UNITED STATES
SECURITIES AND EXCHANGE COMMISSION
WASHINGTON, D.C. 20549

FORM 10-Q

(Mark One)

☒ **QUARTERLY REPORT PURSUANT TO SECTION 13 OR 15(D) OF THE SECURITIES EXCHANGE ACT OF 1934**

For the quarterly period ended December 31, 2022

☐ **TRANSITION REPORT PURSUANT TO SECTION 13 OR 15(D) OF THE SECURITIES EXCHANGE ACT OF 1934**

For the transition period from_____to_____

Commission File Number 001-39267

BENITEC BIOPHARMA INC.
(Exact name of registrant as specified in its charter)

Delaware	**84-462-0206**
(State or other jurisdiction of incorporation or organization)	**(IRS Employer Identification No.)**

3940 Trust Way, Hayward, California 94545
(Address of principal executive offices & zip code)

(510) 780-0819
(Registrant's telephone number including area code)

Securities registered pursuant to Section 12(b) of the Act:

Title of each class	Trading Symbol(s)	Name of each exchange on which registered
Common Stock, par value $0.0001	**BNTC**	**The Nasdaq Stock Market LLC**

Indicate by check mark whether the registrant: (1) has filed all reports required to be filed by Section 13 or 15(d) of the Securities Exchange Act of 1934 during the preceding 12 months (or for such shorter period that the registrant was required to file such reports), and (2) has been subject to such filing requirements for the past 90 days. Yes ☒ No ☐

Indicate by check mark whether the registrant has submitted electronically every Interactive Data File required to be submitted pursuant to Rule 405 of Regulation S-T (§ 232.405 of this chapter) during the preceding 12 months (or for such shorter period that the registrant was required to submit such files). Yes ☒ No ☐

Indicate by check mark whether the registrant is a large accelerated filer, an accelerated filer, anon-accelerated filer, smaller reporting company, or an emerging growth company. See the definitions of "large accelerated filer," "accelerated filer," "smaller reporting company," and "emerging growth company" in Rule 12b-2 of the Exchange Act.

Large accelerated filer	☐	Accelerated filer	☐
Non-accelerated filer	☒	Smaller reporting company	☒
Emerging growth company	☐		

If an emerging growth company, indicate by check mark if the registrant has elected not to use the extended transition period for complying with any new or revised financial accounting standards provided pursuant to Section 13(a) of the Exchange Act. ☐

Indicate by check mark whether the registrant is a shell company (as defined in Rule 12b-2 of the Exchange Act). Yes ☐ or No ☒

We had 27,981,161 shares of our common stock outstanding as of the close of business on February9, 2023.

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BENITEC BIOPHARMA INC.

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SPECIAL NOTE REGARDING FORWARD-LOOKING STATEMENTS

This Report contains forward-looking statements that are subject to a number of risks and uncertainties, many of which are beyond our control. Our forward-looking statements relate to future events or our future performance and include, but are not limited to, statements concerning our business strategy, future commercial revenues, market growth, capital requirements, new product introductions, expansion plans and the adequacy of our funding. All statements, other than statements of historical fact included in this Report, are forward-looking statements. When used in this Report, the words "could," "believe," "anticipate," "intend," "estimate," "expect," "may," "continue," "predict," "potential," "project," or the negative of these terms, and similar expressions are intended to identify forward-looking statements, although not all forward-looking statements contain such identifying words. These statements involve known and unknown risks, uncertainties and other important factors that may cause our actual results, levels of activity, performance or achievements to be materially different from the information expressed or implied by these forward-looking statements.

Some of the risks and uncertainties that may cause our actual results, performance or achievements to differ materially from those expressed or implied by forward-looking statements include the following:

- the success of our plans to develop and potentially commercialize our product candidates;
- the timing of the initiation and completion of preclinical studies and clinical trials;
- the timing and sufficiency of patient enrollment and dosing in any future clinical trials;
- the timing of the availability of data from clinical trials;
- the timing and outcome of regulatory filings and approvals;
- unanticipated delays;
- sales, marketing, manufacturing and distribution requirements;
- market competition and the acceptance of our products in the marketplace;
- regulatory developments in the United States of America, France and Canada;
- the development of novel AAV vectors;
- the plans of licensees of our technology;
- the clinical utility and potential attributes and benefits of ddRNAi and our product candidates, including the potential duration of treatment effects and the potential for a "one shot" cure;
- our dependence on our relationships with collaborators and other third parties;
- expenses, ongoing losses, future revenue, capital needs and needs for additional financing, and our ability to access additional financing given market conditions and other factors, including our capital structure;
- our ability to continue as a going concern;
- our ability to meet the Nasdaq listing standards;
- the length of time over which we expect our cash and cash equivalents to be sufficient to execute on our business plan;
- our intellectual property position and the duration of our patent portfolio;
- the impact of local, regional, and national and international economic conditions and events; and
- the impact of the current COVID-19 pandemic, the disease caused by the SARS-CoV-2 virus, which may adversely impact our business and preclinical and future clinical trials;

as well as other risks detailed under the caption "Risk Factors" in this Report and in other reports filed with the SEC. Although we believe that we have a reasonable basis for each forward-looking statement contained in this Report, we caution you that these statements are based on a combination of facts and important factors currently known by us and our expectations of the future, about which we cannot be certain. We have based the forward-looking statements included in this Report on information available to us on the date of this Report or on the date thereof. Except as required by law we undertake no obligation to revise or update any forward-looking statements, whether as a result of new information, future events or otherwise. You are advised to consult any additional disclosures that we may make directly to you or through reports that we, in the future, may file with the SEC, including annual reports on Form 10-K, quarterly reports on Form 10-Q and current reports on Form 8-K.

All forward-looking statements included herein or in documents incorporated herein by reference are expressly qualified in their entirety by the cautionary statements contained or referred to elsewhere in this Report.

PART I—FINANCIAL INFORMATION

ITEM 1. Financial Statements

BENITEC BIOPHARMA INC.
Consolidated Balance Sheets
(in thousands, except par value and share amounts)

	December 31, 2022 (Unaudited)	June 30, 2022
Assets		
Current assets:		
Cash and cash equivalents	$ 10,537	$ 4,062
Restricted cash	14	14
Trade and other receivables	68	3
Prepaid and other assets	356	741
Total current assets	10,975	4,820
Property and equipment, net	139	222
Deposits	25	25
Other assets	116	135
Right-of-use assets	650	771
Total assets	$ 11,905	$ 5,973
Liabilities and stockholders' equity		
Current liabilities:		
Trade and other payables	$ 1,830	$ 1,880
Accrued employee benefits	396	400
Lease liabilities, current portion	263	252
Total current liabilities	2,489	2,532
Lease liabilities, less current portion	422	559
Total liabilities	2,911	3,091
Commitments and contingencies (Note 11)		
Stockholders' equity:		
Common stock, $0.0001 par value-160,000,000 shares authorized; 27,981,161 shares and 8,171,690 shares issued and outstanding at December 31, 2022 and June 30, 2022, respectively	3	1
Additional paid-in capital	168,720	152,453
Accumulated deficit	(158,831)	(148,327)
Accumulated other comprehensive loss	(898)	(1,245)
Total stockholders' equity	8,994	2,882
Total liabilities and stockholders' equity	$ 11,905	$ 5,973

The accompanying notes are an integral part of these consolidated financial statements.

BENITEC BIOPHARMA INC.
Consolidated Statements of Operations and Comprehensive Loss
(Unaudited)
(in thousands, except share and per share amounts)

	Three Months Ended December 31,		Six Months Ended December 31,	
	2022	2021	2022	2021
Revenue:				
Licensing revenues from customers	$ 14	$ 25	$ 14	$ 25
Total revenues	14	25	14	25
Operating expenses				
Research and development	3,761	3,146	6,421	5,926
General and administrative	1,863	1,714	3,783	3,756
Total operating expenses	5,624	4,860	10,204	9,682
Loss from operations	(5,610)	(4,835)	(10,190)	(9,657)
Other income (loss):				
Foreign currency transaction gain (loss)	161	48	(346)	(193)
Interest expense, net	(9)	(11)	(18)	(12)
Other income, net	50	—	50	—
Unrealized loss on investment	(3)	(23)	—	(5)
Total other income (loss), net	199	14	(314)	(210)
Net loss	$ (5,411)	$ (4,821)	$ (10,504)	$ (9,867)
Other comprehensive income:				
Unrealized foreign currency translation (loss) gain	(160)	(57)	347	182
Total other comprehensive (loss) income	(160)	(57)	347	182
Total comprehensive loss	$ (5,571)	$ (4,878)	$ (10,157)	$ (9,685)
Net loss	$ (5,411)	$ (4,821)	$ (10,504)	$ (9,867)
Net loss per share:				
Basic and diluted	$ (0.20)	$ (0.59)	$ (0.55)	$ (1.21)
Weighted average number of shares outstanding: basic and diluted	27,561,766	8,171,690	19,208,738	8,171,690

The accompanying notes are an integral part of these consolidated financial statements.

BENITEC BIOPHARMA INC.
Consolidated Statements of Stockholders' Equity
(Unaudited)
(in thousands, except share amounts)

	Common Stock		Additional Paid-in	Accumulated	Accumulated Other Comprehensive	Total Stockholders'
	Shares	Amount	Capital	Deficit	Loss	Equity
Balance at June 30, 2021	8,171,690	$ 1	$151,583	$ (130,119)	$ (1,455)	$ 20,010
Share-based compensation	—	—	271	—	—	271
Foreign currency translation gain	—	—	—	—	239	239
Net loss	—	—	—	(5,045)		(5,045)
Balance at September 30, 2021	8,171,690	1	151,854	(135,164)	(1,216)	15,475
Share-based compensation	—	—	239	—	—	239
Foreign currency translation loss	—	—	—	—	(57)	(57)
Net loss	—	—	—	(4,821)	—	(4,821)
Balance at December 31, 2021	8,171,690	$ 1	$152,093	$ (139,985)	$ (1,273)	$ 10,836
Balance at June 30, 2022	8,171,690	$ 1	$152,453	$ (148,327)	$ (1,245)	$ 2,882
Issuance of common stock, pre-funded warrants, and common warrants sold for cash, net of offering costs of $1,869	17,637,843	2	16,013	—	—	16,015
Share-based compensation	—	—	302	—	—	302
Foreign currency translation gain	—	—	—	—	507	507
Net loss	—	—	—	(5,093)	—	(5,093)
Balance at September 30, 2022	25,809,533	3	168,768	(153,420)	(738)	14,613
Exercise of pre-funded warrants	2,171,628	—	—	—	—	—
Share-based compensation	—	—	(48)	—	—	(48)
Foreign currency translation loss	—	—	—	—	(160)	(160)
Net loss	—	—	—	(5,411)	—	(5,411)
Balance at December 31, 2022	27,981,161	$ 3	$168,720	$ (158,831)	$ (898)	$ 8,994

The accompanying notes are an integral part of these consolidated financial statements.

BENITEC BIOPHARMA INC.
Consolidated Statements of Cash Flows
(Unaudited)
(in thousands)

	Six Months Ended December 31,	
	2022	2021
Cash flows from operating activities:		
Net loss	$(10,504)	$ (9,867)
Adjustments to reconcile net loss to net cash used in operating activities:		
Depreciation and amortization	83	107
Amortization of right-of-use assets	121	108
Unrealized gain on investment	—	5
Share-based compensation expense	254	510
Changes in operating assets and liabilities:		
Trade and other receivables	(50)	—
Other assets	388	470
Trade and other payables	(50)	1,146
Accrued employee benefits	(5)	(5)
Lease liabilities	(125)	(96)
Net cash used in operating activities	(9,888)	(7,622)
Cash flows from investing activities:		
Net cash used in investing activities	—	—
Cash flows from financing activities:		
Proceeds from issuance of common stock, pre-funded warrants, and common warrants	17,884	—
Shares and pre-funded warrant issuance costs	(1,869)	—
Net cash provided by financing activities	16,015	—
Effects of exchange rate changes on cash, cash equivalents, and restricted cash	348	182
Net increase (decrease) in cash, cash equivalents, and restricted cash	6,475	(7,440)
Cash, cash equivalents, and restricted cash, beginning of period	4,076	19,783
Cash, cash equivalents, and restricted cash, end of period	$ 10,551	$12,343
Supplemental disclosure of cash flow information:		
Re-measurement of operating lease right-of-use assets and liabilities	$ —	$ 794

The accompanying notes are an integral part of these consolidated financial statements.

BENITEC BIOPHARMA INC.
Notes to Consolidated Financial Statements
(Unaudited)

1. Business

Benitec Biopharma Inc. (the "Company") is a corporation formed under the laws of Delaware, United States of America, onNovember 22, 2019 and listed on the Nasdaq Capital Market ("Nasdaq") under the symbol "BNTC". Benitec Biopharma Inc. is the parent entity of a number of subsidiaries including the previous parent entity Benitec Biopharma Limited ("BBL"). BBL was incorporated under the laws of Australia in 1995 and was listed on the Australian Securities Exchange, or ASX, from 1997 until April 15, 2020. On August 14, 2020, BBL reorganized as a Proprietary Limited company and changed its name to Benitec Biopharma Proprietary Limited. The Company's business focuses on the development of novel genetic medicines. Our proprietary platform, called DNA-directed RNA interference, or ddRNAi, combines RNA interference, or RNAi, with gene therapy to create medicines that facilitate sustained silencing of disease-causing genes.

During the year ended June 30, 2021, the Company completed an organization restructuring as part of the commercial desire to provide a more efficient structure for the future as the Company transitioned its operations to the United States.

The Company's fiscal year end is June 30. References to a particular "fiscal year" are to our fiscal year end June 30 of that calendar year.

The consolidated financial statements of Benitec Biopharma Inc. are presented in United States dollars and consist of Benitec Biopharma Inc. and its wholly owned subsidiaries:

	Principal place of business/country of incorporation
Benitec Biopharma Proprietary Limited ("BBL")	Australia
Benitec Australia Proprietary Limited	Australia
Benitec Limited	United Kingdom
Benitec, Inc.	USA
Benitec LLC	USA
RNAi Therapeutics, Inc.	USA
Tacere Therapeutics, Inc.	USA
Benitec IP Holdings, Inc.	USA

2. Basis of Presentation and Summary of Significant Accounting Policies

Basis of Presentation

The Company's consolidated financial statements contained in this Quarterly Report on Form10-Q have been prepared in accordance with generally accepted accounting principles in the U.S. ("GAAP") for interim financial information and with the instructions to Form 10-Q and Article 8 of U.S. Securities and Exchange Commission ("SEC") Regulation S-X. Accordingly, certain information and disclosures required by GAAP for annual financial statements have been omitted. In the opinion of management, all adjustments, consisting of normal recurring adjustments, considered necessary for a fair presentation have been included. Interim financial results are not necessarily indicative of results anticipated for the full year. These consolidated financial statements should be read in conjunction with the Company's audited financial statements and accompanying notes included in the Company's Annual Report on Form 10-K for the year ended June 30, 2022.

Reference is frequently made herein to the Financial Accounting Standards Board (the "FASB") Accounting Standards Codification ("ASC"). This is the source of authoritative GAAP recognized by the FASB to be applied to non-governmental entities.

Principles of Consolidation

The consolidated financial statements include the Company's accounts and the accounts of its wholly owned subsidiaries. All intercompany transactions and balances have been eliminated.

Use of Estimates

The preparation of the Company's consolidated financial statements requires management to make estimates and assumptions that impact the reported amounts of assets, liabilities and expenses and the disclosure of contingent assets and liabilities in the Company's consolidated financial statements and accompanying notes. The most significant estimates and assumptions in the Company's

consolidated financial statements include the estimates of useful lives of property and equipment, valuation of the operating lease liability and related right-of-use asset, allowance for uncollectable receivables, foreign currency translation due to certain average exchange rates applied in lieu of spot rates on transaction dates, and accrued research and development expenses. These estimates and assumptions are based on current facts, historical experience and various other factors believed to be reasonable under the circumstances, the results of which form the basis for making judgments about the carrying values of assets and liabilities and the recording of expenses that are not readily apparent from other sources. Actual results may differ materially and adversely from these estimates. To the extent there are material differences between the estimates and actual results, the Company's future results of operations will be affected.

Risks and Uncertainties

The Company is subject to risks and uncertainties common to early-stage companies in the biotechnology industry, including, but not limited to, development by competitors of new technological innovations, protection of proprietary technology, dependence on key personnel, reliance on single-source vendors and collaborators, availability of raw materials, patentability of the Company's products and processes and clinical efficacy and safety of the Company's products under development, compliance with government regulations and the need to obtain additional financing to fund operations.

There can be no assurance that the Company's research and development will be successfully completed, that adequate protection for the Company's intellectual property will be obtained or maintained, that any products developed will obtain necessary government regulatory approval or that any approved products will be commercially viable. Even if the Company's product development efforts are successful, it is uncertain when, if ever, the Company will generate significant revenue from product sales. The Company operates in an environment of rapid technological change and substantial competition from other pharmaceutical and biotechnology companies. In addition, the Company is dependent upon the services of its employees, consultants and other third parties.

Moreover, the current COVID-19 pandemic, which is impacting worldwide economic activity, poses risks that the Company or its employees, contractors, suppliers, and other partners may be prevented or inhibited from conducting business activities for an indefinite period of time which may delay the start-up and conduct of the Company's clinical trials, and negatively impact manufacturing and testing activities performed by third parties. Any significant delays may impact the use and sufficiency of the Company's existing cash reserves, and the Company may be required to raise additional capital earlier than it had previously planned. The Company may be unable to raise additional capital if and when needed, which may result in delays or suspension of its development plans. The extent to which the pandemic will impact the Company's business will depend on future developments that are highly uncertain and cannot be predicted at this time.

Segment Reporting

Operating segments are identified as components of an enterprise about which separate discrete financial information is available for evaluation by the chief operating decision-maker in making decisions regarding resource allocation and assessing performance. The Company views its operations and manages its business in one operating segment.

Foreign Currency Translation and Other Comprehensive Income (Loss)

The Company's functional currency and reporting currency is the United States dollar. BBL's functional currency is the Australian dollar (AUD). Assets and liabilities are translated at the exchange rate in effect at the balance sheet date. Revenues and expenses are translated at the average rate of exchange prevailing during the reporting period. Equity transactions are translated at each historical transaction date spot rate. Translation adjustments arising from the use of different exchange rates from period to period are included as a component of stockholders' equity as "Accumulated other comprehensive loss." Gains and losses resulting from foreign currency translation are included in the consolidated statements of operations and comprehensive loss as other comprehensive income (loss).

Other comprehensive income for all periods presented consists entirely of foreign currency translation gains and losses.

Fair Value Measurements

The Company measures its financial assets and liabilities in accordance with GAAP using ASC 820, Fair Value Measurements. For certain financial instruments, including cash and cash equivalents, accounts receivable, and accounts payable, the carrying amounts approximate fair value due to their short maturities.

The Company follows accounting guidance for financial assets and liabilities. ASC 820 defines fair value, provides guidance for measuring fair value and requires certain disclosures. The guidance utilizes a fair value hierarchy that prioritizes the inputs to valuation techniques used to measure fair value into three broad levels. The following is a brief description of those three levels:

Level 1:	Observable inputs such as quoted prices (unadjusted) in active markets for identical assets or liabilities.
Level 2:	Inputs, other than quoted prices that are observable, either directly or indirectly. These include quoted prices for similar assets or liabilities in active markets and quoted prices for identical or similar assets or liabilities in markets that are not active.
Level 3:	Unobservable inputs in which little or no market data exists, therefore developed using estimates and assumptions developed by us, which reflect those that a market participant would use.

Cash and Cash Equivalents

Cash and cash equivalents include cash on hand and at banks, short-term deposits with an original maturity of three months or less with financial institutions, and bank overdrafts. Bank overdrafts are reflected as a current liability on the consolidated balance sheets. There were no cash equivalents as of December 31, 2022 and June 30, 2022.

Concentrations of Risk

Financial instruments that potentially subject the Company to significant concentration of credit risk consist primarily of cash and cash equivalents. The Company maintains deposits at federally insured financial institutions in excess of federally insured limits. The Company has not experienced any losses in such accounts, and management believes that the Company is not exposed to significant credit risk due to the financial position of the depository institutions in which those deposits are held.

Trade and Other Receivables

As amounts become uncollectible, they will be charged to an allowance and operations in the period when a determination of collectability is made. Any estimates of potentially uncollectible customer accounts receivable will be made based on an analysis of individual customer and historical write-off experience. The Company’s analysis includes the age of the receivable account, creditworthiness of the customer and general economic conditions.

Property and Equipment

Property and equipment are stated at cost, net of accumulated depreciation and amortization. Expenditures for maintenance and repairs are expensed as incurred; additions, renewals, and improvements are capitalized. When property and equipment are retired or otherwise disposed of, the related cost and accumulated depreciation and amortization are removed from the respective accounts, and any gain or loss is included in operations. Depreciation and amortization of property and equipment is calculated using the straight-line basis over the following estimated useful lives:

Software	3-4 years
Lab equipment	3-7 years
Computer hardware	3-5 years
Leasehold improvements	shorter of the lease term or estimated useful lives

Impairment of Long-Lived Assets

Property and equipment are reviewed for impairment whenever events or changes in circumstances indicate that the carrying amount of an asset may not be recoverable. Recoverability of long-lived assets to be held and used is measured by a comparison of the carrying amount of an asset to the estimated undiscounted future cash flows expected to be generated by the asset. If the carrying amount of an asset exceeds its estimated undiscounted future cash flows, an impairment charge is recognized by the amount by which the carrying amount of the asset exceeds the fair value of the assets. Fair value is generally determined using the asset’s expected future discounted cash flows or market value, if readily determinable.

Trade and other payables

These amounts represent liabilities for goods and services provided to the Company prior to the end of the period and which are unpaid. Due to their short-term nature, they are measured at amortized cost and are not discounted. The amounts are unsecured and are usually paid within 30 days of recognition.

Leases

At lease commencement, the Company records a lease liability based on the present value of lease payments over the expected lease term. The Company calculates the present value of lease payments using the discount rate implicit in the lease, unless that rate cannot be readily determined. In that case, the Company uses its incremental borrowing rate, which is the rate of interest that the Company would have to pay to borrow on a collateralized basis an amount equal to the lease payments over the expected lease term. The Company records a corresponding right-of-use lease asset based on the lease liability, adjusted for any lease incentives received and any initial direct costs paid to the lessor prior to the lease commencement date.

After lease commencement, the Company measures its leases as follows: (i) the lease liability based on the present value of the remaining lease payments using the discount rate determined at lease commencement; and (ii) the right-of-use lease asset based on the remeasured lease liability, adjusted for any unamortized lease incentives received, any unamortized initial direct costs and the cumulative difference between rent expense and amounts paid under the lease agreement. Any lease incentives received and any initial direct costs are amortized on a straight-line basis over the expected lease term. Rent expense is recorded on a straight-line basis over the expected lease term.

Basic and Diluted Net Loss Per Share

Basic net loss per share is calculated by dividing net loss by the weighted-average number of common shares outstanding during the period. Diluted net loss per share is calculated by dividing net loss by the weighted-average number of common shares outstanding plus potential common shares. Stock options, warrants and convertible instruments are considered potential common shares and are included in the calculation of diluted net loss per share using the treasury stock method when their effect is dilutive. Potential common shares are excluded from the calculation of diluted net income (loss) per share when their effect is anti-dilutive. As of December 31, 2022, and June 30, 2022, there were 40,684,965 and 845,159 potential common shares, respectively, that were excluded from the calculation of diluted net loss per share because their effect was anti-dilutive.

Revenue Recognition

The Company recognizes revenue in accordance with that core principle by applying the following steps:

Step 1: Identify the contract(s) with a customer.

Step 2: Identify the performance obligations in the contract.

Step 3: Determine the transaction price.

Step 4: Allocate the transaction price to the performance obligations in the contract.

Step 5: Recognize revenue when (or as) the entity satisfies a performance obligation.

The Company applies judgement in determining whether contracts entered into fall within the scope of ASC 606, Revenue from Contracts with Customers (“ASC 606”). In doing so, management considers the commercial substance of the transaction and how risks and benefits of the contract accrue to the various parties to the contract.

Management has also made the judgement that the grant of the license and transfer of associatedknow-how and materials are accounted for as one performance obligation as they are not considered to be distinct; they are highly interrelated and could not provide benefits to the customer independently from each other. Judgements were made in relation to the transfer of the license and know-how and whether this should be recognized over time or a point in time. The point in time has been determined with regard to the point at which the transfer of know-how has substantially been completed and the customer has control of the asset and the ability to direct the use of and receive substantially all of the remaining benefits.

Licensing revenues

Revenue from licensees of the Company’s intellectual property reflects the transfer of a right to use the intellectual property as it exists at the point in time in which the license is transferred to the customer. Consideration can be variable and is estimated using the most likely amount method and is constrained to the extent that it is probable that a significant reversal will not occur. Revenue is recognized as or when the performance obligations are satisfied.

The Company recognizes contract liabilities for consideration received in respect of unsatisfied performance obligations and reports these amounts as other liabilities in the consolidated balance sheet. Similarly, if the Company satisfies a performance obligation before it receives the consideration, the Company recognizes either a contract asset or a receivable in its consolidated balance sheet, depending on whether something other than the passage of time is required before the consideration is due.

Royalties

Revenue from licensees of the Company's intellectual property reflect a right to use the intellectual property as it exists at the point in time in which the license is granted. Where consideration is based on sales of product by the licensee, revenue is recognized when the customer's subsequent sales of products occur.

Services revenue

Revenue is earned (constrained by variable considerations) from the provision of research and development services to customers. Services revenue is recognized when performance obligations are either satisfied over time or at a point in time. Generally, the provision of research and development services under a contract with a customer will represent satisfaction of a performance obligation over time where the Company retains the right to payment for services performed but not yet completed.

Research and Development Expense

Research and development costs are expensed when incurred. Research and development expenses relate primarily to the cost of conducting clinical and preclinical trials. Preclinical and clinical development costs are a significant component of research and development expenses. Estimates have been used in determining the expense liability under certain preclinical and clinical trial contracts where services have been performed but not yet invoiced. Generally, the costs, and therefore estimates, associated with preclinical and clinical trial contracts are based on the number of animal subjects, samples or tissues requiring analyses, patients, drug administration cycles, the type of treatment and the outcome since the length of time before actual amounts can be determined will vary depending on the total samples requiring primary and repeated analyses, the length of the patient cycles and the timing of the invoices by the preclinical and clinical trial partners.

Share-based Compensation Expense

The Company records share-based compensation in accordance with ASC 718, Stock Compensation. ASC 718 requires the fair value of all share-based compensation awarded to employees and non-employees to be recorded as an expense over the shorter of the service period or the vesting period. The Company determines employee and non-employee share-based compensation based on the grant-date fair value using the Black-Scholes Option Pricing Model.

Income Taxes

The Company is subject to Australia and United States income tax laws. The Company follows ASC 740, Income Taxes, which requires an asset and liability approach to financial accounting and reporting for income taxes. Deferred income tax assets and liabilities are computed annually for temporary differences between the financial statements and tax bases of assets and liabilities that will result in taxable or deductible amounts in the future based on enacted tax laws and rates applicable to the periods in which the differences are expected to affect taxable income. Valuation allowances are established when necessary to reduce deferred tax assets to the amount more likely than not to be realized.

For uncertain tax positions that meet a "more likely than not" threshold, the Company recognizes the benefit of uncertain tax positions in the consolidated financial statements. The Company's practice is to recognize interest and penalties, if any, related to uncertain tax positions in income tax expense in the consolidated statements of operations.

Recent Accounting Pronouncements

In June 2016, the FASB issued ASUNo. 2016-13: Financial Instruments—Credit Losses (Topic 326). This ASU represents a significant change in the accounting for credit losses model by requiring immediate recognition of management's estimates of current expected credit losses (CECL). Under the prior model, losses were recognized only as they were incurred. The Company has determined that it has met the criteria of a smaller reporting company ("SRC") as of November 15, 2019. As such, ASU 2019-10: Financial Instruments-Credit Losses, Derivatives and Hedging, and Leases: Effective Dates amended the effective date for the Company to be for reporting periods beginning after December 15, 2022. The Company will adopt this ASU effective July 1, 2023.

3. Going Concern

The accompanying consolidated financial statements have been prepared assuming that the Company will continue as a going concern. For the six months ended December 31, 2022, and 2021, the Company incurred a net loss of $10.5 million and $9.9 million and used cash of $9.9 million and $7.6 million in operations, respectively. The Company expects to continue to incur additional operating losses in the foreseeable future.

The Company's business focuses on the development of novel genetic medicines and, at this stage in the Company's development, the Company has not established a source of revenue to cover its full operating costs, and as such, is dependent on funding operations through capital financing activities. As of December 31, 2022, the Company had $10.5 million in cash and cash equivalents. The Company has performed a review of its cash flow forecasts and has concluded that substantial doubt exists as to its ability to continue as a going concern.

The Company's ability to continue as a going concern is dependent upon its ability to generate revenue and obtain adequate financing. While the Company believes in its ability to generate revenue and raise additional funds, there can be no assurances to that effect. The financial statements do not include any adjustments to reflect the possible future effects on the recoverability and classification of assets or the amounts and classification of liabilities that might be necessary if the Company is unable to continue as a going concern due to unsuccessful product development or commercialization, or the inability to obtain adequate financing in the future.

4. Cash, cash equivalents, and restricted cash

(US$'000)	December 31, 2022	June 30, 2022
Cash at bank	$ 10,537	$ 4,062
Restricted cash	14	14
Total	$ 10,551	$ 4,076

5. Prepaid and other assets

(US$'000)	December 31, 2022	June 30, 2022
Prepaid expenses	$ 468	$ 871
Market value of listed shares	4	5
Total other assets	472	876
Less: non-current portion	(116)	(135)
Current portion	$ 356	$ 741

6. Property and equipment, net

(US$'000)	December 31, 2022	June 30, 2022
Software	$ 6	$ 6
Lab equipment	1,343	1,343
Computer hardware	31	31
Leasehold improvements	24	24
Total property and equipment, gross	1,404	1,404
Accumulated depreciation and amortization	(1,265)	(1,182)
Total property and equipment, net	$ 139	$ 222

Depreciation and amortization expense was $41 thousand and $83 thousand and for the three and six months ended December 31, 2022, and $55 thousand and $107 thousand, respectively, for the same periods in 2021.

7. Trade and other payables

(US$'000)	December 31, 2022	June 30, 2022
Trade payable	$ 531	$ 422
Accrued license fees	118	120
Accrued professional fees	—	131
Accrued OPMD project costs	825	1,089
Accrued consultant fees	56	47
Accrued legal fees	259	—
Other payables	41	71
Total	$ 1,830	$ 1,880

8. Leases

The Company has entered into an operating lease for office space under an agreement that expires in 2025. The lease requires the Company to pay utilities, insurance, taxes and other operating expenses. The Company's lease does not contain any residual value guarantees or material restrictive covenants.

The tables below show the changes during the six months ended December 31, 2022:

(US$'000)	Operating lease right-of-use assets
Balance at July 1, 2022	$ 771
Amortization of right of use asset	(121)
Operating lease right-of-use asset at December 31, 2022	$ 650

(US$'000)	Operating lease liabilities
Balance at July 1, 2022	$ 811
Principal payments on operating lease liabilities	(126)
Operating lease liabilities at December 31, 2022	685
Less: non-current portion	(422)
Current portion at December 31, 2022	$ 263

As of December 31, 2022, the Company's operating lease has a remaining lease term of2.45 years and a discount rate of4.67%. The maturities of the operating lease liabilities are as follows:

(US$'000)	December 31, 2022
2023	$ 289
2024	300
2025	138
Total operating lease payments	727
Less imputed interest	(42)
Present value of operating lease liabilities	$ 685

The Company recorded lease liabilities andright-of-use lease assets for the lease based on the present value of lease payments over the expected lease term, discounted using the Company's incremental borrowing rate. Rent expense was $0.1 million and $0.1 million for the three and six months ended December 31, 2022, respectively, $0.1 million for the same periods in 2021.

9. Stockholders' equity

Common Stock

On December 8, 2021, the stockholders of the Company approved an amendment (the "Charter Amendment") to the Company's Amended and Restated Certificate of Incorporation to increase the total number of authorized shares of common stock of the Company from 10,000,000 to 40,000,000. On December 7, 2022, the stockholders of the Company approved another amendment to the Company's Amended and Restated Certificate of Incorporation to increase the number of authorized shares of common stock from 40,000,000 to 160,000,000. The Charter Amendment was filed with the Secretary of State of the State of Delaware and became effective December 9, 2022.

Warrants

On December 6, 2019, certain investors (the "Investors") were issued 4 Purchase Warrants that were exercisable into 214,190 fully paid shares of common stock should the Purchase Warrants be exercised in full ("Purchase Warrants"). The exercise price for the Purchase Warrants is US$10.50 per share issued on exercise of a Purchase Warrant. The Purchase Warrants are exercisable, in whole or in part, any time from the date of issue until the fifth anniversary of the date of issue (December 6, 2024). On April 22, 2020, the Company issued 37,417 shares of common stock in connection with a cashless exercise of Purchase Warrants exercisable for 107,095 shares of common stock.

The activity related to warrants during the six months ended December 31, 2022, is summarized as follows:

	Common Stock from Warrants	Weighted-average Exercise Price (per share)
Outstanding at July 1, 2022	107,095	$ 10.50
Pre-funded warrants issued September 15, 2022	12,171,628	$ 0.0001
Series 2 Warrants issued September 15, 2022	29,809,471	$ 0.66
Outstanding at September 30, 2022	42,088,194	$ 0.49
Pre-funded warrants exercised	2,171,628	$ 0.0001
Outstanding at December 31, 2022	39,916,566	$ 0.52
Exercisable at December 31, 2022	39,916,566	$ 0.52

On September 15, 2022, we closed an underwritten public offering in which we issued and sold (i) 17,637,843 shares of the Company's common stock, (ii) 12,171,628 pre-funded warrants, with each pre-funded warrant immediately exercisable for one share of common stock at an exercise price of $0.0001 per share until exercised in full and (iii) 29,809,471 common warrants, the Series 2 Warrants, with each common warrant accompanying each issued share of common stock and/or pre-funded warrant and exercisable for one share of common stock at an exercise price of $0.66 per share. The Series 2 warrants sold in the offering became exercisable commencing December 9, 2022, the date on which the Company had both (a) received approval from its stockholders to increase the number of shares of common stock it is authorized to issue and (b) effected such stockholder approval by filing with the Secretary of State of the State of Delaware a certificate of amendment to its amended and restated certificate of incorporation, and will expire on the fifth anniversary of such initial exercise date. The combined purchase price for each share of common stock and accompanying common warrant was $0.60, which was allocated as $0.59 per share of common stock and $0.01 per common warrant.

On October 17, 2022 and October 27, 2022, investors exercised 2,004,961 and 166,667 pre-funded warrants, respectively, at an exercise price of $0.0001 per share.

As of December 31, 2022, there were 39,916,566 warrants outstanding.

Equity Incentive Plan

Employee Share Option Plan

In connection with its re-domiciliation to the United States in April 2020, the Company assumed BBL's obligations with respect to the settlement of options that were issued by BBL prior to the re-domiciliation pursuant to the Benitec Officers' and Employees' Share Option Plan (the "Share Option Plan"). This includes the Company's assumption of the Share Option Plan and all award agreements pursuant to which each of the options were granted. Each option when exercised entitles the option holder to one share in the Company. Options are exercisable on or before an expiry date, do not carry any voting or dividend rights and are not transferable except on death of the option holder or in certain other limited circumstances. Employee options vest one-third on each anniversary of the applicable grant date for three years. If an employee dies, retires, or otherwise leaves the Company and certain exercise conditions have been satisfied, generally, the employee has 12 months to exercise their options or the options are cancelled. Since the re-domiciliation, no new options have been or will be issued under the Share Option Plan.

Equity and Incentive Compensation Plan

On December 9, 2020, the Company's stockholders approved the Company's 2020 Equity and Incentive Compensation Plan and, on December 8, 2021, the Company's stockholders approved an amendment to increase the maximum number of shares that may be issued under such plan to 1,850,000 (as amended, the "2020 Plan"). The 2020 Plan provides for the grant of various equity awards. Currently, only stock options are issued under the 2020 Plan. Each option when exercised entitles the option holder to one share of the Company's common stock. Options are exercisable on or before an expiry date, do not carry any voting or dividend rights, and are not transferable except on death of the option holder or in certain other limited circumstances. Employee stock options vest in increments of one-third on each anniversary of the applicable grant date for three years. Non-employee director options vest in increments of one-third on the day prior to each of the Company's next three annual stockholder meetings following the grant date. If an option holder dies or terminates employment or service due to Disability (as defined in the 2020 Plan) and certain exercise conditions have been satisfied, generally, the option holder has 12 months to exercise their options or the options are cancelled. If an option holder otherwise leaves the Company, other than for a termination by the Company for Cause (as defined in the 2020 Plan) and certain exercise conditions have been satisfied, generally, the option holder has 90 days to exercise their options or the options are cancelled. Future equity grants will be made under the 2020 Plan.

Equity Awards

The activity related to equity awards, which are comprised of stock options during the six months ended December 31, 2022 is summarized as follows:

	Stock Options	Weighted-average Exercise Price	Weighted-average Remaining Contractual Term	Aggregate Intrinsic Value
Outstanding at June 30, 2022	738,064	$ 6.95	7.18 years	$ —
Expired	5,665	$ 45.92		
Granted	36,000	$ 0.17	9.93 years	
Outstanding at December 31, 2022	768,399	$ 6.35	6.89 years	$ 64.80
Exercisable at December 31, 2022	456,688	$ 8.58	6.71 years	$ —

Share-Based Compensation Expense

The classification of share-based compensation expense is summarized as follows:

	Three Months Ended December 31,		Six Months Ended December 31,	
(US$'000)	2022	2021	2022	2021
Research and development	$ 30	$ 80	$ 60	$ 161
General and administrative	(78)	159	194	349
Total share-based compensation expense	$ (48)	$ 239	$ 254	$ 510

As of December 31, 2022, there was $0.3 million of unrecognized share-based compensation expense related to stock options issued under the Share Option Plan and the 2020 Plan.

Non-employee option awards-related stock-based compensation expense for the three-month period ended September 30, 2022 was overstated by $167 thousand. The Company determined that this overstatement is immaterial to the previously issued condensed consolidated financial statements for the three-month period ended September 30, 2022 and corrected the amount in the three-month period ended December 31, 2022.

10. Income taxes

For the three and six months ended December 31, 2022, and December 31, 2021, the Company did not recognize a provision or benefit for income taxes as it has incurred net losses. In addition, the net deferred tax assets generated from net operating losses are fully offset by a valuation allowance as the Company believes it is not more likely than not that the benefit will be realized.

11. Commitments and contingencies Contract commitments

The Company enters into contracts in the normal course of business with third-party contract research organizations, contract development and manufacturing organizations and other service providers and vendors. These contracts generally provide for termination on notice and, therefore, are cancellable contracts and not considered contractual obligations and commitments.

Contingencies

From time to time, the Company may become subject to claims and litigation arising in the ordinary course of business. The Company is not a party to any material legal proceedings, nor is it aware of any material pending or threatened litigation.

12. Related party transactions

During the six months ended December 31, 2022, the Company did not enter into any related party transactions. As of December 31, 2021, the Company had entered into a related party transaction with Francis Abourizk Lightowlers for legal fees totaling $1 thousand. Peter Francis, a non-executive director at the Company, is a partner at Francis Abourizk Lightowlers. As of December 31, 2021 amounts due to this related party of $1 thousand were included in trade and other payables on the accompanying consolidated balance sheet.

Item 2. Management's Discussion and Analysis of Financial Condition and Results of Operations

You should read the following discussion and analysis of financial condition and operating results together with our consolidated financial statements and the related notes and other financial information included elsewhere in this document.

Overview

We endeavor to become the leader in discovery, development, and commercialization of therapeutic agents capable of addressing significant unmet medical need via the application of the silence and replace approach to the treatment of genetic disorders.

Benitec Biopharma Inc. ("Benitec" or the "Company" or in the third person, "we" or "our") is a development-stage biotechnology company focused on the advancement of novel genetic medicines with headquarters in Hayward, California. The proprietary platform, called DNA-directed RNA interference, or ddRNAi, combines RNA interference, or RNAi, with gene therapy to create medicines that facilitate sustained silencing of disease- causing genes following a single administration. The Company is developing a ddRNAi-based therapeutic (BB-301) for the treatment of Oculopharyngeal Muscular Dystrophy (OPMD), a chronic, life-threatening genetic disorder.

BB-301 is a ddRNAi-based genetic medicine currently under development by Benitec. BB-301 is an AAV-based gene therapy designed to simultaneously silence the expression of the mutant, disease-causing gene (to slow, or halt, the biological mechanisms underlying disease progression in OPMD) and replace the mutant gene with a wild type gene (to drive restoration of function in diseased cells). This fundamental therapeutic approach to disease management is called "silence and replace". The silence and replace mechanism offers the potential to restore the normative physiology of diseased cells and tissues and to improve treatment outcomes for patients suffering from the chronic, and potentially fatal, effects of OPMD. BB-301 has been granted Orphan Drug Designation in the United States and the European Union.

The targeted gene silencing effects of RNAi, in conjunction with the durable transgene expression achievable via the use of modified viral vectors, imbues the silence and replace approach with the potential to produce long-term silencing of disease-causing genes along with simultaneous replacement of wild type gene function following a single administration of the proprietary genetic medicine. We believe that this novel mechanistic profile of the current and future investigational agents developed by Benitec could facilitate the achievement of robust and durable clinical activity while greatly reducing the frequency of drug administration traditionally expected for medicines employed for the management of chronic diseases.

Additionally, the achievement of long-term gene silencing and gene replacement may significantly reduce the risk of patientnon-compliance during the course of medical management of potentially fatal clinical disorders.

COVID-19

COVID-19 has been declared a pandemic by the World Health Organization and has spread to nearly every country, including Australia and the United States. The impact of this pandemic has been, and will likely continue to be, extensive in many aspects of society, which has resulted in, and will likely continue to result in, significant disruptions to businesses and capital markets around the world. The extent to which the coronavirus impacts us will depend on future developments, which are highly uncertain and cannot be predicted, including new information which may emerge concerning the severity of the coronavirus and its variants, and the actions to contain the coronavirus or treat its impact, including the effectiveness and adoption of vaccines for the virus, among others.

Certain elements of our research and development efforts are conducted globally, including the ongoing development of our silence and replace therapeutic for the treatment of Oculopharyngeal Muscular Dystrophy (OPMD), and will be dependent upon our ability to complete preclinical studies and initiate clinical studies despite the ongoing COVID-19 pandemic.

As we endeavor to complete our development programs, including the ongoing Toxicology and Biodistribution study forBB-301, we are in close contact with our principal investigators, contract research organizations, and preclinical trial sites, which are located in the United States, Canada, and France, and are assessing the impact of COVID-19 on our studies and the expected development timelines and costs on an ongoing basis. In light of developments relating to the COVID-19 global pandemic since the beginning of the outbreak, the focus of healthcare providers and hospitals on fighting the virus, and consistent with the FDA's industry guidance for conducting clinical trials, we have experienced delays to the original timeline regarding the initiation and anticipated completion of the ongoing BB-301 Clinical Trial Application (CTA)-enabling and Investigational New Drug Application (IND)-enabling development work. The initiation of the BB-301 Pilot Dosing Study in Beagle dogs, which represents a key component of the CTA-enabling and IND-enabling work, was delayed by several months, however, the study has been completed without incident. The acquisition of chemical reagents, biological reagents and laboratory supplies which are essential for the conduct of basic laboratory research, the conduct of nonclinical studies and the

completion of GMP manufacturing of BB-301, has also become challenging due to the disruption of global supply chains inherent to the production of these materials. We will continue to evaluate the impact of the COVID-19 pandemic on our business and we expect to reevaluate the timing of our anticipated preclinical and clinical milestones as we learn more and the impact of COVID-19 on our industry becomes clearer.

We have also implemented a halt of non-essential business travel and a rotation system whereby staff work from home and attend the laboratory on designated days which may result in a reduction of laboratory work. As we transition our employees back to our premises, there is a risk that COVID-19 infections occur at our offices or laboratory facilities and significantly affect our operations. Additionally, if any of our critical vendors are impacted, our business could be affected if we become unable to procure essential equipment in a timely manner or obtain supplies or services in adequate quantities and at acceptable prices.

Public Equity Offering

On September 15, 2022, we closed an underwritten public offering in which we issued and sold (i) 17,637,843 shares of the Company's common stock, (ii) 12,171,628 pre-funded warrants, with each pre-funded warrant immediately exercisable for one share of common stock at an exercise price of $0.0001 per share until exercised in full and (iii) 29,809,471 common warrants, with each common warrant accompanying each issued share of common stock and/or pre-funded warrant and exercisable for one share of common stock at an exercise price of $0.66 per share (the "September 2022 Capital Raise"). The common warrants sold in the offering became exercisable on December 9, 2022, the date by which the Company (a) received approval from its stockholders to increase the number of shares of common stock it is authorized to issue and (b) effected such stockholder approval by filing with the Secretary of State of the State of Delaware a certificate of amendment to its amended and restated certificate of incorporation, and will expire on the fifth anniversary of such initial exercise date. The combined purchase price for each share of common stock and accompanying common warrant was $0.60, which was allocated as $0.59 per share of common stock and $0.01 per common warrant.

The net proceeds to the Company from the public offering were approximately $16 million, after deducting underwriting discounts and commissions and public offering expenses payable by the Company, and excluding any proceeds the Company may receive upon exercise of the pre-funded warrants or the common warrants. The Company currently intends to use the net proceeds for the clinical development of BB-301, including the natural history lead-in study and the Phase 1b/2a BB-301 treatment study, for the continued advancement of development activities for other existing and new product candidates, for general corporate purposes and for strategic growth opportunities. The Company will have broad discretion in determining how the proceeds of the public offering will be used, and its discretion is not limited by the aforementioned possible uses.

Nasdaq Listing

On September 6, 2022, we received a letter from the Listing Qualifications Department of the Nasdaq Stock Market notifying us that the minimum bid price per share for our common stock fell below $1.00 for a period of 30 consecutive business days and that therefore we did not meet the minimum bid price requirement set forth in Nasdaq Listing Rule 5550(a)(2).

The letter also states that we will be provided 180 calendar days, or until March 6, 2023, to regain compliance with the minimum bid price requirement. In accordance with Rule 5810(c)(3)(A), we can regain compliance if at any time during the 180-day period the closing bid price of our common stock is at least $1.00 for a minimum of 10 consecutive business days. If by March 6, 2023, we cannot demonstrate compliance with the Rule 5550(a)(2), we may be eligible for additional time. To qualify for additional time, we will be required to meet the continued listing requirement for market value of publicly held shares and all other initial listing standards for The Nasdaq Capital Market, with the exception of the bid price requirement, and we will need to provide written notice of our intention to cure the deficiency during the second compliance period. If we are not eligible for the second compliance period, then the Nasdaq Staff will provide notice that our securities will be subject to delisting. At such time, we may appeal the delisting determination to a Hearings Panel.

We intend to monitor the closing bid price of our common stock and may, if appropriate, consider implementing available options to regain compliance with the minimum bid price requirement. These options include completing a reverse stock split of our common stock for the purpose of meeting the closing bid price requirement. We received stockholder approval to effect a reverse stock split at our Annual Meeting of Stockholders on December 7, 2022 but currently have no plans to proceed. Such approval allows our board of directors, in its discretion, to elect to implement such reverse stock split at any time prior to December 7, 2023. Completing a reverse stock split will not, in of itself, cause us to remain in compliance with Nasdaq's listing standards.

Development Programs

Our Pipeline

The following table sets forth the current product candidate and the development status:

Table 1. Pipeline: Oculopharyngeal Muscular Dystrophy

BB-301

We are developing BB-301 for the treatment of Oculopharyngeal Muscular Dystrophy (OPMD).BB-301 is the lead investigational agent under development by Benitec, and the key attributes of OPMD and BB-301 are outlined in Figure 3.

Figure 3. Overview of the BB-301 Program

BB-301 is a first-in-class genetic medicine employing the "silence and replace" approach for the treatment of OPMD. OPMD is an insidious, autosomal-dominant, late-onset, degenerative muscle disorder that typically presents in patients at 40-to-50 years of age. The disease is characterized by progressive swallowing difficulties (dysphagia) and eyelid drooping (ptosis). OPMD is caused by a specific mutation in the poly(A)-binding protein nuclear 1 gene (PABPN1).

OPMD is a rare disease, however, patients have been diagnosed with OPMD in at least 33 countries. Patient populations suffering from OPMD are well-identified, and significant geographical clustering has been noted for patients with this disorder. Each of these attributes could facilitate efficient clinical development and global commercialization of BB-301.

PABPN1 is a ubiquitous factor that promotes the interaction between the poly(A) polymerase and CPSF (cleavage and polyadenylation specificity factor) and, thus, controls the length of mRNA poly(A) tails, mRNA export from the nucleus, and alternative poly(A) site usage. The characteristic genetic mutation underlying OPMD results in trinucleotide repeat expansion(s) within exon 1 of PABPN1 and results in an expanded poly-alanine tract at the N-terminal end of PABPN1. The mutation generates a protein with an N-terminal expanded poly-alanine tract of up to 18 contiguous alanine residues, and the mutant protein is prone to the formation of intranuclear aggregates designated as intranuclear inclusions (INIs). The INIs that sequester wildtype PABPN1 may contribute to the “loss of function” phenotype associated with OPMD.

No therapeutic agents are approved for the treatment of OPMD. Additionally, there are no surgical interventions available to OPMD patients that modify the natural history of the disease, which is principally comprised of chronic deterioration of swallowing function. BB-301 has received Orphan Drug Designation in the United States and the European Union and, upon achievement of regulatory approval for BB-301 in these respective jurisdictions, the Orphan Drug Designations would provide commercial exclusivity independent of intellectual property protection. While OPMD is a rare medical disorder, we believe the commercial opportunity for a safe and efficacious therapeutic agent in this clinical indication exceeds $1 billion over the course of the commercial life of the product.

Benitec has previously outlined the core CTA-enabling and IND-enabling studies required by global regulatory agencies to support the initiation of BB-301 clinical trials in OPMD patients, and these studies include a BB-301 Pilot Dosing Study (the “Pilot Dosing Study”) in large animals and a classical 12-week GLP Toxicology and Biodistribution Study for BB-301. In these large animal studies, BB-301 is directly injected into the pharyngeal muscles known to underlie the morbidity and mortality which characterizes the natural history of OPMD in human subjects.

As referenced above, the BB-301 Pilot Dosing Study in large animals was the first of two CTA-enabling and IND-enabling studies conducted by Benitec. This study was carried out under the guidance of the scientific team at Benitec, with key elements of the design and execution of the study conducted in close collaboration with a team of experts in both medicine and surgery that have been deeply engaged in the treatment of OPMD patients for decades. The BB-301 Pilot Dosing Study and the GLP Toxicology and Biodistribution Study for BB-301 were conducted in canine subjects in order to:

- Support the validation and optimization of the newly designed route and method of BB-301 administration,
- Confirm the efficiency of vector transduction and transgene expression in the key tissue compartments underlying the morbidity and mortality that comprises the natural history of OPMD,
- Confirm the optimal BB-301 doses in advance of initiation of human clinical studies,
- Facilitate the observation of key toxicological data-points.

The BB-301 Pilot Dosing Study was designed as an 8-week study in Beagle dogs to confirm the transduction efficiency of BB-301 upon administration via direct intramuscular injection into specific anatomical regions of the pharynx through the use of an open surgical procedure. This new method and route of BB-301 administration was developed in collaboration with key surgical experts in the field of Otolaryngology, and this novel method of BB-301 dosing will significantly enhance the ability of treating physicians to accurately administer the AAV-based investigational agent to the muscles that underlie the characteristic deficits associated with disease progression in OPMD. It is important to note that prior BB-301 non-clinical studies have reproducibly validated the robust biological activity achieved following direct intramuscular injection of the AAV-based agent. As an example, direct injection of BB-301 into the tibialis anterior muscles of A17 mice facilitated robust transduction of the targeted skeletal muscle cells and supported complete remission of the OPMD disease phenotype in this animal model.

Benitec conducted the BB-301 Pilot Dosing Study in Beagle dog subjects to demonstrate that direct intramuscular injection of BB-301 via the use of a proprietary dosing device in an open surgical procedure could safely achieve the following goals:

- Biologically significant and dose-dependent levels of BB-301 tissue transduction (i.e., delivery of the multi-functional BB-301 genetic construct into the target pharyngeal muscle cells),
- Broad-based and dose-dependent expression of the three distinct genes comprising the BB-301 gene construct within the pharyngeal muscle cells, and
- Biologically significant levels of target gene knock-down (i.e., inhibition of the expression of the gene of interest) within the pharyngeal muscle cells.

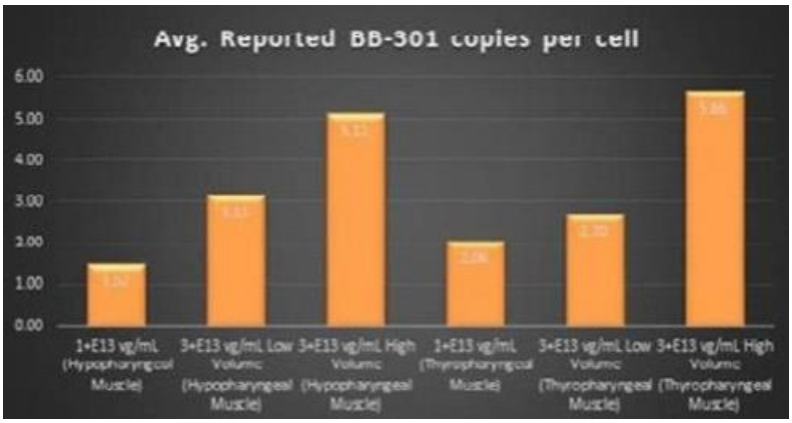
The Pilot Dosing Study evaluated the safety and biological activity of two concentrations of BB-301 (1.0+E13 vg/mL and 3.0+E13 vg/mL) across three distinct doses (1.0+E13 vg/mL and 3.0+E13 vg/mL with a low injection volume, and 3.0+E13

vg/mL with a high injection volume) following direct intramuscular injection into the Hypopharyngeus (HP) muscles and the Thyropharyngeus (TP) muscles of Beagle dogs via the use of a proprietary delivery device employed in an open surgical procedure. The HP muscle in Beagle dogs corresponds to the Middle Pharyngeal Constrictor muscle in human subjects, and the TP muscle in Beagle dogs corresponds to the Inferior Pharyngeal Constrictor muscle in human subjects. BB-301 was injected only on Day 1 of the Pilot Dosing Study, and the corresponding canine pharyngeal muscles were harvested for molecular analyses after 8 weeks of observation post-injection. BB-301 dosing was carried out independently by a veterinary surgeon and an Otolaryngologist with extensive experience regarding the provision of palliative surgical care for OPMD patients.

Molecular analyses have been completed for the canine subjects treated in the BB-301 Pilot Dosing Study. Key interim data-sets derived from the analyses of pharyngeal muscle tissues isolated from 16 Beagle dog subjects (of the 24-subject Beagle dog study population) are highlighted below. The final data-set derived from the completed molecular analyses of the pharyngeal muscle tissues of the canine subjects treated on the Pilot Dosing Study will be presented in a peer-reviewed format.

The key interim data-sets are summarized below:

Figure 4. Pharyngeal Muscle Tissue Transduction Levels Achieved by BB-301



Regarding Gene Expression Levels Observed for BB-301 Within the Pharyngeal Muscle Tissues (Figure 5, Figure 6, Figure 7):

- BB-301 encodes two distinct siRNA species (i.e., siRNA13 and siRNA17) which are each, independently, capable of inhibiting (i.e., "silencing") the expression of the mutant form of the PABPN1 protein and the wild type (i.e., endogenous) form of the PABPN1 protein (importantly, the mutant form of the PABPN1 protein underlies the development, and progression, of OPMD).
- BB-301 also codes for a wild type version of the PABPN1 protein whose intracellular expression is unaffected by the inhibitory activities of siRNA13 and siRNA17; this "codon optimized" transcript drives the expression of a PABPN1 protein (i.e., coPABPN1) which serves to replenish the endogenous form of the PABPN1 protein and to replace the mutant form of PABPN1 that underlies the development and progression of OPMD in diseased tissues.
- For comparative purposes, it should be noted that the average range of expression for wild type PABPN1 within the pharyngeal muscle cells of Beagle dogs is 4.5 copies per cell-to-7.8 copies per cell.

Figure 5. siRNA13 Expression Levels Achieved by BB-301 within Pharyngeal Muscle Tissues

Figure 6. siRNA17 Expression Levels Achieved by BB-301 within Pharyngeal Muscle Tissues

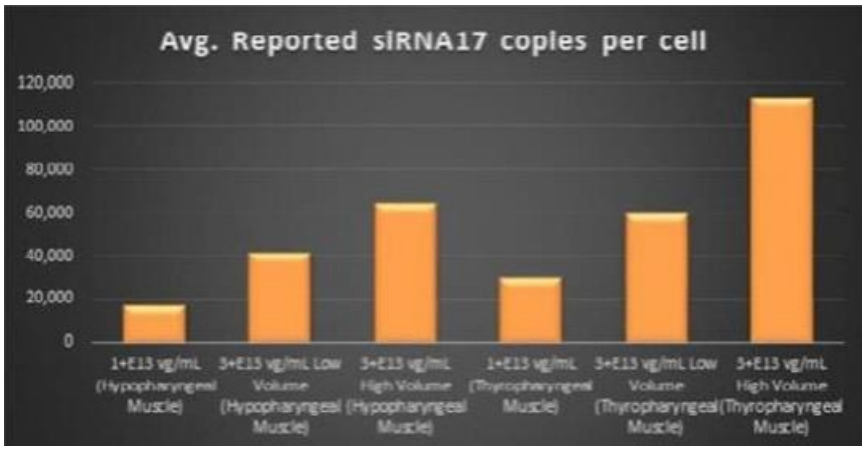
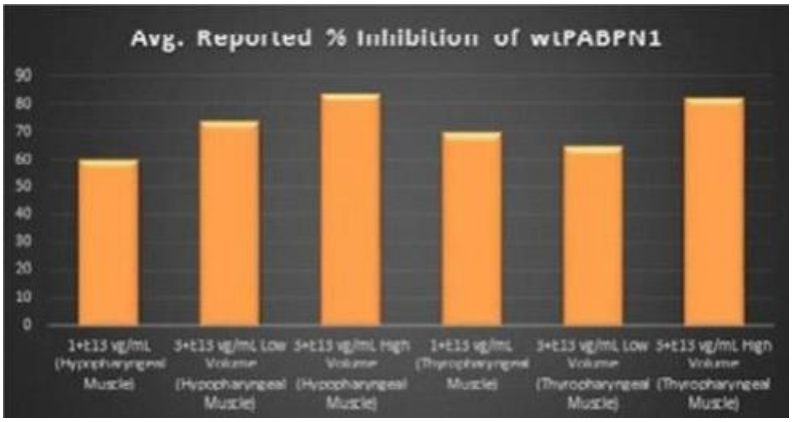


Figure 7. coPABPN1 Expression Levels Achieved by BB-301 within Pharyngeal Muscle Tissues

Regarding Wild Type PABPN1 Silencing (i.e., target "knock-down") Observed for BB-301 Within the Pharyngeal Muscle Tissues (Figure 8):

- As noted above, BB-301 encodes two distinct siRNA species (i.e., siRNA13 and siRNA17) which are each, independently, capable of inhibiting (i.e., "silencing") the expression of all forms of the PABPN1 protein (siRNA13 and siRNA17 silence the expression of both wild type PABPN1 [wtPABPN1] and mutant PABPN1).
- While the Beagle dog subjects treated in the BB-301 Pilot Dosing Study do not express mutant PABPN1, the level of BB-301-driven gene silencing for the PABPN1 target can be indirectly assessed in these study subjects due to the equivalent inhibitory effects of siRNA13 and siRNA17 on both wtPABPN1 and mutant PABPN1.
- Thus, the wtPABPN1 silencing activity observed in the BB-301 Pilot Dosing Study serves as a surrogate for the silencing activity that would be anticipated in the presence of mutant PABPN1.
- BB-301 has been evaluated in prior non-clinical studies in animals that express mutant PABPN1 and, as a result, manifest the symptomatic phenotype of OPMD; in the symptomatic animal model of OPMD (i.e. the A17 mouse model), the achievement of PABPN1 silencing levels of 31% inhibition (or higher) following BB-301 administration led to resolution of OPMD disease symptoms and the elimination of the histopathological hallmarks of OPMD.

Figure 8. PABPN1 Silencing (i.e., “target knock-down”) Achieved by BB-301 within Pharyngeal Muscle Tissues



There are key methodological distinctions between the current BB-301 Pilot Dosing Study conducted by Benitec as compared to the prior BB-301 Beagle dog dosing study carried out independently by the previous BB-301 licensee. The BB-301 dosing study conducted by the prior BB-301 licensee employed non-ideal routes and methods of BB-301 administration to the target pharyngeal muscle tissues and employed similarly limited analytical methods at the completion of the dosing phase of the study. Subsequently, the Benitec team worked to optimize the route and method of administration of BB-301 and to refine the core analytical methods employed following the completion of dosing of the large animal subjects.

The current proprietary method of BB-301 delivery to the key pharyngeal muscles of study subjects, and the proprietary molecular analytical methods employed to assay the pharyngeal muscle tissues of study subjects, with both methods having been developed by the Benitec team, led to the observation of broad-based transduction of the targeted pharyngeal muscle tissues (Figure 9, represents individual sections of the TP muscle following BB-301 dosing). Critically, the Benitec-developed methods also facilitated the achievement of a 228-fold improvement (+22,647%) in BB-301 transduction of the HP muscle and a 113-fold improvement (+11,163%) in BB-301 transduction of the TP muscle relative to the levels of BB-301 transduction observed by the previous BB-301 licensee at identical BB-301 doses in identical canine study populations (Figure 10).

Figure 9. BB-301 Transduction Levels Achieved for Individual Sections of the TP Muscle Following BB-301 dosing

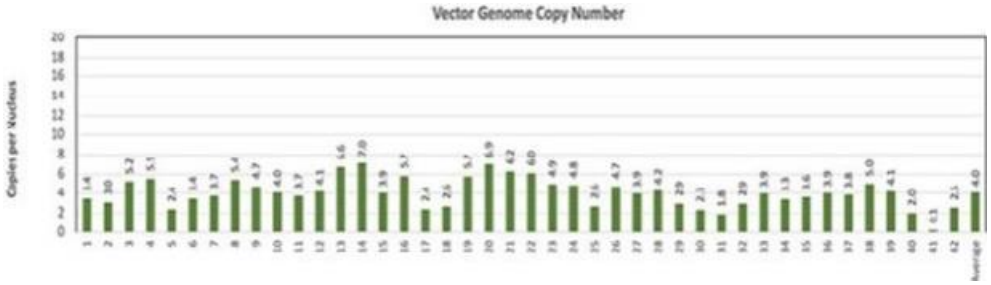
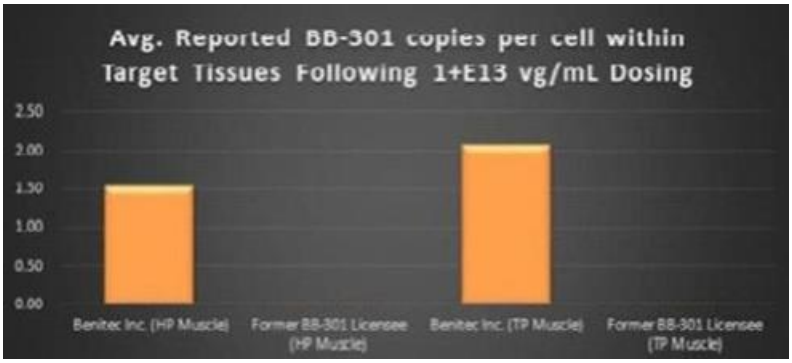


Figure 10. Impact of the Methodological Improvements to theBB-301 Large Animal Dosing Study Design on the Relative Pharyngeal Muscle Tissue Transduction Levels Achieved by Benitec vs. the Former BB-301 Licensee



Following the disclosure of the positive interim BB-301 Pilot Dosing Study results, Benitec completed pre-CTA and pre-IND meetings with regulatory agencies in France, Canada, and the United States.

Summary of Regulatory Interactions:

- Benitec successfully completed the regulatory interactions required to support initiation of the OPMD clinical development program in 2022
- Successful regulatory engagement comprised the completion of the following meetings:
  - Preclinical Trial Application (Pre-CTA) Consultation Meeting with Health Canada
  - Scientific Advice Meeting with The National Agency for the Safety of Medicines and Health Products in France (L'Agence nationale de sécurité du médicament et des produits de santé or "ANSM")
  - Type C Meeting with the U.S. Food and Drug Administration ("FDA")

In December 2022 Benitec began screening OPMD subjects at the first clinical trial site in the United States in support of the OPMD clinical development program.

Summary of the BB-301 Clinical Development Program:

- The BB-301 clinical development program began in 2022, and the conduct of the development program will comprise approximately 76-weeks of follow-up for each OPMD study participant, inclusive of:
  - 6-month pre-treatment observation periods employing quantitative radiographic imaging techniques for evaluation of the baseline disposition and natural history of OPMD-derived dysphagia in each study participant
  - 1 day of BB-301 dosing to initiate participation in the Phase 1b/2a single-arm, open-label, sequential, dose escalation cohort study
  - 52-weeks of post-dosing follow-up for conclusive evaluation of the primary and secondary endpoints of the Phase 1b/2a BB-301 treatment study
- The screening of OPMD subjects for enrollment into the OPMD Natural History Study began in 2022, and this observational study will facilitate the characterization of OPMD patient disposition at baseline and assess subsequent rates of progression of dysphagia (swallowing impairment) in subjects with OPMD via the use of quantitative radiographic measures of global swallowing function and pharyngeal constrictor muscle function along with clinical assessments and patient-reported self-assessments of swallowing function
  - Videofluoroscopic Swallowing Studies (VFSS) will be conducted to complete the following methodological assessments:
    - Dynamic Imaging Grade of Swallowing Toxicity Scale (DIGEST)
    - Pharyngeal Area at Maximum Constriction (PhAMPC)
    - Pharyngeal Constriction Ratio (PCR)
  - Clinical measures of global swallowing capacity and oropharyngeal dysphagia
  - Patient-reported measures of oropharyngeal dysphagia
- The natural history of dysphagia observed for each OPMD study participant, as characterized by the quantitative radiographic measures and the clinical and patient self-reported assessments outlined above, will serve as the baseline for comparative assessments of safety and efficacy of BB-301 upon rollover of OPMD study subjects from the Natural History Study onto the Phase 1b/2aBB-301 treatment study

- Upon the achievement of 6-months of follow-up in the Natural History Study, OPMD Natural History Study participants can become eligible for enrollment onto the Phase 1b/2a treatment study with the investigational genetic medicine, BB-301, which uses an AAV9-based gene therapy approach for the treatment of OPMD-derived dysphagia
    - This first-in-human (FIH) clinical trial will be a Phase 1b/2a, open-label, dose escalation study to evaluate the safety and clinical activity of intramuscular doses of BB-301 administered to the pharyngeal muscles of subjects with OPMD
- Upon rollover from the Natural History Study onto the Phase 1b/2aBB-301 treatment study, the follow-up of OPMD study participants will continue for 52-weeks, and the primary endpoints (safety) and secondary endpoints (comprising the quantitative radiographic measures of global swallowing function and pharyngeal constrictor muscle function, and the clinical and patient-reported assessments noted above) will be evaluated during each 90-day period following Day 1 (Day 1 represents the day of BB-301 intramuscular injection).

Royalties, milestone payments and other license fees

We are required to pay royalties, milestone payments and other license fees in connection with our licensing of intellectual property from third parties, including as discussed below.

We have collaborated with Biomics Biotechnologies Co., Ltd., or Biomics, pursuant to several collaboration agreements in relation to single-stranded RNA and shRNA sequences for treatment of hepatitis B. In July 2015, we entered into an earn-out agreement with Biomics which confirmed Benitec's ownership of certain patents resulting from the collaboration in exchange for an upfront payment and equity issuance to Biomics and a share of certain future licensing revenue received by Benitec.

October 2020 Capital Raise

On October 6, 2020, the Company announced the closing of an underwritten public offering of common stock and common stock equivalents. The Company received gross proceeds of approximately $11.5 million and net proceeds of approximately $9.9 million from the offering.

April 2021 Capital Raise

On April 30, 2021, the Company announced the closing of an underwritten public offering of common stock and common stock equivalents. The Company received gross proceeds of approximately $14.3 million and net proceeds of approximately $12.7 million from the offering.

September 2022 Capital Raise

On September 15, 2022, the Company announced the closing of an underwritten public offering of common stock and common stock equivalents. The Company received gross proceeds of approximately $17.9 million and net proceeds of approximately $16.0 million from the offering.

Results of Operations

Revenues

The Company has not generated any revenues from the sales of products. Revenues from licensing fees are included in the revenue from customers line item on our consolidated statements of operations and comprehensive loss. Our licensing fees have been generated through the licensing of our ddRNAi technology to biopharmaceutical companies. The Company recognized licensing fee revenues totaling $14 thousand and $25 thousand during the six months ended December 31, 2022 and December 31, 2021, respectively.

Royalties and License Fees

Royalties and license fees consist primarily of payments we are required to remit for royalties and other payments related to in-licensed intellectual property. Under our in-license agreements, we may pay up-front fees and milestone payments and be subject to future royalties. We cannot precisely predict the amount, if any, of royalties we will owe in the future, and if our calculations of royalty payments are incorrect, we may owe additional royalties, which could negatively affect our results of operations. As our product sales increase, we may, from time to time, disagree with our third-party collaborators as to the appropriate royalties owed, and the resolution of such disputes may be costly, may consume management's time, and may damage our relationship with our collaborators. Furthermore, we may enter into additional license agreements in the future, which may also include royalty, milestone and other payments.

Research and Development Expenses

Research and development expenses relate primarily to the cost of conducting clinical and preclinical trials. Preclinical and clinical development costs are a significant component of research and development expenses. The Company records accrued liabilities for estimated costs of research and development activities conducted by third-party service providers, which include the conduct of preclinical studies and clinical trials, and contract manufacturing activities. The Company records the estimated costs of research and development activities based upon the estimated amount of services provided but not yet invoiced and includes these costs in trade and other payables on the consolidated balance sheets and within research and development expenses on the consolidated statements of operations and comprehensive loss.

The Company accrues for these costs based on factors such as estimates of the work completed and in accordance with agreements established with its third-party service providers. The Company makes significant judgments and estimates in determining the accrued liabilities balance at the end of each reporting period. As actual costs become known, the Company adjusts its accrued liabilities. The Company has not experienced any material differences between accrued costs and actual costs incurred.

General and Administrative Expenses

General and administrative expenses consist primarily of salaries, related benefits, travel, and equity-based compensation expense. General and administrative expenses also include facility expenses, professional fees for legal, consulting, accounting and audit services and other related costs.

We anticipate that our general and administrative expenses may increase as the Company focuses on the continued development of the preclinical OPMD program. The Company also anticipates an increase in expenses relating to accounting, legal and regulatory-related services associated with maintaining compliance with exchange listing and SEC requirements, director and officer insurance premiums and other similar costs.

Operating Expenses

The following tables sets forth a summary of our expenses for each of the periods:

	Three Months Ended December 31,		Six Months Ended December 31,	
	2022	2021	2022	2021
	(US$'000)			
Operating Expenses:				
Research and development	$ 3,761	$ 3,146	$ 6,421	$5,926
General and administrative	1,863	1,714	3,783	3,756
Total operating expenses	$ 5,624	$ 4,860	$10,204	$9,682

During the three and six months ended December 31, 2022 and December 31, 2021, respectively, we incurred $3.8 million and $6.4 million in research and development expenses, respectively, as compared to $3.1 million and $5.9 million for the comparable periods ended December 31, 2021. Research and development expenses relate primarily to the OPMD project. The year-over-year increases for the six-month period reflect conclusion of the BB-301 Regulatory Toxicology Study and the Parallel Assay Method Development, Qualification, and Validation project, and the continuation of the GMP manufacturing project and Natural History Study.

General and administrative expense totaled $1.9 million and $3.8 million for the three and six months ended December 31, 2022, compared to $1.7 million and $3.8 million for the comparable periods ended December 31, 2021. The year-over-year increase for the three-month periods ended December 31 relate to higher bonuses and legal fees, partially offset by lower listing and filing fees and stock-based compensation. See Note 9 of the Notes to Consolidated Financial Statements included in this Quarterly Report on Form 10-Q.

Other Income (Expense)

The following tables sets forth a summary of our other income (loss) for each of the periods:

	Three Months Ended December 31,		Six Months Ended December 31,	
	2022	2021	2022	2021
	(US$'000)			
Other Income (Loss):				
Foreign currency transaction gain (loss)	$ 161	$ 48	$(346)	$ (193)
Interest expense, net	(9)	(11)	(18)	(12)
Other income, net	50	—	50	—
Unrealized loss on investment	(3)	(23)	—	(5)
Total other income (loss), net	$ 199	$ 14	$(314)	$ (210)

Other income (loss), net during the three and six months ended December 31, 2022, which consists of foreign currency transaction gain (loss), interest expense, other income, and unrealized loss on investment, totaled $199 thousand and $(314) thousand, respectively. During the three and six months ended December 31, 2021, respectively, other income (loss) totaled $14 thousand and $(210) thousand. The increase in foreign currency transaction gains during the three-month periods ended December 31 and in foreign currency transaction losses during the six-month periods ended December 31 reflect changes in foreign exchange rates. Other income relates to recognition of a tax penalty refund receivable. Unrealized loss on investment decreased for the three and six month periods ended December 31, 2022, compared to the same prior year periods.

Liquidity and Capital Resources

The Company has incurred cumulative losses and negative cash flows from operations since our predecessor's inception in 1995. The Company had accumulated losses of $159 million as of December 31, 2022. We expect that our research and development expenses may increase due to the continued development of the OPMD program. It is also likely that there will be an increase in the general and administrative expenses due to the obligations of being a domestic public company in the United States.

We had no borrowings as of December 31, 2022 and do not currently have a credit facility.

As of December 31, 2022, we had cash and cash equivalents of approximately $10.5 million. Cash in excess of immediate requirements is invested in accordance with our investment policy, primarily with a view to liquidity and capital preservation. Currently, our cash and cash equivalents are held in bank accounts.

The following table sets forth a summary of the net cash flow activity for each of the periods set forth below:

	Three Months Ended December 31,	
	2022	2021
	(US$'000)	
Net cash provided by (used in):		
Operating activities	$ (9,888)	$(7,622)
Investing activities	—	—
Financing activities	16,015	—
Effects of exchange rate changes on cash and cash equivalents	348	182
Net increase (decrease) in cash, cash equivalents, and restricted cash	$ 6,475	$(7,440)

Operating activities

Net cash used in operating activities for the six months ended December 31, 2022 and 2021 was $9.9 million and $7.6 million, respectively. Net cash used in operating activities was primarily the result of our net loss, partially offset by non-cash expenses, and changes in working capital, including an increase in payables.

Financing activities

Net cash provided by financing activities was $16.0 million and $0 for the six months ended December 31, 2022 and 2021, respectively. Cash from financing activities in 2022 was related to the issuance of common stock, pre-funded warrants, and Series 2 warrants, including $17.9 million in gross proceeds from the September 2022 Capital Raise, partially offset by $1.9 million in share issuance costs.

The future of the Company as an operating business will depend on its ability to manage operating costs and budgeted amounts and obtain adequate financing. While we continue to progress discussions and advance opportunities to engage with pharmaceutical companies and continue to seek licensing partners for ddRNAi in disease areas that are not our focus, there can be no assurance as to whether we will enter into such arrangements or what the terms of any such arrangement could be.

While we have established some licensing arrangements, we do not have any products approved for sale and have not generated any revenue from product sales. We do not know when, or if, we will generate any revenue from product sales. We do not expect to generate significant revenue from product sales unless and until we obtain regulatory approval of and commercialize one of our current or future product candidates.

Unless and until we establish significant revenues from licensing programs, strategic alliances or collaboration arrangements with pharmaceutical companies, or from product sales, we anticipate that we will continue to generate losses for the foreseeable future, and we expect the losses to increase as we continue the development of product candidates and begin to prepare to commercialize any product that receives regulatory approval. We are subject to the risks inherent in the development of new gene therapy products, and we may encounter unforeseen expenses, difficulties, complications, delays, and other unknown factors that may adversely affect our business. The Company has performed a review of its cash flow forecasts and has concluded that substantial doubt exists as to its ability to continue as a going concern. The Company does not have sufficient liquidity to fund its operations for the next twelve months without raising additional funds and the success of raising such additional capital is not solely within the Company's control.

We have based our projections of operating capital requirements on assumptions that may prove to be incorrect and we may use all of our available capital resources sooner than we expect. Because of the numerous risks and uncertainties associated with research, development, and commercialization of pharmaceutical products, we are unable to estimate the exact amount of our operating capital requirements. Our future funding requirements will depend on many factors, including, but not limited to:

- the timing and costs of our planned clinical trials for our ddRNAi and silence and replace product candidates;
- the timing and costs of our planned preclinical studies for our ddRNAi and silence and replace product candidates;
- the number and characteristics of product candidates that we pursue;
- the outcome, timing, and costs of seeking regulatory approvals;
- revenue received from commercial sales of any of our product candidates that may receive regulatory approval;
- the terms and timing of any future collaborations, licensing, consulting, or other arrangements that we may establish;
- the amount and timing of any payments we may be required to make, or that we may receive, in connection with the licensing, filing, prosecution, defense and enforcement of any patents or other intellectual property rights;
- the costs of preparing, filing and prosecuting patent applications, maintaining and protecting our intellectual property rights and defending against intellectual property related claims; and
- the extent to which we need to in-license or acquire other products and technologies.

Contractual Obligations and Commercial Commitments

On October 1, 2016, the Company entered into an operating lease for office space in Hayward, California that originally expired in April 2018. The Company has entered into lease amendments that extended the lease through June 2025. See Note 8 of the Notes to Consolidated Financial Statements included in this Quarterly Report on Form 10-Q.

The Company enters into contracts in the normal course of business with third-party contract research organizations, contract development and manufacturing organizations and other service providers and vendors. These contracts generally provide for termination on notice and, therefore, are cancellable contracts and not considered contractual obligations and commitments.

Critical Accounting Policies and Significant Accounting Estimates

The preparation of consolidated financial statements and related disclosures in conformity with accounting principles generally accepted in the United States of America requires management to make judgments, assumptions and estimates that affect the amounts reported. Note 2 of the Notes to Consolidated Financial Statements included in this Quarterly Report on Form 10-Q describes the significant accounting policies used in the preparation of the consolidated financial statements. Certain of these significant accounting policies are considered to be critical accounting policies.

A critical accounting policy is defined as one that is both material to the presentation of the Company's consolidated financial statements and requires management to make difficult, subjective, or complex judgments that could have a material effect on the Company's financial condition or results of operations. Specifically, these policies have the following attributes: (1) the Company is required to make assumptions about matters that are highly uncertain at the time of the estimate; and (2) different estimates the Company could reasonably have used, or changes in the estimate that are reasonably likely to occur, would have a material effect on the Company's financial condition or results of operations.

Estimates and assumptions about future events and their effects cannot be determined with certainty. The Company bases its estimates on historical experience and on various other assumptions believed to be applicable and reasonable under the circumstances. These estimates may change as new events occur, as additional information is obtained and as the Company's operating environment changes. These changes have historically been minor and have been included in the consolidated financial statements as soon as they became known. In addition, management is periodically faced with uncertainties, the outcomes of which are not within its control and will not be known for prolonged periods of time. These uncertainties are discussed in the section above entitled "Risk Factors." Based on a critical assessment of its accounting policies and the underlying judgments and uncertainties affecting the application of those policies, management believes that the Company's consolidated financial statements are fairly stated in accordance with accounting principles generally accepted in the United States of America and provide a meaningful presentation of the Company's financial condition and results of operations.

Management believes that the following are critical accounting policies:

Research and Development Expense

Research and development expenses relate primarily to the cost of conducting clinical and preclinical trials. Preclinical and clinical development costs are a significant component of research and development expenses. The Company records accrued liabilities for estimated costs of research and development activities conducted by third-party service providers, which include the conduct of preclinical studies and clinical trials, and contract manufacturing activities. The Company records the estimated costs of research and development activities based upon the estimated amount of services provided but not yet invoiced and includes these costs in trade and other payables on the consolidated balance sheets and within research and development expenses on the consolidated statements of operations and comprehensive loss.

The Company accrues for these costs based on factors such as estimates of the work completed and in accordance with agreements established with its third-party service providers. The Company makes significant judgments and estimates in determining the accrued liabilities balance at the end of each reporting period. As actual costs become known, the Company adjusts its accrued liabilities. The Company has not experienced any material differences between accrued costs and actual costs incurred.

Share-based Compensation Expense

The Company records share-based compensation in accordance with ASC 718, Stock Compensation. ASC 718 requires the fair value of all share-based employee compensation awarded to employees and non-employees to be recorded as an expense over the shorter of the service period or the vesting period. The Company determines employee and non-employee share-based compensation based on grant-date fair value using the Black-Scholes Option Pricing Model.

Recent Accounting Pronouncements

Accounting Standards recently adopted

None.

New Accounting Standards and Interpretations not yet mandatory or early adopted

ASU 2016-13-In June 2016, the FASB issued ASUNo. 2016-13: "Financial Instruments-Credit Losses (Topic 326)". This ASU represents a significant change in the accounting for credit losses model by requiring immediate recognition of management's estimates of current expected credit losses (CECL). Under the prior model, losses were recognized only as they were incurred. The Company has determined that it has met the criteria of a smaller reporting company ("SRC") as of November 15, 2019. As such, ASU 2019-10: "Financial Instruments-Credit Losses, Derivatives and Hedging, and Leases: Effective Dates" amended the effective date for the Company to be for reporting periods beginning after December 15, 2022. The Company will adopt this ASU effective July 1, 2023.

Item 3. Quantitative and Qualitative Disclosures About Market Risk

As a smaller reporting company, we are not required to provide the information pursuant to this Item.

Item 4. Controls and Procedures

We have established disclosure controls and procedures (as defined in Rules 13a-15(e) and 15d-15(e) under the Securities Exchange Act of 1934, as amended). As of the end of the period covered by this Report we carried out an evaluation under the supervision and with the participation of our management, including our principal executive officer and principal financial and accounting officer, of the effectiveness of our disclosure controls and procedures pursuant to Rule 13a-15 of the Securities and Exchange Act of 1934, as amended. Based upon that evaluation, our principal executive officer and principal financial and accounting officer concluded that our disclosure controls and procedures are effective.

There were no changes in our internal controls over financial reporting during the quarter ended December 31, 2022 that have materially affected, or are reasonably likely to materially affect, our internal control over financial reporting.

We do not expect that our disclosure controls and procedures or our internal controls will prevent all errors and all fraud. A control system, no matter how well conceived and operated, can provide only reasonable, not absolute, assurance that the objectives of the control system are met. Further, the design of a control system must reflect the fact that there are resource constraints, and the benefits of controls must be considered relative to their costs. Because of the inherent limitations in all control systems, no evaluation of controls can provide absolute assurance that all control issues and instances of fraud, if any, have been detected.

PART II
OTHER INFORMATION

Item 1. Legal Proceedings

We are currently not a party to any material legal proceedings.

Item 1A. Risk Factors

There have been no material changes to the risk factors disclosed in Item 1A of the Company's Annual Report on Form 10-K for the fiscal year ended June 30, 2022 other than as set forth below.

We may fail to continue to meet the listing standards of The Nasdaq Capital Market and our failure to maintain the listing of our common stock with a U.S. national securities exchange could adversely affect the liquidity off our common stock.

Our common stock is currently listed on The Nasdaq Capital Market. In order to maintain that listing, we must satisfy minimum financial and other continued listing requirements and standards, including maintaining a minimum share price. For example, the current continued listing requirements of Nasdaq provide, among other things, that a company may be delisted if the bid price of its stock drops below $1.00 for a period of 30 consecutive business days.

On September 6, 2022, we received a letter from the Listing Qualifications Department of the Nasdaq Stock Market notifying us that the minimum bid price per share for our common stock fell below $1.00 for a period of 30 consecutive business days and that therefore we did not meet the minimum bid price requirement set forth in Nasdaq Listing Rule 5550(a)(2). The letter also states that we will be provided 180 calendar days, or until March 6, 2023 to regain compliance with the minimum bid price requirement. In accordance with Rule 5810(c)(3)(A), we can regain compliance if at any time during the 180-day period the closing bid price of our common stock is at least $1.00 for a minimum of 10 consecutive business days. If by March 6, 2023, we cannot demonstrate compliance with the Rule 5550(a)(2), we may be eligible for additional time. To qualify for additional time, we will be required to meet the continued listing requirement for market value of publicly held shares and all other initial listing standards for The Nasdaq Capital Market, with the exception of the bid price requirement, and we will need to provide written notice of our intention to cure the deficiency during the second compliance period. If we are not eligible for the second compliance period, then the Nasdaq Staff will provide notice that our securities will be subject to delisting. At such time, we may appeal the delisting determination to a Hearings Panel.

If we fail to satisfy the continued listing requirements of Nasdaq, such as the minimum share price requirement, Nasdaq may take steps to delist our securities. Such a delisting would likely have a negative effect on the price and liquidity of our common stock and would impair your ability to sell or purchase our common stock when you wish to do so. In the event of a delisting, we would take actions to restore our compliance with Nasdaq's listing requirements, but we can provide no assurance that any such action taken by us would allow our common stock to become listed again, stabilize the market price or improve the liquidity of our securities, prevent our common stock from dropping below the Nasdaq minimum share price requirement or prevent future non-compliance with Nasdaq's listing requirements.

We intend to monitor the closing bid price of our common stock and may, if appropriate, consider implementing available options to regain compliance with the minimum bid price requirement. These options include completing a reverse stock split of our common stock for the purpose of meeting the closing bid price requirement. Our stockholders approved a reverse stock split at our stockholder meeting on December 7, 2022.

If our common stock were to be delisted from Nasdaq, our common stock could begin to trade on one of the markets operated by OTC Markets Group, including OTCQX, OTCQB or OTC Pink (formerly known as the "pink sheets"), as the case may be. In such event, our common stock could be subject to the "penny stock" rules which, among other things, require brokers or dealers to approve investors' accounts, receive written agreements and determine investor suitability for transactions and disclose risks relating to investing in the penny stock market. Any such delisting of our common stock could have an adverse effect on the market price of, and the efficiency of the trading market for our common stock, not only in terms of the number of shares that can be bought and sold at a given price, but also through delays in the timing of transactions and less coverage of us by securities analysts, if any. Also, if in the future we were to determine that we need to seek additional equity capital, it could have an adverse effect on our ability to raise capital in the public or private equity markets. In addition, there can be no assurance that our common stock would be eligible for trading on any such alternative exchange or markets.

We will need to continue our efforts to raise additional funding, which may not be available on acceptable terms, or at all. Failure to obtain capital when needed may negatively impact our ability to continue as a going concern.

Developing ddRNAi products is expensive, and we expect our research and development expenses to increase substantially in connection with our ongoing activities, particularly as we advance our product candidates in preclinical studies and in future clinical trials and as we undertake preclinical studies of new product candidates. As of December 31, 2022, our cash and cash equivalents were $10.5 million. We estimate that without additional financing, our existing cash and cash equivalents will not be sufficient to fund our operations for the next twelve months and the success of raising such additional capital is not solely within the Company's control. Our operating plan may require changes and delays as a result of such liquidity issues. We may need to seek additional funds sooner than planned, through public or private equity or debt financings, government grants or other third-party funding, strategic alliances and licensing arrangements or a combination of these approaches. In addition, because the length of time and activities associated with successful development of our product candidates is highly uncertain, we are unable to estimate the actual funds we will require for development and any approved marketing and commercialization activities. In any event, we will require additional capital to obtain regulatory approval for our product candidates and to commercialize any product candidates that receive regulatory approval.

Any additional fundraising efforts may divert our management from their day-to-day activities, which may compromise our ability to develop and commercialize our product candidates. In addition, we cannot guarantee that future financing will be available in sufficient amounts or on terms acceptable to us, if at all. Moreover, the terms of any financing may adversely affect the holdings or the rights of our shareholders, and the issuance of additional securities, whether equity or debt, by us, or the possibility of such issuance, may cause the market price of our common stock to decline. If we incur indebtedness we may be required to agree to restrictive covenants, such as limitations on our ability to incur additional debt, limitations on our ability to acquire, sell or license intellectual property rights and other operating restrictions that could compromise our ability to conduct our business. We could also seek financing through arrangements with collaborative partners at an earlier stage than would otherwise be desirable and we may be required to relinquish rights to some or all of our technologies or product candidates or otherwise agree to terms unfavorable to us.

If we are unable to obtain funding on a timely basis or on acceptable terms, we may be required to significantly curtail, delay or discontinue one or more of our research or development programs or the commercialization of any approved product candidates.

Item 2. Unregistered Sales of Equity Securities and Use of Proceeds

None.

Item 3. Defaults Upon Senior Securities

None.

Item 4. Mine Safety Disclosures

None.

Item 5. Other Information

None.

Item 6. Exhibits.

Number	Description of Document
3.1	Amended and Restated Certificate of Incorporation of Benitec Biopharma Inc. (incorporated by reference to Exhibit 3.1 to the Registrant's Form 8-K filed on April 15, 2020)
3.2	Certificate of Amendment to the Amended and Restated Certificate of Incorporation of Benitec Biopharma Inc., effective December 17, 2021 (incorporated by reference to Exhibit 3.1 to the Registrant's Form 8-K filed on December 21, 2021)
3.3	Certificate of Amendment to the Amended and Restated Certificate of Incorporation of Benitec Biopharma Inc., effective December 9, 2022 (incorporated by reference to Exhibit 3.1 to the Company's Form 8-K filed on December 12, 2022).
31.1	Statement of CEO Pursuant to Section 302 of the Sarbanes-Oxley Act of 2002*
31.2	Statement of CFO Pursuant to Section 302 of the Sarbanes-Oxley Act of 2002*
32.1	Statement of CEO Pursuant to Section 906 of the Sarbanes-Oxley Act of 2002**
32.2	Statement of CFO Pursuant to Section 906 of the Sarbanes-Oxley Act of 2002**
101.INS	Inline XBRL Instance Document*
101.SCH	Inline XBRL Taxonomy Extension Schema Document*
101.CAL	Inline XBRL Calculation Linkbase Document*
101.DEF	Inline XBRL Taxonomy Extension Definition Linkbase Document*
101.LAB	Inline XBRL Label Linkbase Document*
101.PRE	Inline XBRL Taxonomy Presentation Linkbase Document*
104	Cover Page Interactive Data File—the cover page interactive data file does not appear in the Interactive Data File because its XBRL tags are embedded within the Inline XBRL document

* Filed herewith.
** Furnished, not filed.

SIGNATURES

Pursuant to the requirements of the Securities Exchange Act of 1934, the Registrant has duly caused this report to be signed on our behalf by the undersigned thereunto duly authorized.

Benitec Biopharma Inc.

Dated: February 13, 2023

/s/ Jerel Banks
Jerel Banks
Executive Chairman and Chief Executive Officer
(principal executive officer)

/s/ Megan Boston
Megan Boston
Executive Director (principal financial and accounting officer)

EXHIBIT 31.1

Statement Pursuant to Section 302 of the Sarbanes-Oxley Act of 2002 by
Principal Executive Officer
Regarding Facts and Circumstances Relating to Exchange Act Filings

I, Jerel Banks, certify that:

1. I have reviewed this quarterly report on Form 10-Q of Benitec Biopharma Inc.;

2. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;

3. Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this report;

4. The registrant's other certifying officer and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) and internal control over financial reporting (as defined in Exchange Act Rules13a-15(f) and 15d-15(f)) for the registrant and have:

    a) Designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;

    b) Designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;

    c) Evaluated the effectiveness of the registrant's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and

    d) Disclosed in this report any change in the registrant's internal control over financial reporting that occurred during the registrant's most recent fiscal quarter (the registrant's fourth fiscal quarter in the case of an annual report) that has materially affected, or is reasonably likely to materially affect, the registrant's internal control over financial reporting; and

5. The registrant's other certifying officer and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the registrant's auditors and the audit committee of the registrant's board of directors (or persons performing the equivalent functions):

    a) all significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the registrant's ability to record, process, summarize and report financial information; and

    b) any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant's internal control over financial reporting.

Date: February 13, 2023

/s/ Jerel Banks
Jerel Banks
Executive Chairman and Chief Executive Officer

EXHIBIT 31.2

Statement Pursuant to Section 302 of the Sarbanes-Oxley Act of 2002 by
Principal Financial Officer
Regarding Facts and Circumstances Relating to Exchange Act Filings

I, Megan Boston, certify that:

1. I have reviewed this quarterly report on Form 10-Q of Benitec Biopharma Inc.;

2. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;

3. Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this report;

4. The registrant's other certifying officer and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) and internal control over financial reporting (as defined in Exchange Act Rules13a-15(f) and 15d-15(f)) for the registrant and have:

    a) Designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;

    b) Designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;

    c) Evaluated the effectiveness of the registrant's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and

    d) Disclosed in this report any change in the registrant's internal control over financial reporting that occurred during the registrant's most recent fiscal quarter (the registrant's fourth fiscal quarter in the case of an annual report) that has materially affected, or is reasonably likely to materially affect, the registrant's internal control over financial reporting; and

5. The registrant's other certifying officer and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the registrant's auditors and the audit committee of the registrant's board of directors (or persons performing the equivalent functions):

    a) All significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the registrant's ability to record, process, summarize and report financial information; and

    b) Any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant's internal control over financial reporting.

Date: February 13, 2023

/s/ Megan Boston
Megan Boston
Executive Director (principal financial and accounting officer)

EXHIBIT 32.1

Statement Pursuant to Section 906 the Sarbanes-Oxley Act of 2002
By
Principal Executive Officer
Regarding Facts and Circumstances Relating to Exchange Act Filings

Dated: February 13, 2023

I, Jerel Banks, Chief Executive Officer of Benitec Biopharma Inc., hereby certify, to my knowledge, that:

1. the accompanying Quarterly Report on Form 10-Q of Benitec Biopharma Inc. for the three month period ended December 31, 2022 (the "Report") fully complies with the requirements of Section 13(a) or 15(d), as applicable, of the Securities and Exchange Act of 1934, as amended; and

2. the information contained in the Report fairly presents, in all material respects, the financial condition and results of operations of Benitec Biopharma Inc.

IN WITNESS WHEREOF, the undersigned has executed this Statement as of the date first written above.

/s/ Jerel Banks
Jerel Banks
Executive Chairman and Chief Executive Officer

EXHIBIT 32.2

Statement Pursuant to Section 906 the Sarbanes-Oxley Act of 2002
By
Principal Financial Officer
Regarding Facts and Circumstances Relating to Exchange Act Filings

Dated: February 13, 2023

I, Megan Boston, Executive Director (principal accounting officer) of Benitec Biopharma Inc., hereby certify, to my knowledge, that:

1. the accompanying Quarterly Report on Form 10-Q of Benitec Biopharma Inc. for the three month period ended December 31, 2022 (the "Report") fully complies with the requirements of Section 13(a) or 15(d), as applicable, of the Securities and Exchange Act of 1934, as amended; and

2. the information contained in the Report fairly presents, in all material respects, the financial condition and results of operations of Benitec Biopharma Inc.

IN WITNESS WHEREOF, the undersigned has executed this Statement as of the date first written above.

/s/ Megan Boston
Megan Boston
Executive Director (principal financial and accounting officer)