



SHAREHOLDER LETTER – 19 OCTOBER 2023

To be read in conjunction with PR CNXA Reports Results of Quarterly Filing and Business Update dated 19 October.

Dear Shareholder

The past 15 months:

This period has proved extremely challenging for all associated with Connexa – stakeholders and management alike. Ultimately, our inability to raise sufficient capital as part of our Nasdaq uplist, given market conditions at the time, or in the immediate months following the uplist, left the company without the capital required to execute on its **Watch, Play & Learn** vision. The acquisition of three loss making companies (Playsight, Foundation and Gameface), all in advance of the uplist, caused a significant cash strain on the Company.

Our Board acted quickly to divest both Playsight and Foundation back to their original founders, making a conscious decision to retain Gameface, in the knowledge of the significant opportunity that Gameface continues to represent.

Where we are today?

We have regained our Nasdaq compliance in respect of our filings and the bid price rule following both the filing of our July 10Q and the recent reverse stock split. In July the Company welcomed two new independent directors to our board Rodney Rapson and Steve Crummey, joining Kirk Taylor, Joe Kalfa and myself. Rodney brings a wealth of experience across sport and specifically in SaaS businesses and is currently CEO at Inspiretek, a company with an innovative wellness management system for young athletes. Steve brings a lifetime of experience at senior management levels of multiple industries and has held senior board positions over many years.

All of this has allowed Connexa to begin to refocus our internal energy on rebuilding the company, delivering positive results and in doing so, recover



shareholder value the best way we can – through aggressively growing the business.

Business Update

The strength of our Slinger Bag brand and the continued loyalty we endure throughout the global tennis community, has remained unaffected throughout.

Slinger Bag, with its market-disruptive, highly-transportable, versatile and \$500, entry price affordability recently passed the cumulative sale of **70,000** tennis launchers over the past 36 month period - a single product that has generated over \$40million in cumulative revenues! Our direct to consumer sales in the USA and Canada remain consistent at around 1,200 units per month, providing a strong base to support our planned growth.

Financial update

For the first fiscal quarter, ended July 31, 2023, the Company reported revenue of \$3.1 million compared to \$3.6 million reported for the same period to July 31, 2022 and an operating loss of \$1.9 million, down approximately 40 percent from the corresponding operating loss of \$3.1 million reported in the same period last year.

Our core business continues to see strong consumer demand and now, having divested several untimely and costly acquisitions, we are preparing for a period of accelerated growth with new products in sports markets in which we enjoy high brand recognition and a growing base of loyal customers. Our expectation is to be in a position to drive an estimated 10% revenue growth for fiscal 2024 and to deliver operating profitability within the fourth quarter.

Participation Growth Across all Racquetsports verticals

Globally there are 87 million tennis players, which represent a 4.5% growth over 2019 and the ITF leadership has goals to reach 120 million by 2030¹. Additionally, the USTA indicates 23.6 million current tennis participants in the US, which is a 5.9 million increase since 2020². The tennis market is poised to grow at a CAGR of 2.9%

¹ International Tennis Federation Global Report (2021)

² <https://www.usta.com/en/home/stay-current/national/u-s--tennis-participation-grew-for-third-straight-year-in-2022.html>



over the next six years³ and Slinger Bag is looking to be at the forefront of taking commercial advantage of significant growth in players by making access to Tennis readily available to all.

Pickleball continues to be the fastest growing sport in the USA with over 5 million regular players. Padel Tennis also enjoys a similar level of participants but is centered in Europe and South America, although there are now around 100 Padel courts operational across the USA.

The Company has executed a global distribution agreement for Padel Tennis with Desarrollo y Promocion de Padel S.L., a division of Manza Sport based in Valencia, Spain – a company that has over 20 years of experience in the global Padel market as a leading supplier of Padel courts. From 2024 we are expecting that this agreement will ultimately deliver 10,000 units annually.

Baseball Launcher Update

We have tested the latest prototype iteration of our Baseball / Softball Launcher with high school level players – all to great success and we are currently in the process of filing a series of patents to cover its innovative design. Our plan is to finalize this product, bringing it to the US market in the first half of 2024. We believe that this product will provide Connexa with significant future revenues.

Launch of the Slinger Tennis App

Gameface is pioneering the development of single camera based, artificial intelligence driven, analytics for Sport. Gameface's current focus is on delivering a Tennis analytics app, under the Slinger brand, and is gearing up to launch this app to around 10,000 beta testers in the next few weeks, before launching it to around 600,000 tennis players, all currently in our collective database. The app will be available to both iOS and android users simultaneously. In the months following we will move to roll-out similar apps for Pickleball and Padel and eventually for Baseball and Cricket.

³ <https://biz.crastr.net/fmi-tennis-equipment-market-growing-at-a-cagr-of-2-9-in-the-forecast-period-2029/>

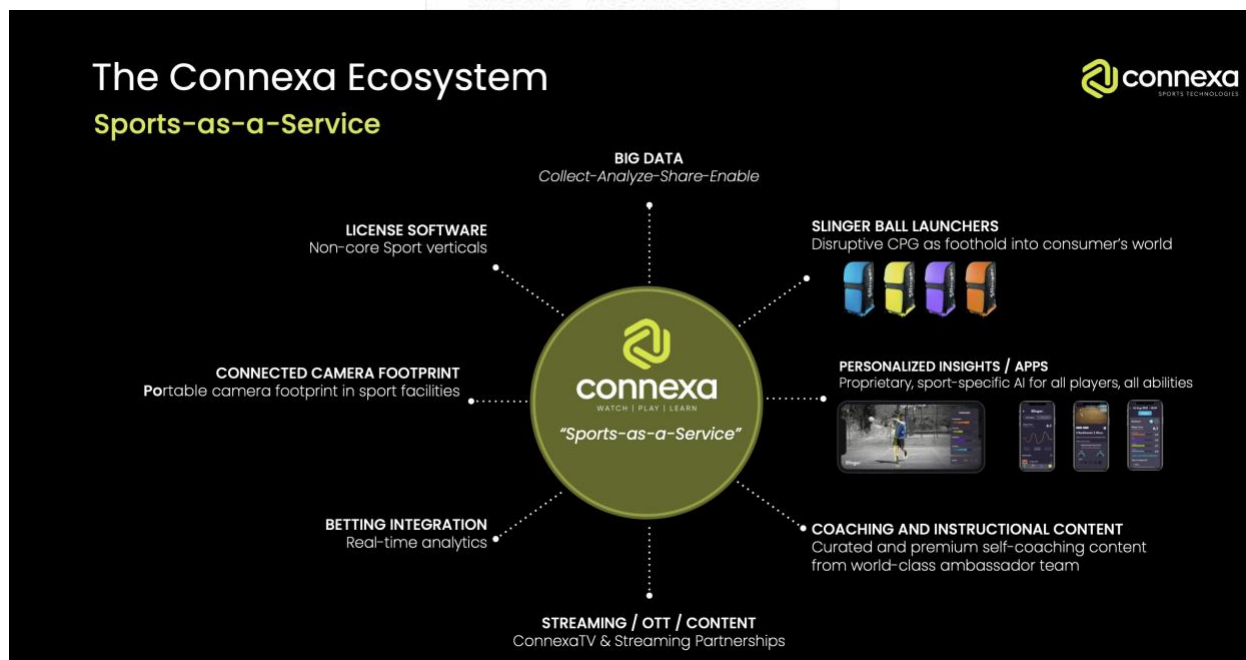


Gameface will generate long-term recurring revenues (Service-as-a-Sport) and as a result, rapidly gaining growth, momentum and profitability. Gameface will remain dedicated to the core sport verticals we want to play in – namely Racquetsports, Baseball, Cricket and potentially Golf. In all other major categories (soccer, basketball, lacrosse, volleyball etc.) we will identify a suitable licensing partner to manage these businesses - all supported by the core Gameface team of AI engineers.

Connexa Vision

Our vision is to offer **Sport-as-a-Service**, through our **Watch, Play & Learn** strategy, with our initial focus delivering the Play & Learn elements, facilitating self-coaching – something which will continue to rise in popularity over the next 18 months.

AI driven analysis will be a core future requirement for players of all sports. The Connexa concept is simple. Gameface facilitates the uploading of practice or matchplay sessions. AI then delivers insightful analytics around key performance factors such as contact point, weight transfer and shoulder rotation. The resulting analysis is automatically linked to relevant self-coaching tips and practices (provided by our ambassadors) that can be used either with or without a Slinger Bag. The app maintains all video, which can be shared or saved as required. To push player engagement the Slinger app will become the default portal for Slinger Bag purchasers to access their user manual and will provide a selection of basic practice drill videos - meaning every Slinger Bag user will download the app.



Connexa Brand Marketing

With the go-to-market strategy for Slinger Bag focused on its core North American tennis and pickleball markets as a direct-to-consumer business e-commerce brand, all in-house marketing activity and advertising media is centered around a consumer push to the Slinger Bag e-commerce platform at <https://www.slingerbag.com/> and then working to convert brand or product interest to purchases.

Based on the target tennis and pickleball demographic, our marketing focus centers around three core marketing pillars: digital advertising; influencers and brand ambassadors. Our marketing efforts also focus on core targeted social media platforms such as Facebook, Google, Instagram and YouTube.

We are continue to experiencing incredible results from our social media advertising – based on ROAS (return on advertising spend). Using August as an example advertising spend was \$42k and our **ROAS was 19.13!**



Strategic Brand Partnerships

Slinger Bag believes that building strong strategic partnerships across the sport of tennis underpins the credibility and awareness of the Slinger Bag brand. As such, we currently enjoy a number of strategic partnerships across tennis. We believe these partnerships provide us significant levels of brand exposure and credibility driving mutually beneficial marketing campaigns aimed at reaching avid tennis players globally.



I appreciate that there is much information to absorb in this update. There is no doubt that Connexa has experienced a very turbulent couple of years. However, we are determined to deliver positive results and through that execution rebuild our market cap.

We will issue more regular shareholder updates going forward.

The management team and the Connexa Board are very grateful for your continued support.

Kind regards

A handwritten signature in black ink, appearing to read 'Mike Ballardie'.

Mike Ballardie
CEO



About Connexa Sports Technologies:

Connexa Sports a leading connected sports company delivering products, technologies, and Sport-as-a-Service across a range of sport verticals. Connexa’s mission is to reinvent sports through technological innovation driven by an unwavering focus on today’s sports consumer.

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Forward-Looking Statements

Forward-looking statements are subject to known and unknown risks and uncertainties and are based on potentially inaccurate assumptions that could cause actual results to differ materially from those expected or implied by the forward-looking statements.

Actual results could differ materially from those anticipated in forward-looking statements for many reasons, including the factors described in “Item 1A. Risk Factors” in our 10-K filing as of September 14, 2023 and our ability to continue as a going concern. Accordingly, you should not rely on these forward-looking statements, which speak only as of the date of this press release. You should, however, review the factors and risks we describe in the reports we will file from time to time with the SEC after the date of this press release.

In addition, statements such as “we believe” and similar statements reflect our beliefs and opinions on the relevant subject. These statements are based on information available to us as of the date of this press release. And while we believe that information provides a reasonable basis for these statements, that information may be limited or incomplete. Our statements should not be read to indicate that we have conducted an exhaustive inquiry into, or review of, all relevant information. These statements are inherently uncertain, and you are cautioned not to rely unduly on these statements.

Although we believe the expectations reflected in the forward-looking statements were reasonable at the time made, we cannot guarantee future results, level of activity, performance or achievements. Moreover, neither we nor any other person assumes responsibility for the accuracy or completeness of any of these forward-looking statements. You should carefully consider the cautionary statements contained or referred to in this section in connection with the forward-looking statements contained in this press release and any subsequent written or oral forward-looking statements that may be issued by us or persons acting on our behalf.

1 International Tennis Federation Global Report (2021)² <https://www.usta.com/en/home/stay-current/national/u-s--tennis-participation-grew-for-third-straight-year-in-2022.html>³ <https://biz.crastr.net/fmi-tennis-equipment-market-growing-at-a-cagr-of-2-9-in-the-forecast-period-2029/>