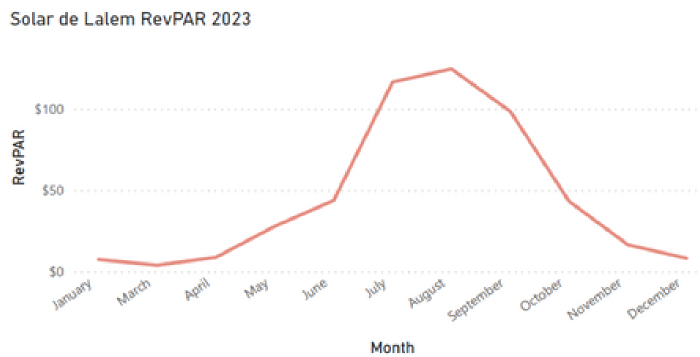


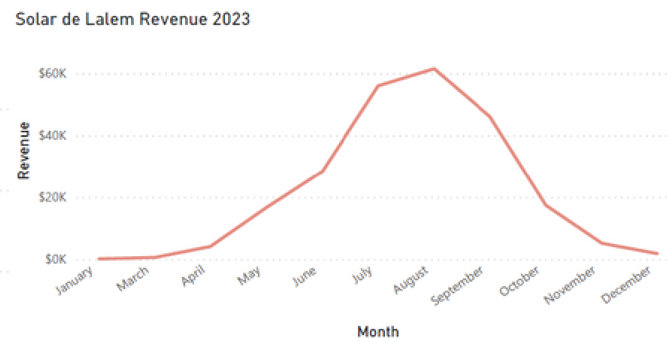
Grand Baymen: Originating source of confirmed bookings.

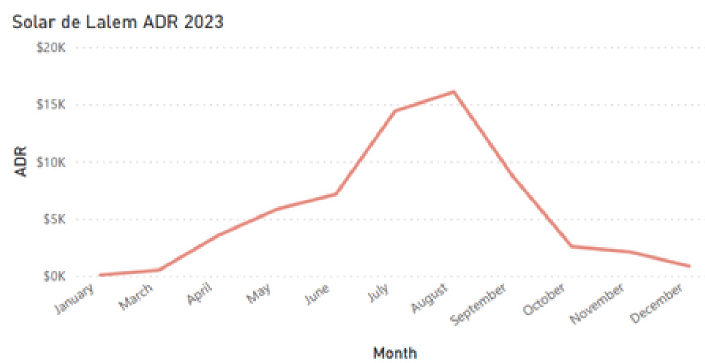
Source	Nights Sold	Revenue
BEST WESTERN CRS	772	$110,350.37
other	1008	$74,055.29
Phone Booking	642	$60,336.95
Airbnb	245	$25,427.24
IMS Barter	97	$17,383
Walk In	71	$8,969.7
Booking.com	40	$6,483.64
VRBO	38	$5,460.87
Expedia	33	$3,247.05
ECI Sales Office	228	$1,296.9
Owner Referral	149	$1,268.92
TripAdvisor	7	$685.87
Website	2	$346.5
Total	**3332**	**$315,312.3**

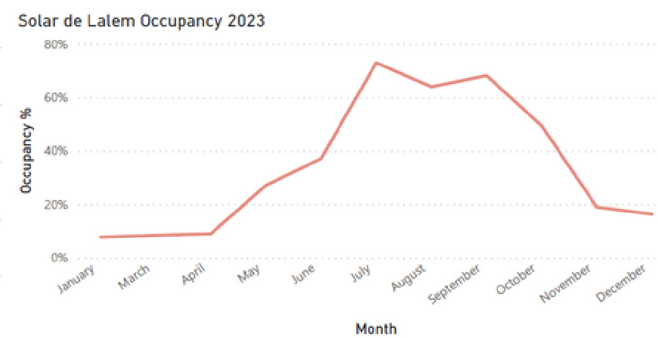
"Other" represents a combination of emails, social media, and WhatsApp.

Solar de Lalem: Monetary figures are in Euros, and due to the acquisition at the end of 2022, a YOY comparison is unavailable.









LOOKING FOWARD . . .

ECI is poised for recovery and growth. With a robust pipeline of projects and strategic initiatives, along with sustained support through our credit facilities, we are focused on strengthening our market presence and enhancing shareholder value.

We appreciate your continued trust and engagement, especially as we integrate your feedback from last year into our reporting. Transparency remains a cornerstone of our corporate ethos, ensuring you are well-informed and confident in the direction ECI is headed.

Thank you for your ongoing support and belief in our vision.

Michael K. Cobb.

CEO