



## SHAREHOLDER LETTER – 28 NOVEMBER 2023

To be read in conjunction with PR *CNXA Reports Results of Quarterly Filing and Business Update* dated 28 November.

Dear Shareholder

### **Below is the CNXA Q2 business update**

#### **Share Price**

Thank you for your continued support through the challenging times we are experiencing with the CNXA stock price. As you are aware our share price has lost 90% plus of its value from the September reverse split value. We continue to be subject to significant short interest and selling pressure, despite all our efforts to both work with holders of exercisable warrants and to put out significant positive company news. We have engaged with one traditional and two social media focused IR companies to broaden awareness of the positive results that we are delivering within the business and to highlight the innovative AI we are introducing to the sports market. The Board and Management continued to be focused, within our capabilities, to reverse the current share price trend.

#### **Business Update**

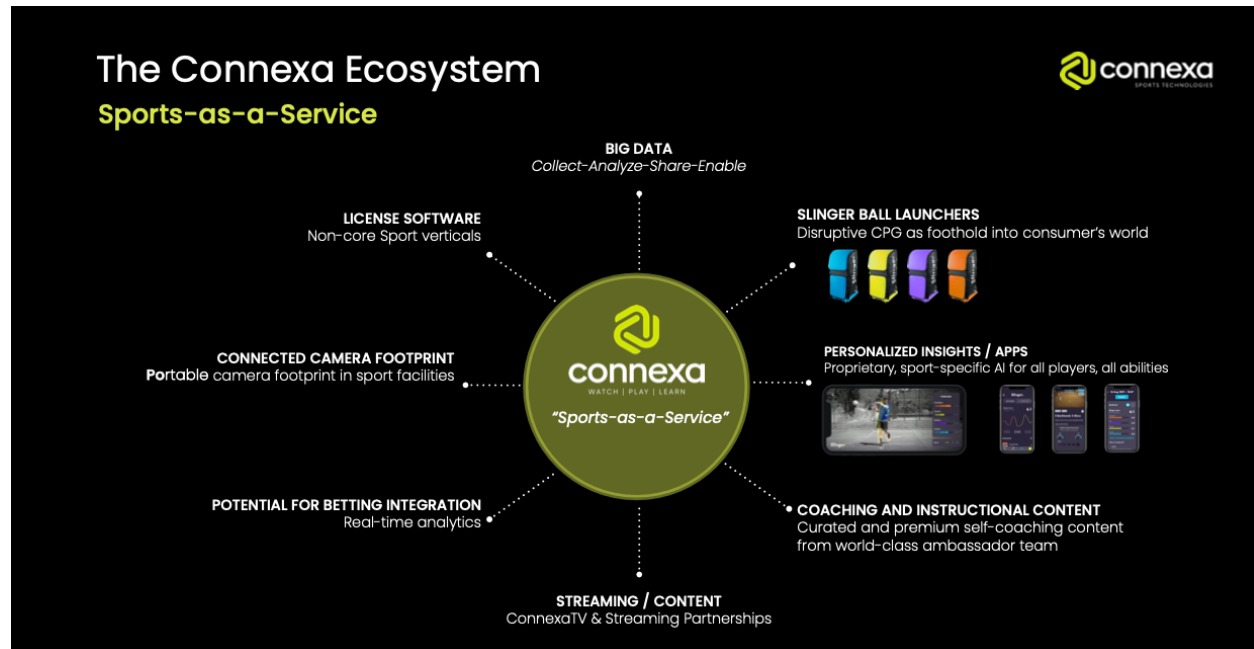
Our Slinger Bag business continues to create significant consumer demand across Tennis, Pickleball and Padel. Over the past month we have oversold against our available inventory and continue to build up a back order position pending the arrival of new inventory at the end of November. This impacted our Q2 revenue which otherwise would have been 10% ahead of prior year. As at the end of our half-year we expect to see revenue maintain a 10% growth for the balance of the year.

Our vision as a company is to provide Sport-as-a-Service products and services to players across the racquetsports and ultimately in the Baseball and Cricket verticals.



## 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.



## Slinger Bag App

Over the past few weeks we have launched the Slinger App. Powered by the AI of Gameface, the Slinger App will set new standards of analysis for players of all abilities, whether Slinger Bag users or not. Post beta test we plan to give *Freemium* access to the 500,000 active tennis players on our internal database. Over the course of the next 6 months we will continue to evolve the features available within the app and expect to be in a position to start charging for *premium* services in the second half of 2024. We expect this to provide long term recurring revenues for each sport vertical. The app will be available simultaneously to both iOS and android users.

To join our Beta testing team please complete the Beta test application form at [www.Slingerbag.com/betatest](http://www.Slingerbag.com/betatest)



## Financial Update

For the second fiscal quarter, ended October 31, 2023, the Company reported revenue of \$2.3 million compared to \$2.4 million reported for the same period to July 31, 2022 and an operating loss of \$1.2 million, down approximately 59 percent from the corresponding operating loss of \$4.5 million reported in the period last year. Taking into account orders received but not shipped due to inventory shortages in the period to 31 October, 2023, revenues would have increased approximately 10% over prior year.

For the six month, half-year period, ended October 31, 2023, the Company reported revenue of \$5.4 million compared to \$6.0 million reported for the same period to October 31, 2022 and an operating loss of \$3.1 million, down approximately 72 percent from the corresponding operating loss of \$7.6 million reported in the same period last year.

CONNEXA SPORTS TECHNOLOGIES, INC				
CONSOLIDATED STATEMENTS OF OPERATIONS (IN US\$) (UNAUDITED)				
SIX AND THREE MONTHS ENDED OCTOBER 31, 2023 AND 2022				
	SIX MONTHS ENDED		THREE MONTHS ENDED	
	OCTOBER 31, 2023	OCTOBER 31, 2022	OCTOBER 31, 2023	OCTOBER 31, 2022
<b>NET SALES</b>	\$ 5,416,149	\$ 6,027,157	\$ 2,295,918	\$ 2,443,821
<b>COST OF SALES</b>	3,876,437	4,718,824	1,648,955	2,156,780
<b>GROSS PROFIT</b>	1,539,712	1,308,333	646,963	287,041
<b>OPERATING EXPENSES</b>				
Selling and marketing expenses	547,390	1,103,952	305,037	347,129
General and administrative expenses	4,121,385	7,751,470	1,616,325	4,436,860
Research and development costs	-	34,405	-	14,980
Total Operating Expenses	4,668,775	8,889,827	1,921,362	4,798,969
<b>OPERATING LOSS</b>	(3,129,063)	(7,581,494)	(1,274,399)	(4,511,928)
<b>NON-OPERATING INCOME (EXPENSE)</b>				
Amortization of debt discounts	(790,262)	(2,872,222)	(13,070)	-
Loss on conversion of accounts payable to common stock	(289,980)	-	-	-
Change in fair value of derivative liability	16,944,807	6,787,597	14,800,253	3,100,102
Derivative expense	(11,398,589)	(7,280,405)	(11,398,589)	(7,280,405)
Interest expense	(421,559)	(597,580)	(352,076)	(406,277)
Interest expense - related party	-	(82,414)	-	(21,293)
Total Non-Operating Income (Expenses)	4,044,417	(4,045,024)	3,036,518	(4,607,873)
<b>NET INCOME (LOSS) FROM CONTINUING OPERATIONS BEFORE PROVISION FOR INCOME TAXES</b>	915,354	(11,626,518)	1,762,119	(9,119,801)



### **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 2024. We believe that this product will provide Connexa with significant future revenues.

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", with a long horizontal stroke extending to the right.

**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.

### **Contact Information:**

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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.