

GoConnect Limited  
 ACN 089 240 353  
 1st Floor, 237 East Boundary  
 Road, Bentleigh East VIC 3165  
 Australia  
 Tel: 61 3 8833 7242

31 October 2022

## **Quarterly activities report and Quarterly cash flow report for the period ended 30 September 2022**

The Directors of GoConnect Limited (NSX: GO8 (“GO8”)) provide the following report for the quarter ended 30 September 2022.

	<b>September 22 quarter</b>	<b>June 22 quarter</b>	<b>change</b>	<b>%</b>
Income from sale of investment	95,000	-	95,000	N/A
Payment for Staff costs	-30,000	-30,000	0	0%
Payment for operating expenses	-47,723	-26,205	-21,518	-82%
Repayment of borrowings	-7,500	6,000	-13,500	-225%
<b>Net cash flows</b>	<b>9,777</b>	<b>-50,205</b>	<b>59,982</b>	<b>119%</b>

	<b>September 22 quarter</b>	<b>June 22 quarter</b>	<b>March 22 quarter</b>
Income from sale of investment	95,000	-	53,000
Payment for Staff costs	-30,000	-30,000	-16,000
Payment for operating expenses	-47,723	-26,205	-9,760
Repayment of borrowings	-7,500	6,000	-5,500
<b>Net cash flows</b>	<b>9,777</b>	<b>-50,205</b>	<b>21,740</b>

GO8 continued to derive income from sale of investment. Go Green Holdings Ltd (“GGH”) co-founded by GO8 is expected to generate its own revenue and profits during the next 12 months and will then be in a position to distribute dividends to its shareholders including GO8. GO8 generated \$95,000 from GGH share sale revenue in the September quarter 2022, ending the quarter with positive cash flows.

GO8 continues to be supported, when required, by Sino Investment Services Pty Ltd with unused credit facility at the end of the September quarter. The unused credit facility together with the company’s ability to generate income from investment will be more than sufficient to cover GO8’s future expenses.

## **Quarterly Business Activities Report**

### **GO8 Group investment and business portfolio**

Together with its 43.7% owned associate GGH, which GO8 co-founded in late 2015 (“the Group”), the Group actively manages and operates a number of businesses and investments. These include: plant based meat sales and marketing (wholly owned by GGH), antiviral and anti-inflammatory drug development for treatment of Covid-19 via Covirix Medical Pty Ltd (“Covirix Medical”) (about 25% owned by GGH), GGH’s celebrity product endorsement and

representation, crypto investment via GGH's holding in Zucoins (40,000 Zucoins owned directly by GGH, and 80,000 Zucoins owned by Covirix Medical), and development of Augmented Reality Hologram Chat technology (80% owned by GGH), a unique communication platform being developed for the Metaverse. Each of these businesses and investments has significant growth prospects and can be expected to generate substantial long term enterprise value for the Group. Covirix Medical is planning to seek a separate stock exchange listing.

As 2022 is fast drawing to a close and we look ahead to 2023, we are concerned that decades of globalisation, when the world worked mainly in harmony, has been replaced by increasing polarisation instead. Even more worrisome is that the world's two major superpowers, the US and China, have entered into what is effectively a cold war. This is occurring at a time of rising inflation with the threat of recession looming, while the Covid pandemic is far from over despite the rhetoric from a number of Western politicians that the Covid pandemic is over.

In this uncertain environment, over the next 12 months, the Group must manage its investment portfolio by prioritising its resources and management focus on businesses that will be least affected by the challenging environment but will continue to improve in value in such an environment. Accordingly, focusing on recession proof healthcare businesses is our top priority while we allocate less resources into investments related to consumer goods and services.

In line with our strategy to increase our emphasis on healthcare, GGH has acquired an investment related to providing products and services for the management of diabetes and development of a diagnostic tool for identifying a sub-type of diabetes. GGH has secured a 25% equity interest in Global Diabetes Solutions Pty Ltd. GGH and GO8 chairman has also been appointed to chair the expanded board of Global Diabetes Solutions Pty Ltd. A number of products are planned to be launched in the next 18 months by Global Diabetes Solutions Pty Ltd.

Diabetes is in reality a silent pandemic. Type 1 and 2 Diabetes affect 1 in 10 adults in the world with a further 1 in 3 adults living with pre-diabetes. An estimated 12% or US\$673 billion of annual global health expenditure is spent on diabetes. The disease is continuing to steadily increase throughout the global population.

### **The state of Covid pandemic continues to underpin the critical importance of Covirix Medical**

Since the beginning of 2022, reported cases of infections and deaths from Covid-19 have fallen significantly, but we believe the much reduced reported case numbers were due largely to the lack of testing and unreliable test results from some Rapid Antigen Tests ("RATs"). As some of the popular RAT brands in the market were not able to detect Omicron, giving rise to many false negative results. In many countries including Australia, access to more reliable PCR tests are also being restricted. It is disappointing that economic and healthcare policy makers are continuing to rely on unreliable statistics to develop and implement their Covid response policies. These misguided policies in turn support the continuing relaxation of the previously strict social distancing measures including those related to international travels.

International and domestic air travels are back in full swing with many countries including Australia, abandoning the need for proof of negative Covid test results prior to boarding and removing the need for quarantine upon arrival. Meanwhile, multiple Omicron variants particularly Omicron BA.4 and BA.5 and recently XBB and BQ.1.1 are spreading rapidly throughout the world. Infections are often tested by RATs and not reported. Covid pandemic

mismanagement is giving the Omicron variants the window to drive another surge in infections. Lately, variants have also reportedly resulted from multiple strains being combined together to escape immunity.

As the healthcare systems in most countries including that of Australia are already at the breaking point, without sufficient high care support personnel, we may well see another significant rise in hospitalizations and deaths in the next 6 months coinciding with the coming northern hemisphere's autumn and winter months. Australia experienced a significant surge in hospitalization and Covid deaths in the winter months of 2022. This should serve as a warning for what may be coming in the northern hemisphere winter. Since Australia now has an open border with complete relaxation in international travel, Australia will not be protected from any surge in Covid infections transmitted from other parts of the world. Indeed, latest new Covid infections in Australia are already showing double digit growth again.

While antiviral treatments for Covid have been introduced in the past 12 months, Paxlovid by Pfizer, and Molnupiravir by Merck, there is still an urgent need to expand the portfolio of targeted, economical, and more effective antiviral treatments with minimal side effects for the whole world.

Covirix Medical is progressing to human clinical trials on the Indian subcontinent with its primary antiviral drug candidate CVX-20733. Upon successful human clinical trials of CVX-20733, it will be the first small molecule broad spectrum inhalable antiviral drug suitable to treat Covid and expected to be introduced in the first half of 2023.

Covirix Medical has strengthened its intellectual property position during the March 2022 quarter. International provisional patents filed by Covirix Medical have been published. An Australian patent has also been filed for expedited examination.

Covirix Medical is also accelerating the development of its Covid diagnostic business supported by the US DiaCarta Inc. Covirix Medical holds a sole distribution agency for Australia and New Zealand for DiaCarta Inc. which specializes in providing diagnostic solutions including Covid PCR and RATs. As DiaCarta's Australian sponsor, Covirix Medical has applied to the Australian regulator Therapeutic Goods Administration ("TGA") for registration of the DiaCarta RAT for official sale in Australia. TGA registration of the DiaCarta RAT is still pending.

In June 2022, Covirix Medical entered into a global strategic partnership with DiaCarta to implement a Test to Treat solution against the Covid pandemic. This solution will first be rolled out on the Indian subcontinent as part of the clinical trial program. People tested positive for Covid with the DiaCarta test will be selected to join the Covirix Medical clinical trials to receive the antiviral trial drug.

An in-depth research report of Covirix Medical was published in June 2022 by Pitt Street Research which has a strong reputation among institutional investors and investment banks for their research and analysis of biotech and health science investments. A copy of the report is available under this link: [Covirix Medical — Pitt Street Research | Stock research.](#)

### **Crypto investment in Zucoins improves income and asset value**

GGH directly, and Covirix Medical hold a significant number of Zucoins, a crypto token expected to be listed and trading on 6 major global crypto exchanges by end of 2022. The listing of Zucoins is expected to further improve the income and asset value of both GGH and

Covirix Medical in the next 12 months which improved value will flow through to GO8's enterprise value through its significant interest in GGH.

**GGH underpins GO8 asset value**

GO8 currently holds 43.7% of the issued shares of GGH. The value of GGH shares will ultimately be dependent on the underlying fundamental value of its portfolio of businesses and investments. Management of the Group has set the goal to continue to improve the enterprise value of these businesses and investments. It is the objective of GGH management, once a dividend paying track record has been achieved by GGH, to commence work on a separate stock exchange listing of GGH.

Yours sincerely

A handwritten signature in black ink, appearing to read 'Richard Li', is positioned above the printed name.

Richard Li  
Chairman

# Quarterly Report

Name of entity

GoConnect Ltd

ABN

14 089 240 353

Quarter ended ("current quarter")

30 September 2022

## Consolidated statement of cash flows

Cash flows related to operating activities		Current quarter \$A	Year to date (3 months) \$A
1.1	Receipts from customers	95,000	95,000
1.2	Payments for		
	(a) staff costs	-30,000	-30,000
	(b) advertising and marketing		
	(c) research and development		
	(d) leased assets		
	(e) other working capital	-47,723	-47,723
1.3	Dividends received		
1.4	Interest and other items of a similar nature received		
1.5	Interest and other costs of finance paid		
1.6	Income taxes paid		
1.7	Other – NSX listing expense		
	<b>Net operating cash flows</b>	<b>17,277</b>	<b>17,277</b>

	Current quarter \$A	Year to date (3 months) \$A
1.8 Net operating cash flows (carried forward)	17,277	17,277
<b>1.9 Cash flows related to investing activities</b>		
Payment for acquisition of:		
(a) businesses (item 5)		
(b) equity investments		
(c) intellectual property		
(d) physical non-current assets		
(e) other non-current assets		
<b>1.10 Proceeds from disposal of:</b>		
(a) businesses (item 5)		
(b) equity investments		
(c) intellectual property		
(d) physical non-current assets		
(e) other non-current assets		
1.11 Loans to other entities		
1.12 Loans repaid by other entities		
1.13 Other (provide details if material)		
<b>Net investing cash flows</b>		
<b>1.14 Total operating and investing cash flows</b>	17,277	17,277
<b>Cash flows related to financing activities</b>		
1.15 Proceeds from issues of shares, options, etc.		
1.16 Proceeds from sale of forfeited shares		
1.17 Proceeds from borrowings		
1.18 Repayment of borrowings	-7,500	-7,500
1.19 Dividends paid		
1.20 Other (provide details if material)		
<b>Net financing cash flows</b>	-7,500	-7,500
<b>Net increase (decrease) in cash held</b>	9,777	9,777
1.21 Cash at beginning of quarter/year to date	3,356	3,356
1.22 Exchange rate adjustments to item 1.20		
<b>1.23 Cash at end of quarter</b>	13,133	13,133

**Payments to directors of the entity and associates of the directors****Payments to related entities of the entity and associates of the related entities**

	Current quarter \$A
1.24 Aggregate amount of payments to the parties included in item 1.2	15,000
1.25 Aggregate amount of loans to the parties included in item 1.11	
1.26 Explanation necessary for an understanding of the transactions	
This amount was payment of directors' remuneration for the quarter ended 30 September 2022	

**Non-cash financing and investing activities**

- 2.1 Details of financing and investing transactions which have had a material effect on consolidated assets and liabilities but did not involve cash flows

--

- 2.2 Details of outlays made by other entities to establish or increase their share in businesses in which the reporting entity has an interest

--

**Financing facilities available**

Add notes as necessary for an understanding of the position. (See AASB 1026 paragraph 12.2).

	Amount available \$A	Amount used \$A
3.1 Loan facilities	2,000,000	329,648
3.2 Credit standby arrangements		

## Reconciliation of cash

Reconciliation of cash at the end of the quarter (as shown in the consolidated statement of cash flows) to the related items in the accounts is as follows.		Current quarter \$A	Previous quarter \$A
4.1	Cash on hand and at bank	13,133	3,356
4.2	Deposits at call		
4.3	Bank overdraft		
4.4	Other (provide details)		
<b>Total: cash at end of quarter</b> (item 1.22)		13,133	3,356


## Acquisitions and disposals of business entities

		Acquisitions (Item 1.9(a))	Disposals (Item 1.10(a))
5.1	Name of entity		
5.2	Place of incorporation or registration		
5.3	Consideration for acquisition or disposal		
5.4	Total net assets		
5.5	Nature of business		

## Compliance statement

- 1 This statement has been prepared under accounting policies which comply with accounting standards as defined in the Corporations Act (except to the extent that information is not required because of note 2) or other standards acceptable to NSX.
- 2 This statement does /does not\* (*delete one*) give a true and fair view of the matters disclosed.

Sign here:

  
 (Director)

Date: .31 October 2022

Print name: Richard Li.



## Notes

1. The quarterly report provides a basis for informing the market how the entity's activities have been financed for the past quarter and the effect on its cash position. An entity wanting to disclose additional information is encouraged to do so, in a note or notes attached to this report.
2. The definitions in, and provisions of, *AASB 1026: Statement of Cash Flows* apply to this report except for the paragraphs of the Standard set out below.
  - 6.2 - reconciliation of cash flows arising from operating activities to operating profit or loss
  - 9.2 - itemised disclosure relating to acquisitions
  - 9.4 - itemised disclosure relating to disposals
  - 12.1(a) - policy for classification of cash items
  - 12.3 - disclosure of restrictions on use of cash
  - 13.1 - comparative information
3. **Accounting Standards.** NSX will accept, for example, the use of International Accounting Standards for foreign entities. If the standards used do not address a topic, the Australian standard on that topic (if any) must be complied with.