


CR 2026/21 - AdvanCell Pty Limited - exchange of shares for shares in AdvanCell, Inc.

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Class Ruling

AdvanCell Pty Limited – exchange of shares for shares in AdvanCell, Inc.

📌 Relying on this Ruling

This publication is a public ruling for the purposes of the *Taxation Administration Act 1953*.

If this Ruling applies to you, and you correctly rely on it, we will apply the law to you in the way set out in this Ruling. That is, you will not pay any more tax or penalties or interest in respect of the matters covered by this Ruling.

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What this Ruling is about

1. This Ruling sets out the income tax consequences for shareholders in AdvanCell Pty Limited (AdvanCell) who disposed of their shares in AdvanCell in exchange for shares in AdvanCell, Inc. (AdvanCell US) on 30 April 2026 (Exchange Date).
2. Details of this scheme are set out in paragraphs 23 to 33 of this Ruling.
3. All legislative references in this Ruling are to the *Income Tax Assessment Act 1997*, unless otherwise indicated.

Who this Ruling applies to

4. This Ruling applies to you if:
 - you transferred your ordinary shares, series B Preference shares or series C Preference shares in AdvanCell (collectively AdvanCell Shares) to AdvanCell US on 30 April 2026 (Exchange Date) and received (in exchange from AdvanCell US) common stock, series B Preferred stock or series C Preferred stock in AdvanCell US (collectively AdvanCell US Shares) pursuant to the Share Exchange Agreement
 - you held your AdvanCell Shares on capital account – that is, you did not hold your shares as revenue assets (as defined in section 977-50) or as trading stock (as defined in subsection 995-1(1)), and
 - on the Exchange Date, you
 - were absolutely entitled (as the term is used in section 106-50) to the AdvanCell Shares, including where Perpetual Corporate Trust Limited (Nominee) is the registered shareholder, and

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- received replacement AdvanCell US Shares to which you were absolutely entitled (as the term is used in section 106-50) including where the Nominee is the registered shareholder.

5. This Ruling does not apply to anyone who is subject to the taxation of financial arrangements rules in Division 230 in relation to the scheme outlined in paragraphs 23 to 33 of this Ruling.

Note: Division 230 will not apply to individuals unless they have made an election for it to apply.

When this Ruling applies

6. This Ruling applies from 1 July 2025 to 30 June 2026.

Ruling

CGT event A1 happened on the disposal of your AdvanCell Pty Limited shares

7. CGT event A1 happened when you disposed of your AdvanCell Shares to AdvanCell US (subsection 104-10(1)).
8. The time of CGT event A1 was on the Exchange Date (paragraph 104-10(3)(a)).
9. The capital proceeds from CGT event A1 happening to each AdvanCell Share is the market value of the AdvanCell US Share you received in respect of your disposal of the AdvanCell Share (paragraph 116-20(1)(b)). The market value is worked out as at the time of CGT event A1 happening.
10. You made a capital gain from CGT event A1 happening if the capital proceeds from the disposal of your AdvanCell Share were more than the cost base of that share. You made a capital loss if the capital proceeds were less than the reduced cost base (subsection 104-10(4)).

Availability of scrip for scrip roll-over

11. Subject to the qualification in paragraph 12 of this Ruling, if you made a capital gain from the disposal of your AdvanCell Share, you may choose to obtain scrip for scrip roll-over for the capital gain (sections 124-780 and 124-785).
12. Scrip for scrip roll-over cannot be chosen if any capital gain you might make from a replacement AdvanCell US Share would be disregarded, except because of a roll-over (paragraph 124-795(2)(a)).

Consequences if you choose scrip for scrip roll-over

Capital gain is disregarded on disposal of your AdvanCell Pty Limited shares

13. If you choose scrip for scrip roll-over, you disregard any capital gain from CGT event A1 happening in respect of the disposal of your AdvanCell Share (subsection 124-785(1)).

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Cost base and reduced cost base of AdvanCell, Inc. shares

14. If you choose scrip for scrip roll-over, the first element of the cost base and reduced cost base of each replacement AdvanCell US Share you received is worked out by reasonably attributing to it the cost base and reduced cost base of the corresponding AdvanCell Share for which it was exchanged and for which you obtained the roll-over (subsections 124-785(2) and (4)).

15. If all of the AdvanCell Shares within each class were acquired by you on the same date and they have identical rights and obligations, we accept that a reasonable method of attribution would be to calculate the first element of the cost base and reduced cost base (respectively) of each class of replacement AdvanCell US Share by dividing the total cost bases and total reduced cost bases (respectively) of each class of AdvanCell Share by the number of the equivalent replacement AdvanCell US Shares you received.

Acquisition date of corresponding AdvanCell, Inc. shares

16. If you choose scrip for scrip roll-over, for the purposes of working out whether a future capital gain from the replacement AdvanCell US Share is a discount capital gain, the AdvanCell US Share you acquired in exchange for your AdvanCell Share is taken to have been acquired on the date you acquired, for capital gains tax purposes, the corresponding AdvanCell share involved in the roll-over (table item 2 of subsection 115-30(1)).

Consequences if you do not choose scrip for scrip roll-over

Capital gain is not disregarded on disposal of your AdvanCell Pty Limited shares

17. If you do not, or cannot, choose scrip for scrip roll-over, you must account for any capital gain or capital loss from CGT event A1 happening on the disposal of your AdvanCell Shares in working out your net capital gain or net capital loss for the income year in which CGT event A1 happened (sections 102-5 and 102-10).

18. If you make a capital gain where roll-over is not chosen, you can treat the capital gain as a discount capital gain if the conditions in Subdivision 115-A are met. In particular, the AdvanCell Shares you disposed of must have been acquired at least 12 months before the Exchange Date (section 115-25).

Cost base and reduced cost base of corresponding AdvanCell, Inc. shares

19. If you do not, or cannot, choose scrip for scrip roll-over, the first element of the cost base and reduced cost base of your replacement AdvanCell US Shares is equal to the market value of the equivalent AdvanCell Shares you exchanged. The market value of your AdvanCell Shares is worked out at the time you acquired the replacement shares in AdvanCell US, which is on the Exchange Date (paragraph 110-25(2)(b) and subsection 110-55(2)).

20. We accept that you can apportion the total market value of your ordinary shares in AdvanCell (worked out as at the Exchange Date) across the total number of common stock in AdvanCell US you acquired on the Exchange Date (subsection 112-30(1)). Similarly, we accept the same approach can apply to series B Preferred stock or series C Preferred stock in AdvanCell US.

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Acquisition date of shares in AdvanCell, Inc.

21. If you do not, or cannot, choose scrip for scrip roll-over, the acquisition date of the AdvanCell US Shares is the date on which those shares were issued to you, being the Exchange Date (table item 2 of section 109-10).

Foreign resident shareholders

22. If you were a foreign resident or the trustee of a foreign trust for CGT purposes (as defined in subsection 955-1(1)) that held AdvanCell Shares on the Exchange Date, and your AdvanCell Shares were not taxable Australian property for the purposes of subsection 855-10(1), you disregard any capital gain or capital loss made when CGT event A1 happened in relation to your AdvanCell share, unless you:

- used your AdvanCell Shares at any time in carrying on a business through a permanent establishment in Australia (table item 3 of section 855-15), or
- are an individual and your AdvanCell Shares were covered by subsection 104-165(3) (choosing to disregard a capital gain or capital loss on ceasing to be an Australian resident) (table item 5 of section 855-15).

Scheme

23. The following description of the scheme is based on information provided by the applicant. If the scheme is not carried out as described, this Ruling cannot be relied upon.

24. AdvanCell is a clinical stage radiopharmaceutical company and is not listed on the Australian Securities Exchange. AdvanCell is involved in research, development and manufacture of target alpha therapies for the treatment of cancer.

Share exchange

25. On 13 February 2026, AdvanCell announced that it was proposing to implement a redomicile transaction which would involve a reorganisation to the United States of America (US), pursuant to which holders of shares in AdvanCell exchange those shares for equivalent shares in a new holding company incorporated in the US, being AdvanCell US, which is a Delaware C-Corporation.

26. On 30 April 2026, AdvanCell shareholders, AdvanCell and AdvanCell US entered into an Exchange Agreement which included AdvanCell shareholders exchanging each of their AdvanCell shares for newly issued shares in AdvanCell US.

27. The reorganisation involved the following steps:

- (a) The founder of AdvanCell (Founder) incorporated AdvanCell US in Delaware with one redeemable share of common stock issued to the Founder (Formation Share).
- (b) AdvanCell shareholders exchanged each of their shares in AdvanCell for newly issued equivalent shares in AdvanCell US in the same proportions as their shareholdings in AdvanCell by selling their shares AdvanCell to AdvanCell US in consideration for the issue to each AdvanCell shareholder of shares in AdvanCell US. The shares in AdvanCell US have the same rights (particularly in relation to voting, capital and dividend rights) as the corresponding shares in AdvanCell.

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- (c) AdvanCell US redeemed the Formation Share for the nominal issue price. This step occurred simultaneously with the step outlined in subparagraph 27(b) of this Ruling.

28. A number of AdvanCell Shares to which eligible AdvanCell shareholders were entitled were held by the Nominee, an independent third-party trustee. The Nominee held these AdvanCell Shares on bare trust for each of the relevant AdvanCell shareholders (Beneficial Holders). In relation to Beneficial Holders, each Beneficial Holder:

- sold to AdvanCell US its right, title and beneficial interest in the AdvanCell Shares held by the Nominee for that Beneficial Holder, and
- directed the Nominee to transfer bare registered title in those AdvanCell Shares to AdvanCell US.

29. AdvanCell US issued the relevant AdvanCell US Shares to the Nominee to hold bare registered title in the shares for the Beneficial Holders.

30. On the Exchange Date, being at the completion of the redomicile transaction:

- AdvanCell US issued (on a one-for-one basis) new shares in itself (consisting of AdvanCell US Shares) to AdvanCell shareholders (as consideration for the transfer of the corresponding AdvanCell Shares by the shareholders), and
- immediately after issuing the AdvanCell US Shares to the shareholders, each shareholder transferred its shares in AdvanCell Shares to AdvanCell US.

31. There was no cash consideration involved in the exchange of shares.

Other matters

32. As at the Exchange Date, AdvanCell was a proprietary company and had less than 300 shareholders

33. The sum of AdvanCell's assets which are taxable Australian real property does not exceed the sum of the market values of its assets that are not taxable Australian real property.

Commissioner of Taxation

20 May 2026

Status: **not legally binding**

References

Legislative references:

- | | |
|--------------------------|---------------------------|
| - ITAA 1997 102-5 | - ITAA 1997 Subdiv 115-A |
| - ITAA 1997 102-10 | - ITAA 1997 Subdiv 124-M |
| - ITAA 1997 104-10(1) | - ITAA 1997 124-780 |
| - ITAA 1997 104-10(3)(a) | - ITAA 1997 124-785 |
| - ITAA 1997 104-10(4) | - ITAA 1997 124-785(1) |
| - ITAA 1997 104-165(3) | - ITAA 1997 124-785(2) |
| - ITAA 1997 106-50 | - ITAA 1997 124-785(4) |
| - ITAA 1997 109-10 | - ITAA 1997 124-795(2)(a) |
| - ITAA 1997 110-25(2)(b) | - ITAA 1997 Div 230 |
| - ITAA 1997 110-55(2) | - ITAA 1997 855-10(1) |
| - ITAA 1997 115-25 | - ITAA 1997 855-15 |
| - ITAA 1997 115-30(1) | - ITAA 1997 955-1(1) |
| - ITAA 1997 116-20(1)(b) | - ITAA 1997 977-50 |
| | - ITAA 1997 995-1(1) |
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ATO references

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