Allarity Therapeutics A/S
Venlighedsvej 1, DK-2970 Hoersholm
CVR no. DK 28 10 63 51

Interim report for the period January 1, 2021 – September 30, 2021

Contents

Statement by the Board of Directors and the Executive Board

The Board of Directors and the Executive Board provide their assurance that the interim report provides a fair and true overview of the Parent Company's and the Group's operations, financial position and results, and describes material risks and uncertainties faced by the parent Company and the Group.

Hoersholm, Denmark, November 23, 2021

Executive Board

Steve Carchedi

Jens Erik Knudsen

Board of Directors

Duncan Moore
Chairman

Gail Maderis

Steve Carchedi

Søren Gade Jensen

CONSOLIDATED FINANCIAL HIGHLIGHTS AND RATIOS

Amounts in DKK '000	Q3 2021	Q3 2020	Q1-Q3 2021	Q1-Q3 2020	Year 2020
Key figures					
Profit/loss					
Revenue	0	0	0	0	0
Profit/loss before depreciation and amortisation (EBITDA)	-20,262	-11,767	-66,760	-34,295	-58,958
Operating profit/loss before net financials	-20,414	-12,030	-126,230	-35,090	-60,017
Net financials	-773	616	-9,240	3,453	932
Net profit/loss	-20,567	-8,539	-130,278	-27,457	-47,706
Balance sheet					
Balance sheet total	151,064	171,817	151,064	171,817	176,922
Purchase of PPE	0	19	0	19	19
Equity	126,189	145,945	126,189	145,945	140,583
Cash flows					
Cash flows from:					
Operating activities	-26,214	-10,774	-67,282	-31,944	-51,122
Investing activities	6,316	-19	6,316	-19	-19
Financing activities	14,570	8,191	95,233	21,748	42,468
Ratios					
Solvency ratio	84%	85%	84%	85%	79%
Earnings per share, DKK	-0.05	-0.05	-0.45	-0.18	-0.29
Diluted earnings per share, DKK	-0.05	-0.05	-0.45	-0.18	-0.29

HIGHLIGHTS DURING Q3 2021

- On July 5, Allarity Therapeutics received acceptance & review notification from the U.S. FDA for the Company's Pre-Market Approval application for the DRP® for dovitinib.
- On July 7, Allarity Therapeutics issued share units as payment-in-kind for services rendered during the Rights Issue in Q2 2021
- On July 25, the Company announced that it had entered into an agreement with Lantern Pharma for future clinical development of irofulven.
- On August 5, the Company announced that its oral PARP inhibitor, stenoparib, had demonstrated additional pre-clinical antiviral activity against new variants of Coronavirus
- On August 16, the Company published a notice to convene an Extraordinary General Meeting to be held on August 31.
- On August 18, the Company published an elaboration on the contents of the meeting agenda for the Extraordinary General Meeting announced on August 16.
- On August 19, the Company announced a new publication date for the publication of the Q2 2021 interim report.
- On August 19, the Company published the interim report for the period January – June 2021.
- On August 23, the Company announced that it had filed a Form S-4 Registration Statement with the U.S. Securities & Exchange Commission for Listing of Allarity Therapeutics, Inc. on U.S. Nasdaq.
- On August 26, the Company announced an extraordinary exercise period for warrants of series ALLR TO 3 set to August 30 – September 13.
- On August 31, the Company published the minutes of the extraordinary general meeting held announced on August 16.

- On September 14, the Company announced that it had received approximately SEK 16.5 million from subscription to warrants of series ALLR TO 3.
- On September 15, the Company announced an update to the announcement of the outcome of exercise of the ALLR TO 3 warrants, Allarity had received approximately SEK 23.3 million.
- On September 16, the Company announced that it would present dovitinib survival data from DRP® screened RCC patients at the ESMO 2021 Virtual Congress.
- On September 23, the Company announced it would collaborate with Lonza Group to Manufacture dovitinib, Allarity's most advanced clinical asset.

HIGHLIGHTS AFTER THE PERIOD

- On November 5, the Company announced that the U.S. SEC had issued an order declaring Allarity Therapeutics Inc.'s Form S-4 Registration Statement effective.
- On November 5, the Company published a notice of an extraordinary general meeting to be held on November 22, 2021.
- On November 11 the Company's oral PARP inhibitor, stenoparib, had demonstrated pre-clinical antiviral activity against the delta variant of Coronavirus.
- On November 22, the Extraordinary General Meeting approved the Reorganization Agreement, initially announced on May 20, 2021.

CEO LETTER

Dear Shareholders,
It continues to be an exciting time for Allarity and the third quarter of 2021 was no exception. We are now close to a pivotal event in the company's history: Becoming a US-based company listed on Nasdaq in the US. Completing this transformation, which we expect to occur in about one month's time, will allow us to unlock the value of Allarity in a broader market, part of my vision since becoming the Company's CEO in 2019.

The question I often get from our shareholders is why we are moving to the US Nasdaq? The answer is simple: In order for Allarity to realize the true potential of the company for our shareholders, and to achieve our vision for realizing truly personalized cancer care, we need to raise awareness of the company and broaden our investor base. There is no better place to do this than the US capital markets. We will be required to expend significant funds in order to prepare and submit an NDA with the US Food and Drug Administration (FDA) for our therapeutic candidate dovitinib and to advance the development of stenoparib, IXEMPRA® and our other therapeutic candidates. Such oncology drug development is capital intensive, and being able to access institutional investors with deep understanding and knowledge of biotechnology, in general, and oncology, in particular, will help us realize the true market potential of our exciting therapeutic pipeline and our unique DRP® platform technology. While we will, of course, continue to honor our Danish roots for example by maintaining our laboratory in Denmark as the center of our DRP® technology development, we firmly believe we can only accomplish our strategic goals of bringing new precision cancer therapeutics to market and unlocking full company value by moving to Nasdaq in the US. Yesterday, at the Extraordinary General Meeting, our shareholders approved the Reorganization Agreement, initially announced on May 20, 2021, bringing us one important formal step closer to this objective.

With the support of shareholders, we now only have a few necessary procedural steps ahead of us in the coming weeks. Following is a brief outline of what will happen:

- We have established a US corporation in the State of Delaware, US, which will acquire all of the assets and liabilities of Allarity Therapeutics A/S in exchange for shares in our Delaware corporation.
- Next, these shares will be distributed to Allarity Therapeutics A/S shareholders via a share swap program.
- Once the share swap program is completed successfully, we are ready to list Allarity Therapeu-tics, Inc. on US Nasdaq. Currently, this transformative event is scheduled for on or around De-cember 21, 2021.

But that is not the only milestone event expected to happen as we approach the end of 2021. As you may already know, we have previously secured an investment of $20 million from 3i LP (New York, NY US) that we will receive upon our successful listing of Allarity Therapeutics, Inc. on the US Nasdaq. This investment will represent a record level of funding for Allarity and will ensure an ideal launch situation for our management team when we expand our investor outreach in the US early next year as a US-listed company.

For more details regarding our US Nasdaq-listing process, you can download the Form S-4 information statement/prospectus from our website or from the US Securities & Exchange Commission (SEC) EDGAR website at https://www.sec.gov/edgar/search-and-access.

In parallel to our ongoing efforts to complete the company's transformation and list on US Nasdaq, we have achieved several significant milestones during Q3 and into Q4, including the agreement with Lantern Pharma for the future clinical development of irofulven that we announced in July. This agreement triggered an upfront payment from Lantern as well as development and regulatory milestone fees, which, if all milestones are met, will total up to approximately US $16 million. In addition, we will receive tiered royalties on future sales of irofulven. This agreement is the second most significant deal, financially, to out-monetize one of our pipeline assets in the company's history.

Also, in July, we received an acceptance & review notification from the FDA for our Pre-Market Approval (PMA) application for the Dovitinib-DRP® companion diagnostic. This marked a turning point for us in two ways. It was the first time that we have advanced our DRP® technology towards regulatory approval for one of our drug-specific DRP® companion diagnostics. Secondly, it was an essential step in our work to bring dovitinib to the market as a novel, oncology precision therapeutic. In line with this progress, we also announced, in September, our agreement with Lonza Group for the manufacturing of dovitinib. This agreement will cover our dovitinib supply requirements in the years to come, thereby making us fully prepared for the planned, near-term filing of an NDA with the US FDA and the commercial introduction of the drug to market, if/when it is approved by the US FDA.

During Q3, we have also continued the Phase 2 clinical development of our two other novel therapeutic candidates, stenoparib and IXEMPRA®. Our focus has been on expanding our active clinical trial sites for both IXEMPRA® and stenoparib, in order to accelerate patient enrollment and completion of these studies.

Additionally, stenoparib has continued to demonstrate promising antiviral activity against several Coronavirus variants during our pre-clinical testing. We plan to submit these findings to the US National Institutes of Health (NIH) as part of our efforts to raise funding under a new US federal government program, the APP, to further advance stenoparib as a treatment of Coronavirus. I am proud that we have been able to embrace this opportunity and possibility that Allarity may be able to play a future role in helping to alleviate one of the biggest public health crises of our time.
I remain very optimistic about what Allarity can accomplish once the transformation of our company is completed. Looking forward to the remainder of 2021 and into 2022, we are better positioned than ever before to advance our priority programs to key-value inflection points and achieve our ultimate purpose: to realize the promise of personalized cancer care. After all, the patients are waiting.

Sincerely,
Steve Carchedi
President and Chief Executive Officer

Important Information About the Recapitalization Share Exchange and Where to Find It

Parts of this interim report relates to a proposed Recapitalization transaction between Allarity Therapeutics, Inc., a Delaware corporation and a wholly owned subsidiary of Allarity Therapeutics A/S. A full description of the terms and conditions of the Plan of Reorganization and Asset Purchase Agreement constituting the recapitalization has been provided in a registration statement on Form S-4 (Registration No. 333-258968) filed with the U.S. Securities and Exchange Commission (SEC) by Allarity Therapeutics, Inc., that includes a prospectus with respect to the securities to be issued in connection with the recapitalization, and information with respect to an extraordinary meeting of Allarity Therapeutics A/S shareholders to vote on the recapitalization and related transactions. Allarity Therapeutics, Inc. and Allarity Therapeutics A/S urges its investors, shareholders and other interested persons to read the information statement and prospectus as well as other documents filed with the SEC because these documents contain important information about Allarity Therapeutics, Inc., Allarity Therapeutics A/S, and the recapitalization transaction. The registration statement was declared effective on November 5, 2021, and the definitive information statement and prospectus included in the registration statement was distributed to shareholders of Allarity Therapeutics A/S, by press release and published on Allarity Therapeutics A/S website: https://allarity.com/press-release/notice-of-the-extraordinary-general-meeting-of-shareholders-of-allarity-therapeutics-a-s-to-be-held-on-november-22-2021/. Shareholders will also be able to obtain a copy of the Form S-4 registration statement, including the information statement and prospectus, and other documents filed with the SEC without charge, by directing a request to: Allarity Therapeutics A/S at Venlighedsej 1, 2970 Horsholm, Denmark. The preliminary and definitive information statement and prospectus included in the registration statement can also be obtained, without charge, at the SEC's website (www.sec.gov).

Participation in the Solicitation

Allarity Therapeutics, Inc., Allarity Therapeutics A/S, and their respective directors and executive officers may be deemed to be participants in the solicitation of proxies or consents from Allarity Therapeutics A/S shareholders in connection with the proposed transaction. A list of the names of the directors and executive officers of Allarity Therapeutics, Inc. and Allarity Therapeutics A/S and information regarding their interests in the recapitalization transaction is contained in the information statement and prospectus. You may obtain free copies of these documents as described in the preceding paragraph.

ALLARITY THERAPEUTICS A/S IN BRIEF

The Board of Directors of Allarity Therapeutics A/S (Nasdaq First North Growth Market Stockholm: ALLR.ST) has passed a resolution that will result in all the activities described in the following sections will be transferred to a U.S. listed company, Allarity Therapeutics, Inc. The first day of trading for Allarity Therapeutics, Inc. is currently scheduled for on or around December 21, 2021.

Allarity Therapeutics A/S develops drugs for the personalized treatment of cancer using drug specific companion diagnostics (cDx) generated by its proprietary and highly validated drug response predictor technology, DRP®.

The Company is a merged company between two prior affiliated companies, the drug development company Oncology Venture Sweden AB and the predictive diagnostic development company Medical Prognosis Institute A/S.

Allarity Therapeutics A/S develops drugs for the personalized treatment of cancer using drug-specific companion diagnostics (cDx) generatedby its proprietary drug response predictor technology, DRP®.

The Company has three high-priority programs: dovitinib –a pan-tyrosine kinase inhibitor (pan-TKI), which is post Phase 3 trials, being prepared for a U.S. new drug approval (NDA) filing in renal cell carcinoma (RCC); stenoparib, a PARP inhibitor in Phase 2 trials for treatment of ovarian cancer and which has also shown anti-viral activity against Coronavirus in pre-clinical studies; IXEMPRA® (ixabepilone) – an approved and marketed (U.S.) microtubule inhibitor being advanced for Phase 2 clinical development (in the EU) for the treatment of breast cancer.

In addition, the company's pipeline includes two programs licensed to Smerud Medical Research for further clinical and commercial development in connection with each program's DRP® companion diagnostic: LiPlaCis®, a liposomal formulation of cisplatin, licensed to Smerud Medical Research to be developed as a treatment of late-stage metastatic breast cancer, and 2X-111, a liposomal formulation of doxorubicin to be developed as a treatment of glioblastoma (primary brain cancer).

On July 26, 2021, Allarity entered into an exclusive agreement with Lantern Pharma regarding irofulven, a product Allarity in-licensed in 2015. Lantern Pharma holds the global rights to Irofulven ("LP-100") and has full authority to manage and guide future clinical development and commercialization. Lantern Pharma has the right to utilize, in its sole discretion, Allarity's Irofulven DRP® companion diagnostic in future clinical development and commercialization of the drug. Under the terms of the reacquisition, Allarity received an upfront payment and may receive additional payments totaling, if all milestones are met, up to approximately U.S. $16 million, and tiered royalties on future sales of Irofulven.

Cancer is no longer an enigma – it is just very complex

Today, one in two people will develop cancer at some point in their lives[1]. Over 200 different types of cancer can affect humans, altogether causing almost 10 million deaths per year[2]. The incidence of cancer is increasing as the world's population is aging[3].

It is often a complex and frustrating process to identify the optimal treatment for an individual patient. Cancer is a heterogenous disease and on a cellular level there are over 1.8 billion possible causes for tumor development. Consequently, it is a major challenge for physicians to match the right treatment to the right patient. This challenge also restricts the ability of the pharmaceutical industry to develop novel and improved therapies. If new drug candidates are evaluated in a large and heterogenous group of patients, the average efficacy may be modest – halting the development of the drug. This despite subsets of the treated patients responding well to the drug. If the drug were to be given to the most susceptible patients the effect might be overwhelming rather than modest, benefitting both patients and the drug development companies. It is worth noting that such "failed" drug candidates often have an excellent safety profile and favorable pharmacokinetics. The concept of "precision medicine" has emerged to address these issues, fueled by development of better predictive diagnostics to help identify patients most likely to respond to a given drug, and Allarity Therapeutics is at the forefront of this growing field with its clinical pipeline and best-in-class DRP® diagnostic platform.

ALLARITY'S VISION AND MISSION

Allarity was founded to advance a singular vision, mission and strategy: To improve the therapeutic benefit of anti-cancer drugs in cancer patients selected by use of the Company's DRP®, a best-in-class predictive biomarker technology platform that enables the pre-identification of high likely responder patients to a given drug. By doing so, we are Realizing the promise of Personalized Cancer Care.

Business model

Allarity has evaluated and acquired the rights for a number of cancer drug candidates with proven safety profiles and clear signs of clinical efficacy, but where previous clinical trials failed to meet their endpoints as a result of failure to identify the right responder patients. Such assets are far from rare – less than five percent of all investigational cancer drugs are ultimately approved and reach the market, and the remaining 95 percent are shelved during development, frequently due to lack of sufficient efficacy in a greater, unselected heterogenous population. Allarity has already shown, in many retrospective studies, on a wide range of approved and developmental cancer drugs, that such drugs could have had significantly improved efficacy rates if they had been administered to susceptible patients, pre-selected through a DRP® analysis.

[1] https://news.cancerresearchuk.org/2015/02/04/1-in-2-people-in-the-uk-will-get-cancer/

[2] https://www.who.int/news-room/fact-sheets/detail/cancer

[3] https://www.who.int/news-room/fact-sheets/detail/cancer

High-priority programs

Allarity has a portfolio of five in-licensed drug candidates. Three of these now constitute the Company's high-priority programs, namely dovitinib, stenoparib, and IXEMPRA®. All of these three drug candidates, have been developed by global big pharmaceutical companies: dovitinib by Novartis AG; stenoparib by Eisai Co; and IXEMPRA® by Bristol Myers Squibb (although it is now under the ownership of R-Pharm US). Allarity believes its ability to secure these de-risked, former Big Pharma assets is indicative of the trust placed in the Company's ability to the transform the efficacy profile of these drug candidates, through use of DRP® companion diagnostics, in order to advance and market these drugs as personalized cancer treatments. Generally speaking, after acquiring rights to a new drug candidate, Allarity tailors the renewed clinical development of the drug to those patients who are expected to benefit most. Such a patient population is identified by Allarity's DRP® companion diagnostic. Three of the Company's drug candidates have reached advanced Phase 2 and Phase 3 clinical stages.

Ultimately, Allarity aims to out-license or divest drug candidates to global or regional pharmaceutical companies based on the results of the Company's Phase 2 and/or Phase 3 DRP®-guided trials. In the cancer space, such advanced clinical stage out licensing frequently entails significant upfront and milestones payments, as well as potential double digit royalties on sales of the registered drug.

Other clinical programs

As a strategic choice, to decrease the time-to-market for its total portfolio as well as to create the shortest pathway to commercialization, Allarity may also choose to out-license the further development of a drug candidate for which Allarity hold commercial rights. This has already happened in the case of LiPlaCis® and 2X-111, which have been out licensed to Smerud Medical Research International AS.

MARKET DESCRIPTION

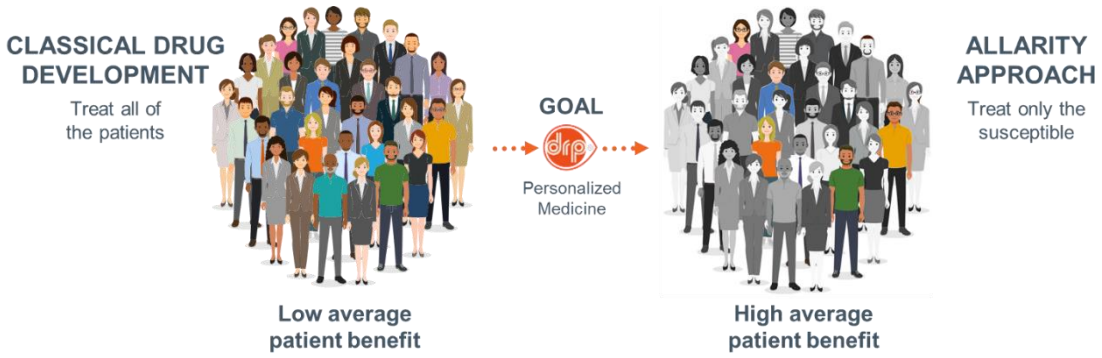
Introduction

The oncology market accounted for more than USD 140 billion in branded pharmaceutical sales in 2019. At approximately 20% of global pharmaceutical sales, this makes cancer by far the largest pharmaceutical segment [4]. More than 200 different types of cancer cause more deaths than all other categories of disease except cardiovascular diseases. A current estimate is that there were more than 1400 active cancer cell therapies in development in 2020, compared to around 1000 in 2019 [5].

[4] McKinsey and Company: Delivering Innovation: 2020 oncology market outlook. September 9, 2020

[5] https://www.cancerresearch.org/scientists/immuno-oncology-landscape/cancer-cell-therapy-landscape

Allarity's Precision Medicine approach



Allarity is one of the leading companies in a new cancer treatment paradigm known as Precision Medicine which allows health care providers to offer and plan specific care for their patients based on the person's genes (or the genes in their cancer cells).

Cancer has historically been treated with a "one size fits all" approach, simply applying the same treatments to patients with cancers originating in the same locations in the human body (e.g. liver, breast, lung) without regard to the vast differences in tumor biology and drug response from one patient to the next. However, it is increasingly recognized that cancer is extremely complex and that a patient's response to a given drug depends on a variety of factors, including genetics, tumor biology, and environmental influences, which means that the efficacy of a particular treatment can vary greatly between individuals. This constitutes a cancer care problem in several ways. First, since many cancer treatments are associated with severe, even sometimes painful side effects, these treatments should ideally be limited to patients who will actually benefit from them. Second, many cancer treatments, especially certain newer targeted agents and immunotherapies are extremely expensive and pose an increasing burden on public health economies, even in affluent developed societies. For public health reasons, it is important that these treatments are only given to patients who are likely to actually benefit from them. Thirdly, most cancer treatments change the biology of the tumor, which impacts on the potential effect of further treatments, so it is imperative to avoid giving cancer patients drugs that they are unlikely to respond to.

Market trends

The number of people living with cancer is increasing

The number of people living with cancer worldwide has increased dramatically over the last couple of decades. The main reason is the aging population, coupled with advances in cancer treatment resulting in more cancer patients surviving for a longer period of time and requiring management of their disease. A large majority of people diagnosed with cancer are more than 60 years old.

The number of people diagnosed with cancer is also increasing

The factors mentioned in the previous section naturally lead to more cancer diagnoses as does general population growth. Adding to this trend are general medical advances (to identify ever

more tumor associated antigens), better diagnostic technologies, an increased use of large population-based screening programs, and a generally increased awareness among doctors and patients of early cancer warning signals.

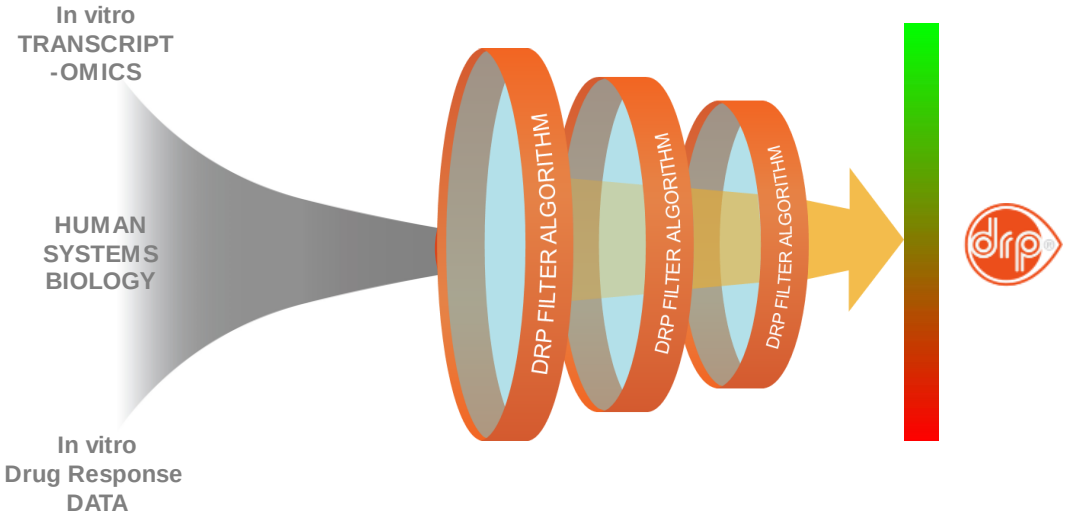
The demand for Personalized Medicine is growing
The demand for Personalized Medicine is increasing and cancer patients, regulatory authorities, insurers, and treating physicians are also increasingly seeking for new companion diagnostics to help identify the right treatments for each individual patient. More and more drugs are being approved together with a companion diagnostic, especially in the United States, where the FDA is encouraging companies to develop and seek approval for such "companion diagnostic" plus therapeutic combinations.

RESEARCH AND DEVELOPMENT ACTIVITIES

The DRP® technology platform

Allarity's proprietary DRP® predictive biomarker technology enables it to identify and treat those patients who are most likely to be sensitive to a particular cancer drug. DRP® provides a gene expression "fingerprint" that distinguishes tumors that are sensitive to treatment with a specific drug from those that are insensitive. By including only patients with sensitive tumors in clinical trials (and excluding patients who are unlikely to respond), DRP® enables a more realistic assessment of the drug's true efficacy, when it is matched with the right patients. The DRP® technology has been validated and proven in 35+ clinical trials (retrospective), establishing that patient response to a given cancer treatment can be predicted with a high degree of statistical significance.

The DRP® platform technology builds on the comparison of sensitive versus resistant human cancer cell lines exposed to a given drug, including gene expression information from cell lines combined with clinical tumor biology and clinical correlates in an advanced systems biology analytic algorithm. DRP® is based on messenger RNA and micro RNA from the patient's biopsies. The DRP® platform can be applied to all cancer types and most cancer drugs and drug-specific DRP® biomarkers have been patented for more than 70 anti-cancer drugs.

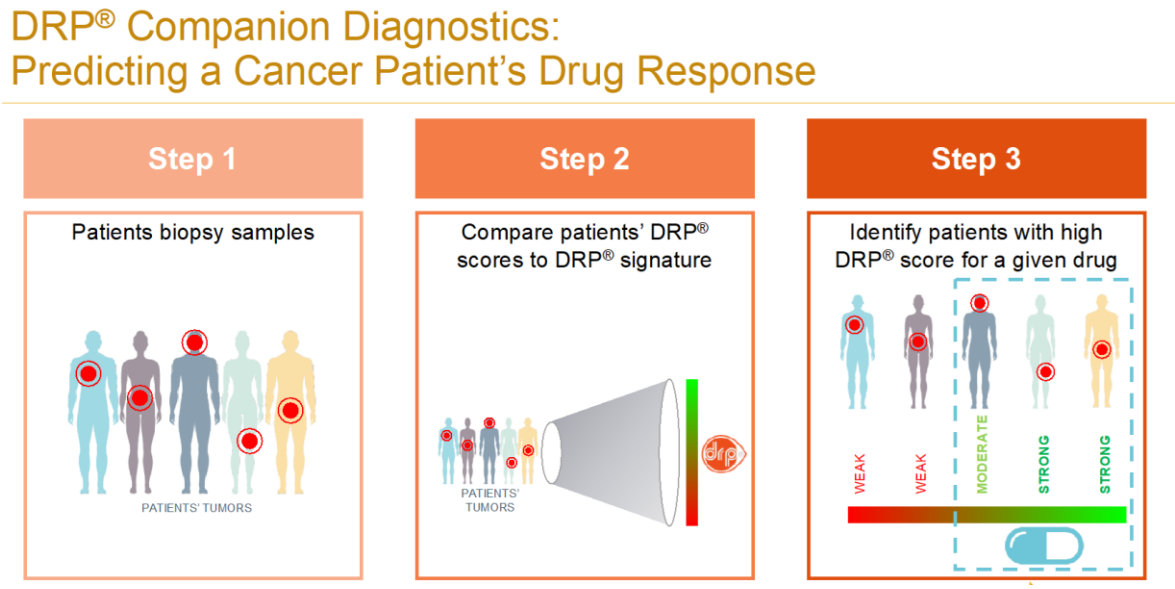


Allarity's DRP® companion diagnostics platform

Using cancer cell line drug testing data as input the DRP® engine applies a system biology approach as a filter of human tumor biopsy data, to yield a 50 to 400 gene DRP® for that specific drug. The proprietary system biology approach utilized by Allarity analyzes all genes (approximately 25,000) expressed in a cancer cell/tumor, without bias towards current knowledge of relevant drug targets or pathways. Instead, the DRP® platform lets the tumor cells themselves reveal what is important to response or resistance to a given drug.

How DRP® works

Allarity's scientists begin development of a DRP® for a specific drug by first generating a preliminary drug response signature based on drug sensitivity (or resistance) gene expression data from a multitude of cancer cell lines treated with the drug (Allarity most frequently uses the highly regarded NCI60 cancer cell line panel, which comprises 60 cell lines derived from most tumor types). Initial cancer cell line testing data is then "filtered" through a proprietary clinical response screening process that Allarity has created by analyzing thousands of actual cancer patients' biopsies (from numerous clinical trials of many different cancer drug types) to reduce the "background noise" from the cell line data in or-der to remove biomarkers that are clinical irrelevant to actual, observed patient response in clinical trials. The resulting DRP® biomarker (the "fingerprint") makes it possible to predict whether a particular patient is likely to benefit from treatment with a certain drug. The assessment of the individual patient is done based on a biopsy from that patient's tumor.



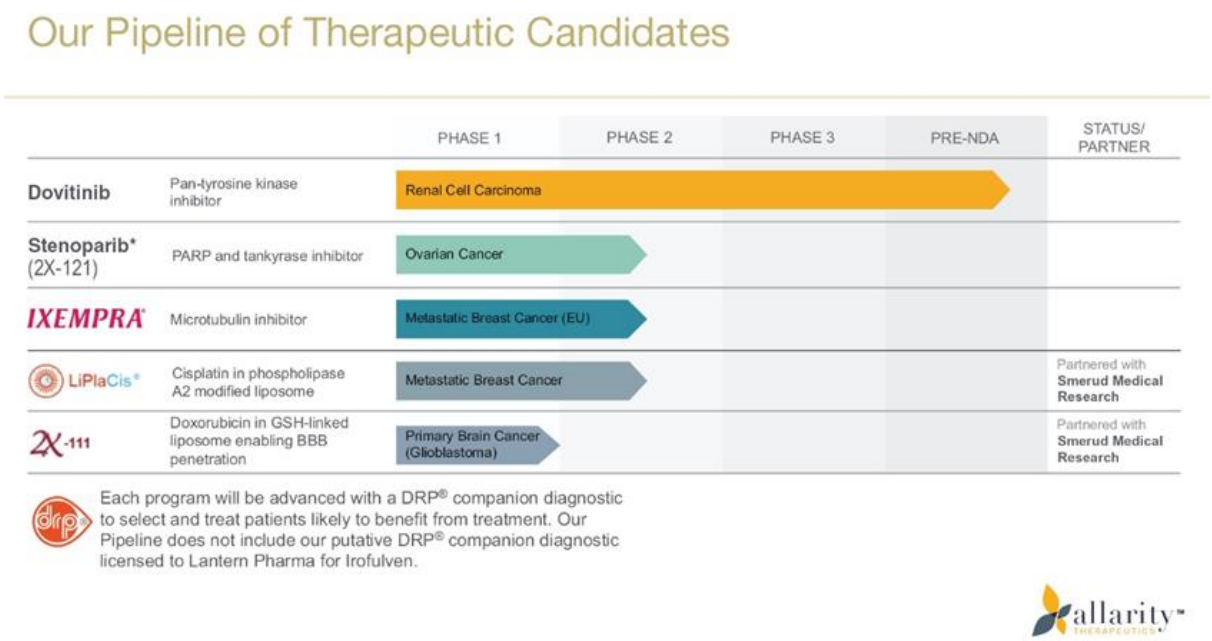
The Patient Response Predictor (PRP®)

In the longer term, Allarity has an opportunity to expand the DRP® technology towards the development of new Patient Response Predictor (PRP®) oncology diagnostic products. Collections of drug-specific DRP® biomarkers can be included in a single PRP® patient guidance report to assist the patient and their oncologist with valuable input on potential therapy options for the patient's particular cancer. The Company believes that such a PRP® product portfolio could become a valuable diagnostic option for a large group of cancer patients, who currently lack other suitable predictive diagnostic products to help guide their therapy decision and options. Allarity sees PRP® as a novel product and market opportunity within Personalized Medicine, focusing on the future development of direct-to-consumer and/or direct-to-oncologists products and services to help inform personal cancer treatment decisions together with the consultation and care of an oncologist. The PRP® report would make it possible to assist patients and doctors by helping them determine which cancer treatment(s) may be most suitable in each specific case.

Clinical development programs

Allarity's clinical pipeline includes six drug development programs, with dovitinib (a pan-TK inhibitor), stenoparib (a PARP and tankyrase inhibitor), and IXEMPRA® (ixabepilone, a microtubulin inhibitor) being the three high-priority programs. Two secondary programs, LiPlaCis® and 2X-111, are licensed to Smerud Medical Research International.

Allarity's clinical pipeline



In accordance with the Company's development and commercialization strategy, all clinical development candidates are advanced with a DRP® companion diagnostic to select and treat the patients most likely to benefit from the treatment.

Dovitinib

Dovitinib is Allarity's most advanced clinical asset. Following a pre-NDA meeting, the U.S. FDA provided guidance to the Company regarding its potential path to approval. Based on this feedback from the FDA, Allarity plans to file a New Drug Application ("NDA") for the approval of dovitinib for the treatment of Renal Cell Carcinoma ("RCC" or "kidney cancer") during 2021. Allarity will seek U.S. approval for dovitinib for the treatment of RCC, based on prior Phase 3 trial results (a Phase 3 has already been conducted by Novartis), and using its DRP® companion diagnostic for dovitinib to select and treat likely responder patients. Allarity looks forward to dovitinib being approved by the FDA as a safe and efficacious drug beneficial to RCC patients as a third line treatment. It is important to note that the review process is un-predictable and may or may not lead to a formal approval.

Dovitinib is a small molecule, pan-tyrosine kinase inhibitor (TKI) licensed from Novartis. This extensive, prior drug development program includes data from more than 2,500 patients. Dovitinib has shown identical clinical activity to sorafenib (NEXAVAR®, an approved pan-TKI marketed by Bayer) in a randomized Phase 3 study in renal cancer and in a randomized Phase 2 study in liver cancer, both conducted by Novartis. Sorafenib is the current gold standard in the treatment of certain forms of liver cancer and approved in certain forms of kidney cancer. Dovitinib has also shown activity in several Phase 2 studies in lung, prostate, endometrial and thyroid cancers, as well as GIST.

Allarity Therapeutics has previously validated its DRP® for dovitinib using clinical biopsy materials from most of Novartis' prior clinical trials for the drug. Accordingly, future development of dovitinib

will benefit from use of the drug-specific DRP® to identify the patients who will most likely benefit. The DRP® has shown a strong ability to predict treatment response in prior clinical studies of renal, endometrial, GIST (Gastro Intestinal Stromal Tumor), liver and breast cancer tumors. In April 2021, the Company filed its first pre-market approval (PMA) application with the U.S. FDA for the use of the dovitinib DRP® as a companion diagnostic for the drug. The Company received an acceptance & review notification from U.S. FDA for the Pre-Market Approval application for Dovitinib-DRP® in April 2021.

If the FDA provides the anticipated PMA approval of the dovitinib DRP® and an NDA approval of dovitinib, the Company will be able to market the drug to DRP®-selected RCC patients as an effective new therapy to treat their disease.

The market for dovitinib

Dovitinib addresses a significant unmet need for new treatments for kidney cancer. Annual sales of sorafenib, under the trade name NEXAVAR®, were approximately USD 715 million in 2018. The global Renal Cell Carcinoma market is projected to grow to USD 6.3 billon 2022. Additionally, dovitinib has promising market potential, both as a monotherapy and in combination with other agents (such as immune checkpoint inhibitors) in a number of other cancer indications.

Stenoparib

Stenoparib is a novel small molecule (oral), targeted inhibitor of Poly ADP-Ribose Polymerase (PARP), a key DNA damage repair enzyme active in cancer cells, currently being evaluated for cancer and potentially as an anti-viral treatment for Coronavirus.

Stenoparib is currently being evaluated for the treatment of advanced ovarian cancer in a DRP®-guided Phase 2 clinical trial at the Dana-Farber Cancer Institute (Boston, MA U.S.A.) using a DRP® companion diagnostic to guide patient enrollment and improve therapeutic outcome. The drug has been tested in over 60 individuals to date and is demonstrated to be safe and well tolerated. Through use of DRP® patient selection, Allarity Therapeutics aims to provide a superior clinical benefit to ovarian cancer patients receiving stenoparib, as compared to other approved PARP inhibitors. Thus far, 10 of a target 30 patients are enrolled in the study. In general, patient enrollment is being delayed because of the ongoing COVID-19 pandemic.

The market for stenoparib

The Company believes stenoparib has broad potential both as mono-therapy and in combination with immune-oncology drugs and/or chemotherapy since there is no myelosuppression in clinically relevant doses associated with stenoparib. The global PARP inhibitor market is projected to reach USD 9 billion by 2027 in ovarian cancer alone. Another significant opportunity is the market for PARP inhibitors in pancreatic cancer which is expected to show high growth rates over the coming five years.

Stenoparib as an COVID-19 antiviral drug

Allarity is further opportunistically evaluating the potential anti-viral use of stenoparib. Most recently, the Company announced that stenoparib had shown antiviral properties against Coronavirus delta variant. Previously, Allarity has reported positive pre-clinical test results with stenoparib as a treatment of Variant B.1.1.7 (the "British variant") and Variant B.1.351 (the "South African variant"), as well as SARS-CoV-2, as it was published in the peer-review journal mBio[6]. The data showed that stenoparib inhibits SARS-CoV-2 as a single agent, and that stenoparib, in combination with remdesivir was also active in inhibiting the virus. The concentration of stenoparib required for virus inhibition was lower in the combination study with remdesivir than in the single agent study.

The pre-clinical tests have been conducted at The Pathogen and Microbiome Institute at Northern Arizona University (NAU), a leading U.S. infectious disease test center and the Viroclinics-DDL Diagnostics Laboratory (Rotterdam, The Netherlands).

The testing of stenoparib forms the first steps of a potential therapeutic expansion of stenoparib into anti-viral applications. The drug is one of a limited number of drug candidates having showed pre-clinical efficacy against SARS-Cov-2.

IXEMPRA®

Allarity Therapeutics holds an exclusive option to license the European rights to IXEMPRA®(ixabepilone) from the pharmaceutical company R-Pharm U.S. The drug, a microtubulin inhibitor, was originally developed by Bristol-Myers Squibb (BMS) and is approved in the U.S. for the treatment of certain types of breast cancer. R-PHARM U.S. LLC currently owns and commercializes the drug in the U.S. The Company is currently enrolling patients in a DRP® guided Phase 2 clinical trial to evaluate IXEMPRA® for the treatment of metastatic breast cancer. Multiple trial sites in Europe are planned to participate in the patient enrollment. The Company's protocol targets enrollment of 60 patients.

The market for IXEMPRA®

Through use of DRP® patient selection, Allarity aims to provide a superior clinical benefit to breast cancer patients receiving IXEMPRA® compared to patients who receive IXEMPRA® without DRP® selection. The global breast cancer therapeutics market is projected to grow to USD 25 Billion by 2024. One of the leading drivers of this market growth will be the use of pre-surgery neo-adjuvant therapies in the newly diagnosed patient population, a future market expansion opportunity for IXEMPRA®.

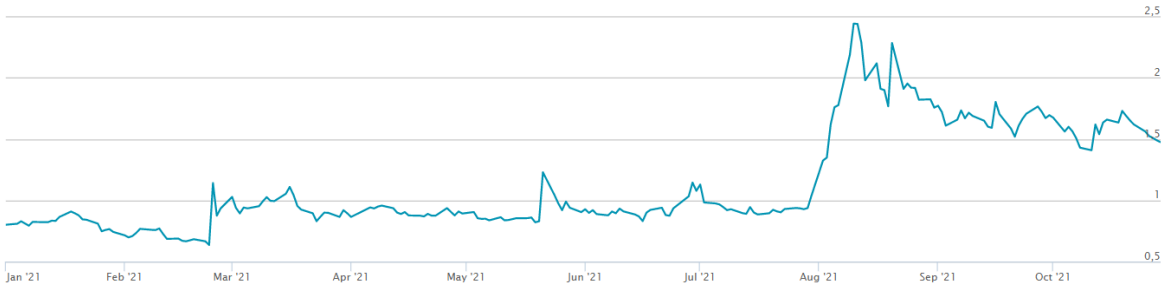
[6] https://mbio.asm.org/content/12/1/e03495-20

SHARE INFORMATION

Allarity Therapeutics' share is traded on Nasdaq First North Stockholm. ISIN code: DK0060732477. Ticker: ALLR. The Company is the result of a merger between Oncology Venture Sweden AB and Medical Prognosis Institute A/S (MPI), which was completed on August 21, 2018. Prior to the merger, Oncology Venture Sweden AB's share was traded at AktieTorget (now Spotlight). MPI was originally listed at Nasdaq First North Copenhagen in October 2013. The listing was moved to Nasdaq First North Stockholm on June 27, 2016.

Share price trend

In the period January 1 to October 29, 2021, the share price increased from SEK 0.8093 to SEK 1.475. At end of the period, the market capitalization was SEK 595,592,020 million, based on a closing price of SEK 1.475. During the period 1,469 million Allarity Therapeutics shares were traded for a value of SEK 2,233 million.



Ownership structure

Allarity Therapeutics had 13,511 shareholders by October 29, 2021. The Board of Directors and Management of the Company holds 2.3 percent of the shares.

Name	Number of shares	Percentage of voting rights and capital (%)
SASS & LARSEN APS	53,237,831	13.2%
FÖRSÄKRINGSAKTIEBOLAGET, AVANZA PENSION	26,449,359	6.6%
UBS SWITZERLAND AG, W8IMY*	10,067,323	2.49%
Others	314,036,687	77,77%
Total	**403,791,200**	**100.0%**

*This nominee account includes Steen Knudsen's shareholding of 6,248,847 shares. Steen Knudsen is a co-founder of Allarity Therapeutics.

Share capital

October 29, 2021, the share capital totaled DKK 20,189,560.00, distributed between 403,791,200 shares with a quotient value of DKK 0,05. There is only one class of stock. Each share carries one

vote at the Annual General Meeting and all shares carry equal right to a share in the assets and profits of the Company.

Warrants

Warrants

As an incentive for the Board Members, employees and key persons Allarity Therapeutics A/S has implemented a total of seven Warrant programs where of five are active.

Warrant plan #7

On December 18, 2020, the Board of Directors approved an equity-settled stock option plan, which provides 2 key management personnel with the option to purchase ordinary shares of Allarity Therapeutics A/S at a fixed price. Warrants were granted with a monthly vesting of 1/36 until September 1, 2022 respectively October 1, 2023 provided they remain employed by the Group. Vested warrants are exercisable over a fixed period of time from grant date up to and including September 30, 2032 respectively October 31, 2033.

Warrant plan #6

On October 18, 2019 an equity-settled stock option plan was approved at an extraordinary general meeting, which provides board of directors and members of the executive management of the Group with the option to purchase ordinary shares of Allarity Therapeutics A/S at a fixed price. Warrants were granted with a monthly vesting of 1/36 until October 1, 2022 provided they remain within the Group's employment. Vested warrants are exercisable over a fixed period of time from grant date up to and including September 30, 2032.

Warrant plan #5

On February 24, 2017 an equity-settled stock option plan was approved at an extraordinary general meeting, which provides board of directors and members of the executive management of the Group with the option to purchase ordinary shares of Allarity Therapeutics A/S at a fixed price. Warrants were granted with either immediate vesting upon granting, or with a monthly vesting of 1/36 until July 1, 2019 provided they remain within the Group's employment. Vested warrants are exercisable over a fixed period of time from grant date up to and including July 1, 2021. All warrants under plan #5 expired on July 2, 2021.

Warrant plan #4

On February 18, 2016, the Board of Directors approved an equity-settled stock option plan, which provides key management personnel with the option to purchase ordinary shares of Allarity Therapeutics A/S at a fixed price. Warrants were granted with a monthly vesting of 1/36 from July 1, 2016 until July 1, 2019, provided they remain within the Group's employment. Vested warrants are exercisable over a fixed period of time from grant date up to and including July 1, 2021. All warrants under plan #4 expired on July 2, 2021.

Warrant plan #3

On December 17, 2014, the Board of Directors approved an equity-settled stock option plan, which provides key management personnel with the option to purchase ordinary shares of Allarity Therapeutics A/S at a fixed price. Warrants were granted with 50% immediately vesting upon granting, 25% vesting on December 17, 2015 and 25% vesting on July 3, 2016, provided they remain within the Group's employment. Vested warrants are exercisable over a fixed period of time from grant date up to and including July 1, 2021. All warrants under plan #3 expired on July 2, 2021.

Investor warrants

50,341,080 investor warrants (TO2 warrants) have been granted to investors in connection with subscription of Offer Units in the rights issued carried out October- December 2019. All Warrants were vested as per the grant date. A warrant gives the right, during a fixed period to subscribe for nominal DKK 0.05 ordinary share in the Company in the Company at SEK 6,0 (the "Exercise Price"), converted into DKK using the official exchange rate between DKK and SEK on the exercise day. Each warrant carries the right to subscribe. Investors in the Rights Issue will have the possibility to exercise their warrants in five two-week windows during the 24-months period during which the warrants may be exercised.

These periods are: April 1, 2020 – April 15, 2020, September 1, 2020 – September 15, 2020, February 1, 2021 – February 15, 2021, May 1, 2021 – May 15, 2021 and September 1, 2021 – September 15, 2021.

The final exercise period for the warrants of series TO 2 took place from September 1 up to and including September 15, 2021. Any TO 2 warrants unexercised after September 13, 2021, expired without compensation or payment of any kind to the warrant holders. During the three month period ended September 30, 2021 a total of 8,820 warrants of series TO 2 were exercised for subscription of 8,820 shares for total proceeds of KDKK 37.

120,891,157 investor warrants (TO 3 warrants) have been granted to investors in connection with subscription of Offer Units in the rights issued carried out May- June 2021. All Warrants were vested as per the grant date. A warrant gives the right, during a fixed period to subscribe for nominal DKK 0.05 ordinary share in the Company in the Company at SEK 1.7 (the "Exercise Price"), converted into DKK using the official exchange rate between DKK and SEK on the exercise day. Each warrant carries the right to subscribe. Investors in the Rights Issue will have the possibility to exercise their warrants in five two-week windows during the 24-months period during which the warrants may be exercised.

These periods are: October 1, 2021 – October 15, 2021, March 1, 2022 – March 15, 2022, August 1, 2022 – August 15, 2022, November 1, 2022 – November 15, 2022 and April 1, 2023 – April 15, 2023.

On August 26, 2021, the Board of Directors set an extraordinary and final exercise period for the Company's TO 3 Warrants, starting on August 30, 2021, and ending on September 13, 2021. Any TO

3 warrants unexercised after September 13, 2021, expired without compensation or payment of any kind to the warrant holders. During the three month period ended September 30, 2021, 13,719,266 warrants of series TO 3 were exercised for total proceeds of DKK 16.3 million.

Operational risks and uncertainties

The risks and uncertainties that the Company is exposed to are related to factors such as drug development, competition, technology development, patents, regulatory requirements, capital requirements, retention of management and key employees, conducting clinical trials, COVID-19, currencies and interest rates. During the current period, no significant changes in risk factors or uncertainties have occurred. For a more detailed description of these risks and uncertainties, refer to the Form S-4 registration statement published in November 2021. The document is available on the Company's website (http://www.allarity.com).

Auditor´s review

The interim report has not been reviewed by The Company's auditor.

For further information, please contact

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Certified Advisor

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FINANCIAL REVIEW

Income statement Q3 2021

Net sales amounted to 0 KDKK (previous year KDKK 0). EBITDA amounted to KDKK -20,262 (previous year KDKK -11,7677). Other operating income amounted to KDKK 6,316 as a result of a sale of intangible assets to Lantern Pharma (previous year – KDKK 0). Other external expenses amounted to KDKK 18,944 (previous year KDKK 7,725); increased other external expenses were primarily as a result of the easing of COVID restrictions which have enabled us to ramp up our research and development activities, coupled with increased professional and consulting costs associated with the filing of our S-4 Registration Statement on US Nasdaq in preparation for our US Nasdaq listing. Staff expenses, share-based payments amounted to KDKK 3,769 (previous year KDKK 789). The increase was primarily due management warrants granted in the latter part of last year and ongoing vesting. Staff expenses, other amounted to KDKK 3,769 (previous year KDKK 3,253) Depreciation, amortization and impairment loss amounted to KDKK -152 (previous year KDKK -263). The company realized a net profit of KDKK -20,567 (last year a net profit of KDKK -8,539). Net profit per share: DKK -0.05 (DKK -0.05). Total number of shares as of October 29, 2021, was 403,791,200.

Measured on the first nine months of 2021, the Company's EBITDA amounted to KDKK 66,760 (prior year KDKK 34,295) a 95% increase, primarily for the reasons described above.

Balance sheet

Total assets amounted to KDKK 151,064 (previous year KDKK 171,817). Current liabilities amounted to KDKK 24,651 (previous year KDKK 17,990). The Group's equity and liabilities amounted to KDKK 151,064 (previous year KDKK 171,817).

Cash flows

The Group's cash flow from operating activities amounted to KDKK -26,214 (previous year KDKK -10,774). The outflow from operating activities is attributable primarily to increased clinical development activities, and our activities to prepare the Company's move to Nasdaq U.S. The Group's cash flow from financing activities amounted to KDKK 14,570 (previous year KDKK 8,191).

Consolidated income statement and statement of comprehensive income

Note	Amounts in DKK '000	Q3 2021	Q3 2020	Q1-Q3 2021	Q1-Q3 2020	Year 2020
4	**Revenue**	**0**	**0**	**0**	**0**	**0**
5	Other operating income	6,316	0	6,212	7,099	145
	Other external expenses	-18,944	-7,725	-50,466	-25,149	-36,493
	Staff expenses, share-based payments	-3,865	-789	-9,780	-3,122	-3,687
	Staff expenses, other	-3,769	-3,253	-12,726	-13,123	-18,923
	Loss before depreciation and amortisation (EBITDA)	**-20,262**	**-11,767**	**-66,760**	**-34,295**	**-58,958**
	Depreciation, amortisation and impairment losses	-152	-263	-59,470	-795	-1,059
	Operating loss before net financials	**-20,414**	**-12,030**	**-126,230**	**-35,090**	**-60,017**
	Financial income	509	2,122	953	6,346	7,548
	Financial expenses	-1,282	-1,506	-10,193	-2,893	-6,616
	Profit/loss before tax	**-21,187**	**-11,414**	**-135,470**	**-31,637**	**-59,085**
	Tax on profit/loss	620	2,875	5,192	4,180	11,379
	Net profit/loss	**-20,567**	**-8,539**	**-130,278**	**-27,457**	**-47,706**
	Other comprehensive income to be reclassified to profit or loss in subsequent periods (net of tax):					
	Exchange differences on translation of foreign operations	-99	194	-214	230	304
	Other comprehensive income, net of tax	**-99**	**194**	**-214**	**230**	**304**
	Total comprehensive income	**-20,666**	**-8,345**	**-130,492**	**-27,227**	**-47,402**

Consolidated income statement and statement of comprehensive income

Note	Amounts in DKK '000	Q3 2021	Q3 2020	Q1-Q3 2021	Q1-Q3 2020	Year 2020
	Net profit/loss attributable to:					
	Owners of the parent company	-20,567	-8,545	-130,278	-27,359	-47,608
	Non-controlling interests	0	6	0	-98	-98
	Total	**-20,567**	**-8,539**	**-130,278**	**-27,457**	**-47,706**
	Total comprehensive income attributable to:					
	Owners of the parent company	-20,666	-8,351	-130,492	-27,129	-47,304
	Non-controlling interests	0	6	0	-98	-98
	Total	**-20,666**	**-8,345**	**-130,492**	**-27,227**	**-47,402**
6	**Earnings per share**					
	Earnings per share, DKK	-0.05	-0.05	-0.45	-0.18	-0.29
	Diluted earnings per share, DKK	-0.05	-0.05	-0.45	-0.18	-0.29

Consolidated balance sheet

ASSETS

Note	Amounts in DKK '000	30/09/2021	30/09/2020	31/12/2020
7	Property, plant and equipment	753	2,335	2,134
8	Acquired patents and rights	548	762	697
8	Development projects in progress	96,172	155,023	155,023
	Other investments	3,152	5,260	5,119
	Total non-current assets	**100,625**	**163,380**	**162,973**
	Trade receivables	0	1	0
	Income tax receivable	10,999	4,052	5,500
	Other receivables	2,360	1,262	1,722
	Prepayments	1,220	2,931	4,920
	Cash	35,860	191	1,807
	Total current assets	**50,439**	**8,437**	**13,949**
	Total assets	**151,064**	**171,817**	**176,922**

Consolidated balance sheet

EQUITY AND LIABILITIES

Note	Amounts in DKK '000	30/09/2021	30/09/2020	31/12/2020
	Share capital	20,190	9,665	10,630
	Share premium	484,994	374,953	388,236
	Retained earnings	-379,325	-239,143	-258,827
	Currency translation reserve	330	470	544
	Non-controling interests	0	0	0
	Total equity	**126,189**	**145,945**	**140,583**
	Lease liabilities	224	1,786	1,615
	Deferred tax	0	6,096	0
	Non-current liabilities	**224**	**7,882**	**1,615**
	Convertible loan	0	0	9,246
	Bank debt	0	702	507
	Lease liabilities	630	636	659
	Trade payables	5,353	11,339	12,817
	Income tax payable	348	0	345
	Other payables	18,320	5,313	11,150
	Current liabilities	**24,651**	**17,990**	**34,724**
	Total liabilities	**24,875**	**25,872**	**36,339**
	Total equity and liabilities	**151,064**	**171,817**	**176,922**

Consolidated statement of changes in equity

Amounts in DKK '000	Share capital	Share premium	Retained earnings	Currency translation reserve	Non-controlling interest	Total equity
Equity as at 01/01/2021	10,630	388,236	-258,827	544	0	140,583
Profit/loss			-130,278		0	-130,278
Other comprehensive income				-214		-214
Total comprehensive income	0	0	-130,278	-214	0	-130,492
Cash capital increases	6,045	69,400				75,445
Cash capital increases, exercised warrants	53	455				508
Cash capital increases, exercised investorwarrants (TO2 and TO3)	686	16,326				17,012
Capital increases, conversion of convertible loan	1,544	15,866				17,410
Capital increases, conversion of debt regarding services rendered during rights issue in Q2 2021	1,232	14,075				15,307
Costs of capital increases		-19,364				-19,364
Share-based payments			9,780			9,780
Equity as at 30/09/2021	**20,190**	**484,994**	**-379,325**	**330**	**0**	**126,189**
Equity as at 01/01/2020	6,067	310,527	-192,970	240	17,470	141,334
Profit/loss			-27,359		-98	-27,457
Other comprehensive income				230		230
Total comprehensive income	0	0	-27,359	230	-98	-27,227
Cash capital increases	1,101	18,120				19,221
Capital increases, debt conversion	581	10,632				11,213
Capital increase, acquisition of NCI	1,916	37,391				39,307
Costs of capital increase		-1,717				-1,717
Acquisition, non-controlling interests			-21,935		-17,372	-39,307
Share-based payments			3,121			3,121
Equity as at 30/09/2020	**9,665**	**374,953**	**-239,143**	**470**	**0**	**145,945**

Consolidated cash flow statement

Note	Amounts in DKK '000	Q3 2021	Q3 2020	Q1-Q3 2021	Q1-Q3 2020	Year 2020
	Loss before tax	**-21,187**	**-11,414**	**-135,470**	**-31,637**	**-59,085**
	Adjustment for non-cash items	-2,874	1,051	62,193	3,916	4,769
	Financial income, reversed	-509	-2,122	-953	-6,346	-7,548
	Financial expenses, reversed	1,282	1,506	10,193	2,893	6,616
	Change in working capital	-3,039	1,117	-206	-5,605	-143
	Cash flows from operating activities before net financials	**-26,327**	**-9,862**	**-64,243**	**-36,779**	**-55,391**
	Financial income received	713	253	713	919	2,177
	Financial expenses paid	-292	-1,165	-3,447	-1,436	-3,262
	Income tax received	-3	0	0	5,498	5,500
	Income tax paid	-305	0	-305	-146	-146
	Cash flows from operating activities	**-26,214**	**-10,774**	**-67,282**	**-31,944**	**-51,122**
	Purchase of property, plant and equipment	0	-19	0	-19	-19
	Disposal of intangible assets	6,316	0	6,316	0	0
	Cash flows from investing activities	**6,316**	**-19**	**6,316**	**-19**	**-19**
	Cash capital increase	17,416	8,353	92,965	19,221	25,906
	Transaction cost, capital increase	-2,333	-134	-4,139	-1,038	-1,169
	Proceeds from convertible loan	0	0	7,352	0	21,363
	Proceeds from loan	0	0	18,281	6,854	0
	Repayment of loan	0	0	-18,281	-3,567	-3,567
	Bank debt	-365	117	-507	701	507
	Lease liabilities	-148	-145	-438	-423	-572
	Cash flows from financing activities	**14,570**	**8,191**	**95,233**	**21,748**	**42,468**
	Total cash flows	**-5,328**	**-2,602**	**34,267**	**-10,215**	**-8,673**
	Cash, beginning	41,287	2,599	1,807	10,176	10,176
	Net foreign exchange difference	-99	194	-214	230	304
	Cash, end	**35,860**	**191**	**35,860**	**191**	**1,807**

Parent company income statement

Amounts in DKK '000	Q3 2021	Q3 2020	Q1-Q3 2021	Q1-Q3 2020	Year 2020
Revenue	**0**	**0**	**0**	**0**	**0**
Other operating income	9,685	0	22,664	-2,100	-2,100
Other external expenses	-19,134	-2,249	-51,132	-9,161	-26,972
Staff expenses	-3,768	-3,167	-12,522	-10,923	-5,609
Profit/loss before depreciation, amortization and impairment (EBITDA)	**-13,217**	**-5,416**	**-40,990**	**-22,184**	**-34,681**
Amortization and depreciation	-29	-80	-87	-404	-459
Impairment losses	-4	0	-4,985	0	-12,681
Operating profit/loss before net financials	**-13,250**	**-5,496**	**-46,062**	**-22,588**	**-47,821**
Financial income	415	1,974	771	5,978	7,856
Financial expenses	-1,218	-5,980	-9,829	-7,307	-6,041
Profit/loss before tax	**-14,053**	**-9,502**	**-55,120**	**-23,917**	**-46,006**
Tax on profit/loss	1,144	704	3,257	1,324	2,995
Net profit/loss	**-12,909**	**-8,798**	**-51,863**	**-22,593**	**-43,011**

Parent company balance sheet

ASSETS

Amounts in DKK '000	30/09/2021	30/09/2020	31/12/2020
Acquired patents and rights	22	109	87
Development projects in progress	1,045	1,071	1,045
Intangible assets	**1,067**	**1,180**	**1,132**
Plant and machinery	40	69	62
Property, plant and equipment	**40**	**69**	**62**
Investment in subsidiaries	43,286	43,285	43,286
Other investments	3,152	5,260	5,119
Financial assets	**46,438**	**48,545**	**48,405**
Total fixed assets	**47,545**	**49,794**	**49,599**
Receivables from subsidiaries	16,977	962	738
Income tax receivable	6,164	1,176	2,907
Other receivables	1,617	512	905
Prepayments	1,220	2,875	4,863
Cash and cash equivalents	34,438	173	1,583
Total current assets	**60,416**	**5,698**	**10,996**
Total assets	**107,961**	**55,492**	**60,595**

Parent company balance sheet

EQUITY AND LIABILITIES

Amounts in DKK '000	30/09/2021	30/09/2020	31/12/2020
Share capital	20,190	9,665	10,630
Share premium	484,994	374,953	388,236
Retained earnings	-413,218	-340,937	-361,355
Translation reserve	-9	0	-13
Total equity	**91,957**	**43,681**	**37,498**
Payables to subsidiaries	520	2,528	3,465
Bank debt	0	701	507
Convertible loan	0	0	9,246
Trade payables	4,723	6,878	7,148
Income tax payable	61	0	61
Other payables	10,700	1,704	2,670
Current liabilities	**16,004**	**11,811**	**23,097**
Total liabilities	**16,004**	**11,811**	**23,097**
Total equity and liabilities	**107,961**	**55,492**	**60,595**

Parent company statement of changes in equity

Amounts in DKK '000	Share capital	Share premium	Retained earnings	Translation reserve	Total equity
Equity as at 01/01/2021	10,630	388,236	-361,355	-13	37,498
Cash capital increases	6,045	69,400			75,445
Cash capital increases, exercised warrants	53	455			508
Cash capital increases, exercised investorwarrants (TO2 and TO3)	686	16,326			17,012
Capital increases, conversion of convertible loan	1,544	15,866			17,410
Capital increases, conversion of debt regarding services rendered during rights issue in Q2 2021	1,232	14,075			15,307
Costs of capital increases		-19,364			-19,364
Foreign currency translation				4	4
Profit/loss			-51,863		-51,863
Equity as at 30/09/2021	**20,190**	**484,994**	**-413,218**	**-9**	**91,957**
Equity as at 01/01/2020	6,067	310,527	-318,344	0	-1,750
Cash capital increases	1,101	18,120			19,221
Capital increases, debt conversion	581	10,632			11,213
Capital increases, acquisition of NCI	1,916	37,391			39,307
Costs of capital increases		-1,717			-1,717
Profit/loss			-22,593		-22,593
Equity as at 30/09/2020	**9,665**	**374,953**	**-340,937**	**0**	**43,681**

Consolidated notes

1. Accounting policies

Basis of preparation

This interim report comprises financial information about the Group and the parent company.

The interim consolidated financial statements have been prepared in accordance with IAS 34 Interim Financial Reporting as adopted by the European Union. The parent company financial statements have been prepared in accordance with the Danish Financial Statements Act.

The interim financial statements do not include all the information and disclosures required in the annual financial statements and should be read in conjunction with the annual report for 2020.

New accounting policy

The Group has implemented the latest amendments to International Financial Reporting Standards effective as of 1 January 2021 as adopted by the European Union. None of the amendments have had any material impact on the Group's financial statements.

2. Significant accounting estimates and assessments

In connection with the preparation of the Condensed consolidated interim financial statements, the management makes a number of accounting estimates and assessments that affect the recognized values of assets, liabilities, income, expenses and cash flows as well as their presentation.

The significant accounting estimates and assessments applied in these Condensed consolidated interim financial statements are the same as disclosed in note 0 and note 2 in the annual report for 2020, which contains a full description of significant accounting estimates and assessments.

3. Segment information

Allarity Therapeutics A/S is still at an early commercial phase with a limited revenue generating activities. Accordingly, Allarity Therapeutics A/S only has one operating segment, which is also the only reportable segment. Information on profit/loss and total assets for the segment can be found in the interim consolidated income statement and the interim consolidated statement of financial position.

Amounts in DKK '000	Q3 2021	Q3 2020	Q1-Q3 2021	Q1-Q3 2020	Year 2020

4. Revenue

Revenue is distributed as follows:

Rendering of services	0	0	0	0	0
Total	0	0	0	0	0

5. Other operating income

Income from licenses	0	0	0	7,000	145
Grants	0	0	-173	99	0
Net gain on disposal of property, plant and equipment	0	0	69	0	0
Net gain on disposal of intangible assets	6,316	0	6,316	0	0
Total	6,316	0	6,212	7,099	145

6. Earnings per share

Earnings per share (basic)

Profit/loss attributable to the owners of the parent company, DKK '000	-20,567	-8,545	-130,278	-27,359	-47,608
Average number of shares in circulation	387,652,549	186,230,830	288,984,065	150,650,949	163,238,991
Earnings per share, DKK	-0.05	-0.05	-0.45	-0.18	-0.29

Diluted earnings per share

Diluted average number of shares in circulation	387,652,549	186,230,830	288,984,065	150,650,949	163,238,991
Diluted earnings per share, DKK	-0.05	-0.05	-0.45	-0.18	-0.29

No dilution where the warrants are anti-dilutive.

Amounts in DKK '000	Plant and machinery	Right-of-use asset	Total
7. Property, plant and equipment			
Cost as at 01/01/2021	2,204	3,341	5,545
Additions	0	0	0
Disposals	0	-855	-855
Modification of lease contract	0	-412	-412
Cost as at 30/09/2021	2,204	2,074	4,278
Depreciation and impairment losses as at 01/01/2021	2,075	1,336	3,411
Depreciation	68	402	470
Reversal of depreciation of and impairment losses on disposed assets	0	-356	-356
Depreciation and impairment losses as at 30/09/2021	2,143	1,382	3,525
Carrying amount as at 30/09/2021	**61**	**692**	**753**
Cost as at 01/01/2020	2,185	3,341	5,526
Additions	19	0	19
Cost as at 30/09/2020	2,204	3,341	5,545
Depreciation and impairment losses as at 01/01/2020	1,941	668	2,609
Depreciation	100	501	601
Depreciation and impairment losses as at 30/09/2020	2,041	1,169	3,210
Carrying amount as at 30/09/2020	**163**	**2,172**	**2,335**

Amounts in DKK '000	Acquired patents	Develop-ment projects in progress	Total
8. Intangible assets			
Cost as at 01/01/2021	1,324	235,521	236,845
Additions	0	0	0
Cost as at 30/09/2021	1,324	235,521	236,845
Amortisation and impairment losses as at 01/01/2021	627	80,498	81,125
Impairment losses	0	58,851	58,851
Amortisation	149	0	149
Amortisation and impairment losses as at 30/09/2021	776	139,349	140,125
Carrying amount as at 30/09/2021	**548**	**96,172**	**96,720**
Cost as at 01/01/2020	1,324	235,521	236,845
Additions	0	0	0
Cost as at 30/09/2020	1,324	235,521	236,845
Amortisation and impairment losses as at 01/01/2020	369	80,498	80,867
Amortisation	193	0	193
Amortisation and impairment losses as at 30/09/2020	562	80,498	81,060
Carrying amount as at 30/09/2020	**762**	**155,023**	**155,785**

Amounts in DKK '000	30/09/2021	30/09/2020	31/12/2020
Individually material development projects in progress			
LiPlaCis	0	58,851	58,851
2X-111	0	0	0
2X-121	40,863	40,863	40,863
Dovitinib	55,309	55,309	55,309
Irofulven	0	0	0
Other	0	0	0
Total	96,172	155,023	155,023

Remaining amortization period

All intangible assets above are development projects in progress.

9. Investor warrants

The exercise price of our investor warrants described below is denominated in SEK; however, the functional currency of the Company is DKK. Consequently, the value of the proceeds on exercise is not fixed and will vary based on foreign exchange rate movements. The investor warrants were issued in connection with subscription of Offer Units in rights issues and was issued proportionate to all existing shareholders, hence a derivative for accounting purposes are not required to be recognized.

TO1 warrants
In connection with subscription of Offer Units in the rights issued carried out April/May 2019, 20,166,221 investor warrants ("TO1 warrants") have been granted to investors. All Warrants were vested as per the grant date. A warrant gives the right, during a fixed period to subscribe for nominal DKK 0.05 common share in the Company at SEK 7.5 (the "Exercise Price"), converted into DKK using the official exchange rate between DKK and SEK on the exercise day. All TO1 warrants expired on May 31, 2020.

TO2 warrants
In connection with subscription of Offer Units in the rights issued carried out October — December 2019, 50,341,080 investor warrants ("TO2 warrants") have been granted to investors. All Warrants were vested as per the grant date. A warrant gives the right, during a fixed period to subscribe for nominal DKK 0.05 common share in the Company at SEK 6,0 (the "Exercise Price"), converted into DKK using the official exchange rate between DKK and SEK on the exercise day. Each warrant carries the right to subscribe for one common share. Investors in the Rights Issue will have the possibility to exercise their warrants in five two-week windows during the 24-months period during which the warrants may be exercised. These periods are: April 1, 2020 – April 15, 2020, September 1, 2020 – September 15, 2020, February 1, 2021 – February 15, 2021, May 1, 2021 – May 15, 2021 and September 1, 2021 – September 15, 2021.

The final exercise period for the warrants of series TO 2 took place from September 1 up to and including September 15, 2021. Any TO 2 warrants unexercised after September 13, 2021, expired without compensation or payment of any kind to the warrant holders. During the three month period ended September 30, 2021 a total of 8,820 warrants of series TO 2 were exercised for subscription of 8,820 shares for total proceeds of KDKK 37.

TO3 warrants
120,891,157 investor warrants (TO 3 warrants) have been granted to investors in connection with subscription of Offer Units in the rights issued carried out May- June 2021. All Warrants were vested as per the grant date. A warrant gives the right, during a fixed period to subscribe for nominal DKK 0.05 ordinary share in the Company in the Company at SEK 1.7 (the "Exercise Price"), converted into DKK using the official exchange rate between DKK and SEK on the exercise day. Each warrant carries the right to subscribe. Investors in the Rights Issue will have the possibility to exercise their warrants in five two-week windows during the 24-months period during which the warrants may be exercised. These periods are: October 1, 2021 – October 15, 2021, March 1, 2022 – March 15,

2022, August 1, 2022 – August 15, 2022, November 1, 2022 – November 15, 2022 and April 1, 2023 – April 15, 2023.

On August 26, 2021, the Board of Directors set an extraordinary and final exercise period for the Company's TO 3 Warrants, starting on August 30, 2021, and ending on September 13, 2021. Any TO 3 warrants unexercised after September 13, 2021, expired without compensation or payment of any kind to the warrant holders. During the three month period ended September 30, 2021, 13,719,266 warrants of series TO 3 were exercised for total proceeds of DKK 16.3 million.

Settlement warrants

In February 2020 the Company established a financing facility. In connection with the settlement of this financing facility in February 2020, 3,996,864 investor warrants was issued at an exercise price of 3.30 SEK each (Settlement Warrants). All Settlement Warrants immediately vested on the grant date. A warrant gives the right, during a fixed period to subscribe for nominal DKK 0.05 common share in the Company at SEK 3,3 (the "Exercise Price"), converted into DKK using the official exchange closing rate between DKK and SEK on the last business day prior to the exercise. Each warrant carries the right to subscribe for one common share over 36 months.

10. Contingent liabilities

There has been no significant changes in the commitments and contingencies as described in note 22 to the annual report for 2020.

11. Related parties

Transactions with related parties

Amounts in DKK '000		Sales to related parties	Purchases from related parties	Amounts owed by related parties	Amounts owed to related parties
Entities with significant influence:					
Acquisition of NCI	Q1-Q3 2020		3,509		

Other related parties:			
Services provided	Q1-Q3 2021	774	0
	Q1-Q3 2020	764	0

Acquisition of Oncology Venture US Inc.
On July 13, 2020, the group acquired remaining ownership (16 %) in Oncology Venture US Inc. (formerly 2X Oncology, Inc.). Payment was made by conversion into shares in Allarity Therapeutics A/S. Among existing shareholders was Sass & Larsen ApS, an entity with significant influence over the parent company.

12. Events after the balance sheet date

Plan of Reorganization and US Nasdaq Listing

On April 6, 2021, the Company incorporated Allarity Therapeutics, Inc., a Delaware corporation, ("Allarity Delaware") as a direct wholly owned subsidiary of the Company for the sole purpose of entering into a Plan of Reorganization and Asset Purchase Agreement with Allarity Delaware in order to reorganize the Company as a holding company listed on the US Nasdaq Stock Market and complete a 50 to 1 share reverse split, resulting in an immediate decrease in the outstanding shares used to calculate the weighted average common shares outstanding for basic and diluted net income per share. The reorganization is a common control transaction and there will be no change in control over the assets of the ultimate parent. Consequently, Allarity Delaware will record all assets and liabilities acquired from Allarity Therapeutics A/S at historical cost. The recapitalization share exchange is conditioned upon the approval of the Company's shareholders and an effective registration statement filed with the US Securities and Exchange Commission. Our Form S-4 registration statement was effective on November 5, 2021; and shareholder approval of the recapitalization was granted at our Extraordinary General Meeting held on November 22, 2021.

As of the date of these financial statements, the Company anticipates that approximately 8,075,824 shares of Delaware common stock will be issued in the recapitalization share exchange to the Company's shareholders.

PIPE Investment

On May 20, 2021, the Company entered into an Investment Agreement (the "Investment Agreement") with 3i, LP, a Delaware Limited Partnership (the "Investor") whereby the Company agreed to issue and sell the Investor 20,000 shares of Allarity Delaware Series A Convertible Preferred Stock (the "Preferred Stock") and common stock purchase warrants (the "Warrants") for an additional

$20 million (the "PIPE Investment"). The PIPE Investment is conditioned upon, and will occur simultaneously with, the consummation of the Recapitalization Share Exchange and the approval of Allarity Delaware's application to list its common stock on the US Nasdaq Stock Market.

The Preferred Stock may convert over time into at approximately 20% of the Company's issued and outstanding shares however, conversion of the Preferred Shares and exercise of the Warrants; is limited to 4.99% of the Company's issued and outstanding shares.

As of the date of these financial statements the Company expects the conversion price of the Preferred Stock to be $9.91 per share. However, if the volume weighted average price for Allarity Delaware common stock on the US Nasdaq Stock Market falls below the fixed conversion price for the preferred stock, then the preferred stock would be entitled to convert at an alternate conversion price between 80% to 90% of the volume weighted average price at the time of conversion with a similar adjustment for the exercise price for the warrants.

Lastly, in the event that the average daily US dollar volume of share of Allarity Delaware common stock traded on the US Nasdaq Stock Market falls below $2.5 million, then holders of the convertible preferred stock will be entitled to a one-time special dividend of 8% of the stated value of the preferred stock ($1.6 million) payable in shares of common stock upon conversion of the convertible preferred stock. The Company is in the process of assessing the accounting treatment of the special dividend.