

30 April 2024

Quarterly activities report and Quarterly cash flow report for the period ended 31 March 2024

The Directors of GoConnect Limited (NSX: GO8) (“GO8”) provide the following report for the quarter ended 31 March 2024.

	March 24 quarter	March 23 quarter	change	%
Income from sale of investment	90,000	45,000	45,000	100%
Payment for Staff costs	-44,000	-25,500	-18,500	73%
Payment for operating expenses	-18,033	-16,698	-1,335	8%
Repayment of borrowings	-13,000	-12,000	-1,000	8%
Net cash flows	14,967	-9,198	24,165	263%

During the March quarter 2024, 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 \$90,000 from GGH share sale income in the March quarter 2024, an improvement of 100% on the corresponding March quarter 2023, ending the quarter with positive net cash flows of \$14,967, a 263% improvement in net cash flows compared to the corresponding March quarter 2023. Before repayment of borrowing, net operating cash flows for the March quarter 2024 was a positive \$27,967.

GO8 continues to be supported, when required, by Sino Investment Services Pty Ltd with unused credit facility at the end of the March quarter 2024. 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 a range of respiratory diseases including Covid-19 via COVIRIX Medical Pty Ltd (“COVIRIX Medical”) about 24% owned by GGH; provision of diabetes and prediabetes management products via Global Diabetes Solutions Pty

Ltd (“Global Diabetes Solutions”) 24.5% owned by GGH; GGH’s celebrity product endorsement and representation; crypto investment via GGH’s direct and indirect holdings in Zucoins; 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 actively with its investee companies and business partners to improve the value of all businesses in its portfolio.

Since October 2023, geopolitical tension in the world has continued to rise with the outbreak of the Israel-Palestine conflict. The recent approval by the US Congress of US\$95 billion of additional military funding for Ukraine, Israel, and Taiwan has further raised geopolitical tension globally. Moreover, the additional funding by the US, at a time when economic data is already pointing to a real risk of stagflation in the US, will only worsen the current and future US budgetary deficit and national debt problems with significant impact on global economies. Against such an uncertain and negatively bias economic backdrop, the Group’s investment strategy is one of prudence, capital preservation, and to hedge against potentially significant contraction in economic activities over the next 12 months, particularly in major economies of the US, EU, and Japan.

The following report, in light of our concerns with the global economic outlook, will focus on what the Group regards as top priority in the current financial year.

COVIRIX Medical

Covid pandemic continues together with surges in other respiratory diseases including seasonal flu and RSV (Respiratory syncytial virus) with the recent trend in viral infections often referred to as the “triple-demic”.

As the world enters the fifth year of the Covid Pandemic, most countries, their governments, and the media have regarded the Covid Pandemic as a disease of the past. Testing and reporting of test results have become so limited that reported statistics on the state of the Pandemic have become unreliable and meaningless. Instead, most healthcare systems have refocused on other respiratory diseases including influenzas and RSV. There are also reports on studies conducted on the negative consequences of mass vaccinations particularly in respect of mRNA Covid vaccines. A recent study conducted in Japan has attributed an explosion of cancer cases in Japan in the past three years to the mass vaccination of the Japanese population, majority of which received the mRNA vaccines.

Most of the population of the world have become resistant to receiving more Covid booster vaccines as it has become obvious to most people that vaccination does not stop Covid infection nor the spread of infection.

Reports of adverse side effects from vaccination such as the recent report from Japan are also discouraging many people from getting vaccinated. This week also brought the shocking news that AstraZeneca admitted in court for the first time that its Covid jab can cause a deadly blood clotting side effect. AstraZeneca is now the subject of a multi-million dollar class action in the UK by families whose loved ones were injured by or died from its ‘defective ‘vaccine.

In light of these negative reports, we are seeing a much stronger level of interest among healthcare experts and the investment community in seeking treatment alternatives to vaccines

or alternatives to antivirals in the market such as Paxlovid by Pfizer, and Molnupiravir by Merck. There is a growing need for more effective and targeted treatments compared to vaccines and the existing antivirals.

With the renewed focus on a number of respiratory diseases other than Covid, the COVIRIX Medical team has decided to expand the application of its patented antiviral treatment for a wider range of respiratory diseases including Covid. Due to its unique mechanism of action and being broad spectrum, COVIRIX Medical believes its same patented antiviral treatment, subject to successful clinical trials, is likely to be applicable in treating a wide range of viral respiratory diseases including, but not limited to, influenza, RSV, metapneumoviruses, and other seasonal coronaviruses.

COVIRIX Medical will be conducting virology studies on a range of respiratory viruses other than SARS CoV-2. Upon successful human clinical trials of CVX-20733 on a range of respiratory viruses including SARS CoV-2, it will be the first small molecule broad spectrum inhalable antiviral drug suitable to treat Covid and likely for a wide range of viral respiratory diseases. After successful phase 1 and phase 2 clinical trials, COVIRIX Medical plans to apply for Emergency Use Authorization approval for CVX-20733. We believe the next pandemic is most likely to be caused by another respiratory disease. COVIRIX Medical is therefore preparing the company to be ready to fight the next respiratory disease pandemic with its portfolio of broad spectrum antiviral drug candidates some of which are much more potent than CVX-20733. As CVX-20733 will be administered by oral inhalation, it may also be used as a prophylactic therapeutic for disease prevention.

On the corporate front, COVIRIX Medical is making steady progress in its capital raise. Since the grant of the Australian patent, and with increasing level of interest among investors towards antiviral treatments for Covid, COVIRIX Medical is in serious discussions with institutional and corporate investors to become cornerstone investors in the company. Significant institutional investment is targeted to be achieved during this financial year. The company is also in discussions with a number of parties regarding licensing the distribution of its antivirals as sole agents in a number of jurisdictions.

COVIRIX Medical has in the past few months been exploring the opportunity to list the company on a major stock exchange. The successful listing of COVIRIX Medical is expected to contribute to the significant revaluation of the company.

Go-AI

During the March quarter 2024, GGH incorporated a new subsidiary Go-AI Pty Ltd (“Go-AI”). Since incorporation, Go-AI has assembled a highly experienced technical advisory board of Artificial Intelligence (“AI”) experts, an experienced oncologist, and a renowned virologist. Go-AI’s technical advisory board will continue to expand with additional appointments. The company’s first mission is to apply AI to rapidly identify the appropriate drugs to repurpose as enhancements to immunotherapy drugs to treat cancers.

We have observed, from various reports, an explosion of cancer cases around the world following the mass Covid vaccination program globally. Go-AI’s strategy is to discover a portfolio of drugs via AI that can be repurposed as combination therapy to enhance the efficacy of existing immunotherapy drugs. The initial focus will be on prostate cancer and breast cancer.

GGH believes that cancer may become the single biggest killer disease in 2024 and beyond. In this regard, it is interesting to observe that Pfizer Inc which introduced its mRNA Covid vaccine, completed in December 2023 the US\$43 billion acquisition of Seagen Inc, a company that discovers, develops, and commercializes transformative cancer medicines.

The next mission of Go-AI is to apply AI to help with improving efficiency and predictability in supply chain and the logistics industry.

Capital raise for Go-AI is making good progress with more than half of the first tranche offer of \$500,000 completed from professional and corporate investors. The first tranche offer is planned to close within the next few weeks. In the long term, GGH plans to maintain an 87% equity interest in Go-AI after completion of its capital raise.

Crypto asset in Zucoins improves income and asset value

In recent weeks, the crypto market has been trending positively supported by the US SEC approval in January 2024 of a number of Spot Bitcoin exchange traded funds (“ETF”) investment products providing much confidence for this new asset class to investors. These ETF products are being launched by some of the world’s largest asset managers including BlackRock, Fidelity, Ark Invest, etc. The Bitcoin price has risen sharply from the March 2023 low of about US\$22,000 to the current market price of over US\$62,000. Projections reported of the Bitcoin price reaching over US\$100,000 during 2024, following the fourth “halving” of Bitcoin mining output, have also fuelled buying activities.

Additional stimulus on crypto asset prices may well be coming from Hong Kong with the city’s Securities and Futures Commission approving this month three large Chinese asset managers to launch spot Bitcoin and Ether ETFs. This was then followed by the announcement by China’s securities regulator CSRC of a new policy of five measures to support the Hong Kong Stock Exchange to help boost liquidity, attract international investors, and enhance competitiveness. These measures will extend to ETF investment by Mainland Chinese investors under the Hong Kong China Stock Connect mechanism.

GGH has significant direct and indirect holdings in Zucoins with a total of 105,200 Zucoins as at 31 March 2024: consisting of 40,000 Zucoins owned directly by GGH, 80,000 Zucoins owned by Covirix Medical, 10,000 Zucoins owned by Global Diabetes Solutions, and 50,000 Zucoins owned by Go-AI. GGH is planning to acquire additional Zucoins during the current quarter.

As advised by Zucoins, Zucoins token is to be trading on the “Zutopia” platform, facilitated by VISA Card. Zutopia app development is reaching its final testing phase. Despite much delay, Zutopia is expected to be available for listing and trading Zucoins in May 2024. Zucoins is targeting in the long term to reach 20% of the Bitcoin market price with many of its features superior to that of Bitcoin. We look forward to Zucoins delivering its promised returns upon listing.

The listing and trading of Zucoins is expected to further improve the income and asset value of GGH 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, with active management and hedging, to continue to improve the enterprise value of these businesses and investments. Upon the successful listing of COVIRIX Medical on a major stock exchange, it will provide management of GGH the opportunity to distribute dividend and/or capital return to shareholders.

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 March 2024

Consolidated statement of cash flows

Cash flows related to operating activities	Current quarter \$A	Year to date (9 months) \$A
1.1 Receipts from customers	90,000	262,800
1.2 Payments for		
(a) staff costs	-44,000	-94,600
(b) advertising and marketing		
(c) research and development		
(d) leased assets		
(e) other working capital	-18,033	-95,406
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		
Net operating cash flows	27,967	72,796

	Current quarter \$A	Year to date (9 months) \$A
1.8 Net operating cash flows (carried forward)	27,967	72,796
1.9 Cash flows related to investing activities		
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)		
Net investing cash flows		
1.14 Total operating and investing cash flows	27,967	72,796
Cash flows related to financing activities		
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	-13,000	-49,000
1.19 Dividends paid		
1.20 Other (provide details if material)		
Net financing cash flows	-13,000	-49,000
Net increase (decrease) in cash held	14,967	23,796
1.21 Cash at beginning of quarter/year to date	12,030	3,201
1.22 Exchange rate adjustments to item 1.20		
1.23 Cash at end of quarter	26,997	26,997

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	22,000
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 31 March 2024

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	254,272
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	26,997	12,030
4.2 Deposits at call		
4.3 Bank overdraft		
4.4 Other (provide details)		
Total: cash at end of quarter (item 1.22)	26,997	12,030

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: .30 April 2024

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.