

31 January 2023

## **Quarterly activities report and Quarterly cash flow report for the period ended 31 December 2022**

The Directors of GoConnect Limited (NSX: GO8 (“GO8”)) provide the following report for the quarter ended 31 December 2022.

	<b>December 22 quarter</b>	<b>September 22 quarter</b>	<b>change</b>	<b>%</b>
Income from sale of investment	50,000	95,000	-45,000	-47%
Payment for Staff costs	-18,500	-30,000	11,500	-38%
Payment for operating expenses	-30,251	-47,723	17,471	-37%
Repayment of borrowings	124	-7,500	7,624	-102%
<b>Net cash flows</b>	<b>1,373</b>	<b>9,777</b>	<b>-8,405</b>	<b>-86%</b>

	<b>December 22 quarter</b>	<b>September 22 quarter</b>	<b>June 22 quarter</b>
Income from sale of investment	50,000	95,000	-
Payment for Staff costs	-18,500	-30,000	-30,000
Payment for operating expenses	-30,251	-47,723	-26,205
Repayment of borrowings	124	-7,500	6,000
<b>Net cash flows</b>	<b>1,373</b>	<b>9,777</b>	<b>-50,205</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 \$50,000 from GGH share sale income in the December quarter 2022, ending the quarter with positive cash flows. Total income derived from sale of investments in the half year to 31 December 2022 was \$145,000 compared to \$107,000 in the corresponding half year to 31 December 2021 and \$53,000 in the half year to 30 June 2022. Since the end of the December 2022 quarter, GO8 has received an additional \$15,000 in share sale income.

GO8 continues to be supported, when required, by Sino Investment Services Pty Ltd with unused credit facility at the end of the December 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 43.6% 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 GoARChat (80% owned by GGH), a unique hologram communication platform being developed for mass consumer communication. All these businesses and investments have significant growth prospects and can be expected to generate substantial long term enterprise value for the Group. The Group continues to work with its business partners to make progress on all businesses in its portfolio. The following report will focus on what the Group regards as top priority in the current financial year.

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

With 2022 behind us, 2023 is not looking positive for the global economy with recession looming in the US, UK, EU, and Japan. Fitch Ratings recently forecast in its Global Economic Outlook report that countries representing a third of the world’s output are expected to be in recession in 2023. The world’s two major superpowers, the US and China, have entered into what is effectively a cold war while the hot war in Ukraine is fast approaching its anniversary. The Covid pandemic is far from over and has just been confirmed by The World Health Organisation as continuing into 2023, despite the rhetoric from a number of Western politicians in 2022 that the Covid pandemic was over.

China recently reported that 80% of its population or more than 1.1 billion people have been infected by Covid in the past 2 months since China abandoned its Covid zero tolerance policy. China’s reported 1.1 billion infections are substantially greater than the officially reported number by Johns Hopkins University for China of 503,302 infections as of today. Accordingly Johns Hopkins University’s report today of total global Covid infections at over 674.9 million cases should be adjusted to over 1,271 million infections instead to reflect the higher number of infections reported by the Chinese government. This adjustment alone makes a mockery of the officially reported case numbers by Johns Hopkins University which most governments rely on. Global governments relying on these incorrect statistics are likely making and implementing the wrong policies in their management of the Covid pandemic. These misguided policies are in turn supporting the continuing relaxation of the previously strict social distancing measures including those related to international travels.

While the pandemic has now entered its 4<sup>th</sup> year with no end in sight, new Omicron variants are spreading rapidly. The highly infectious Omicron XBB.1.5 variant has now become the dominant variant in the US at 61.3% of all cases. In China, the dominant variants are Omicron BA.5.2 and BF.7. With replication of billions of copies of the virus around the world, the risk remains extremely high that an entirely new variant, which may be even more infectious and more deadly, may evolve in the coming months.

As the healthcare systems in many countries including that of Australia are already at or close to 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 current

northern hemisphere's winter months. Adding to the burden of Covid on the healthcare system is the rapid circulation of other respiratory viruses including RSV and influenza. Australia experienced a significant surge in hospitalizations and Covid deaths in the winter months of 2022. Since Australia now has an open border with complete relaxation in international travel, Australia is not protected from any surge in Covid and other respiratory diseases transmitted from other parts of the world.

The global population is becoming much less interested in vaccination as a preventive treatment solution. 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. Nevertheless, we are starting to see a much stronger level of interest among healthcare experts and the community in accepting antivirals as effective treatments since vaccination has to date failed to stop infections or the spread of infections.

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. Being broad spectrum means that the Covirix Medical drug candidate may also have application for other respiratory diseases.

Covirix Medical has strengthened its intellectual property position in the March 2022 quarter. International provisional patents filed by Covirix Medical have been published. An Australian patent is expected to be formally granted in February 2023.

In June 2022, Covirix Medical, as Australian sponsor for Rapid Antigen Test to be supplied by US diagnostic technology company DiaCarta Inc, has entered into a global strategic partnership with DiaCarta to implement a Test to Treat solution for the Covid pandemic. This solution will firstly 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.

On the corporate front, Covirix Medical is making steady progress in listing the company on a major stock exchange.

### **Global Diabetes Solutions to help manage the silent pandemic of diabetes and pre-diabetes**

In the uncertain environment of 2023, the Group is actively managing 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 health science businesses is the top priority.

In line with the strategy to emphasize health science investments, GGH has devoted much time and management resources into Global Diabetes Solutions Pty Ltd, a company that specializes in providing management solutions and related products for diabetes and pre-diabetes. GGH has a 25% equity interest in Global Diabetes Solutions Pty Ltd.

Diabetes is 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.

A number of revenue generating products including diagnostic products will be launched in the next 18 months by Global Diabetes Solutions Pty Ltd firstly in Australia before a global launch.

### **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, as advised by Zucoins, during the first half of 2023. 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 43.6% 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', written over a large, stylized, sweeping line that underlines the signature.

Richard Li  
Chairman

# Quarterly Report

Name of entity

GoConnect Ltd

ABN

14 089 240 353

Quarter ended ("current quarter")

31 December 2022

## Consolidated statement of cash flows

<b>Cash flows related to operating activities</b>	Current quarter \$A	Year to date (6 months) \$A
1.1 Receipts from customers	50,000	145,000
1.2 Payments for		
(a) staff costs	-18,500	-48,500
(b) advertising and marketing		
(c) research and development		
(d) leased assets		
(e) other working capital	-30,251	-77,974
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>1,249</b>	<b>18,526</b>

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	Current quarter \$A	Year to date (6 months) \$A
1.8 Net operating cash flows (carried forward)	1,249	18,526
<b>Cash flows related to investing activities</b>		
1.9 Payment for acquisition of:		
(a) businesses (item 5)		
(b) equity investments		
(c) intellectual property		
(d) physical non-current assets		
(e) other non-current assets		
1.10 Proceeds from disposal of:		
(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>	1,249	18,526
<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	124	-7,376
1.19 Dividends paid		
1.20 Other (provide details if material)		
<b>Net financing cash flows</b>	124	-7,376
<b>Net increase (decrease) in cash held</b>	1,373	11,150
1.21 Cash at beginning of quarter/year to date	13,133	3,356
1.22 Exchange rate adjustments to item 1.20		
<b>1.23 Cash at end of quarter</b>	14,506	14,506

**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	8,500
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 31 December 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

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- 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

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**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	329,772
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	14,506	13,133
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)	14,506	13,133

## 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 January 2023

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.