



SHAREHOLDER LETTER – 7 MARCH 2024

To be read in conjunction with PR *CNXA Reports Results of Quarterly Filing and Business Update* dated 7 March 2024.

Dear Shareholder

Below is the CNXA Q3 Update

New China Based Investors

In late January we were able to bring new capital into Connexa from a group of three Chinese investors who invested a combined \$16.5 million in exchange for 82.5 million shares and pre-funded warrants. These investors have a long-term interest in Connexa and we are now engaged in positive discussions about how to continue to grow our business with their support, and in doing so, provide enhanced value to all shareholders.

Business Update

Our Slinger Bag business continues to create significant consumer demand across all core verticals - Tennis, Pickleball and Padel. Over the past quarter period we grew revenues by 29% year-on-year as we brought in sufficient inventory to clear the order backlog from the end of October. However, over the past 3 months the demand for our products continued to exceed our available inventory and our back order position continued to grow. As at January 31, 2024 we had an unfilled order demand of c\$1.15 million from our mix of US consumers and international distributors. Resolving our supply chain challenge together with our Asia vendor partners is a core priority as it continues to negatively impact both our revenue and profitability, which otherwise would have been significantly better than the prior year.

Connexa Vision

Our vision is to offer **Sport-as-a-Service**, through our **Watch, Play & Learn** strategy a very simple consumer facing message.



Watch

Exclusive in-app educational content that is tailored specifically to the needs of our users. Content around bag usage & drills, or ambassadors giving tips on how to improve is what users crave.

Play

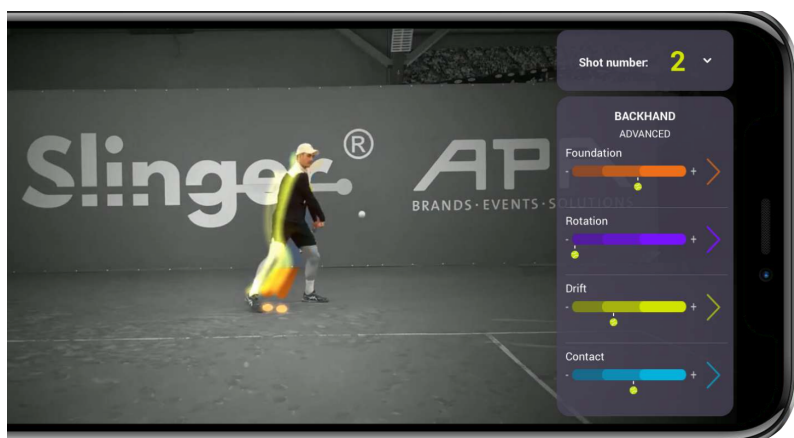
Sales of the Slinger Bag continue to grow and the Slinger community is highly engaged. Price points fit the sport and target market well. Slinger Bag continues to be the most versatile and flexible ball launcher on the market allowing users to 'play anytime, anywhere'.

Learn

As one of the few AI sport apps in the market, the Slinger App gives both technical and tactical AI analysis to users in a simple and practical way. By allowing consumers the ability to use their own devices, we create a low barrier to entry. This coupled with the fact that we operate on both iOS and Android sets us apart from the competition.

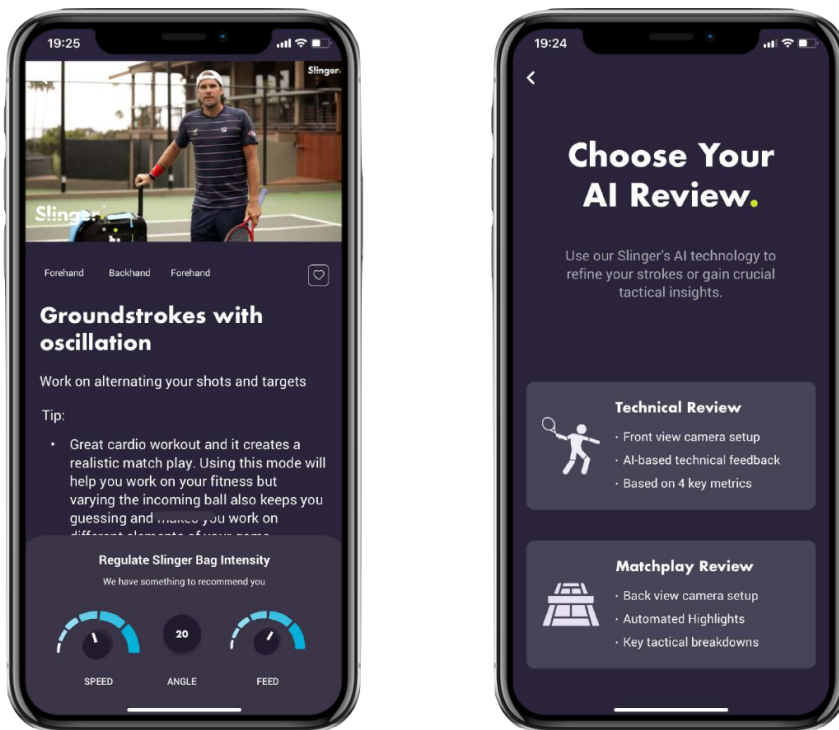
Slinger Bag App

Over the past weeks we have launched the Slinger App to around 1,500 beta testers globally. Powered by the AI of our Gameface company, the Slinger App delivers core analysis for players of all abilities, whether a Slinger Bag users or not. Feedback from our beta testers to our AI team in Australia has been very constructive and positive and has provided them with clear direction for final tweaks and upgrades before the formal launch to the wider market.





Over the coming few weeks we will launch the Slinger App, with *Freemium* access to the 500,000 active tennis players on our internal database. Over the course of the next 4 to 6 months we will continue to evolve the in-app features and expect to be in a position to start charging for *premium* services by the fall of 2024. The Slinger App will generate new recurring revenue streams for Connexa as both iOS and android users across Tennis sign up for \$10 per month or \$100 annually.



Baseball & Cricket 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.



Q3 and YTD Financial Update

For the third fiscal quarter ended January 31, 2024, the Company reported revenue of \$2.1 million compared to \$1.6 million in the year-ago period – an increase of 29 percent - as it caught up on unshipped orders reported at the end of the second quarter. Increased marketing and general and administrative expenses increased losses for the quarter to \$2.2 million compared to \$1.1 million in the same period last year.

For the nine month period ended January 31, 2024, the Company reported revenue of \$7.5 million compared to \$7.6 million in the same period a year-ago, with gross margin increasing to 37.8% compared to 31.2% year-over-year. Operating losses significantly improved to \$5.3 million, down approximately 38 percent from the \$8.6 million operating loss reported in the same period last year.

CONNEXA SPORTS TECHNOLOGIES, INC				
CONSOLIDATED STATEMENTS OF OPERATIONS (IN US\$) (UNAUDITED)				
NINE AND THREE MONTHS ENDED JANUARY 31, 2024 AND 2023				
	NINE MONTHS ENDED		THREE MONTHS ENDED	
	JANUARY 31, 2024	JANUARY 31, 2023	JANUARY 31, 2024	JANUARY 31, 2023
NET SALES	\$ 7,485,708	\$ 7,632,940	\$ 2,069,559	\$ 1,605,783
COST OF SALES	4,653,281	5,254,781	776,844	535,957
GROSS PROFIT	2,832,427	2,378,159	1,292,715	1,069,826
OPERATING EXPENSES				
Selling and marketing expenses	1,282,965	1,374,674	735,575	270,722
General and administrative expenses	6,871,647	9,560,432	2,750,262	1,836,083
Research and development costs	-	65,164	-	3,638
Total Operating Expenses	8,154,612	11,000,270	3,485,837	2,110,443
OPERATING LOSS	(5,322,185)	(8,622,111)	(2,193,122)	(1,040,617)
NON-OPERATING INCOME (EXPENSE)				
Total Non-Operating Income (Expenses)	2,464,911	(9,671,802)	(1,579,506)	(5,790,155)
NET LOSS FROM OPERATIONS BEFORE PROVISION FOR INCOME OPERATIONS AND PROVISION FOR INCOME TAXES	(2,857,274)	(18,293,913)	(3,772,628)	(6,830,772)

In the meantime, on behalf of the management team and the Connexa Board are very grateful for your continued support.

Kind regards

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.