Allarity Therapeutics A/S

(formerly Oncology Venture A/S)
Venlighedsvej 1, DK-2970 Hoersholm
CVR no. DK 28 10 63 51

Interim report for the period
January 1, 2020 – September 30, 2020

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 30, 2020

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 2020	Q3 2019	Q1 - Q3 2020	Q1 - Q3 2019	Year 2019
Key figures					
Profit/loss					
Revenue	0	0	0	519	801
Profit/loss before depreciation (EBITDA)	-11,767	-17,927	-34,295	-46,011	-66,502
Operating profit/loss before net financials	-12,030	-18,201	-35,090	-46,837	-148,102
Net financials	616	-5,595	3,453	-17,679	-26,822
Net profit/loss	-8,539	-22,210	-27,457	-59,069	-138,132
Balance sheet					
Balance sheet total	171,817	257,366	171,817	257,366	181,201
Purchase of PPE	19	40	19	40	56
Equity	145,945	160,816	145,945	160,816	141,334
Cash flows					
Cash flows from:					
Operating activities	-10,774	-20,836	-31,944	-58,985	-72,415
Investing activities	-19	0	-19	-4,126	-3,814
Financing activities	8,191	15,266	21,748	63,749	84,760
Ratios					
Solvency ratio	85%	62%	85%	62%	78%
Earnings per share, DKK	-0.05	-0.31	-0.18	-0.95	-2.08
Diluted earnings per share, DKK	-0.05	-0.31	-0.18	-0.95	-2.08

HIGHLIGHTS DURING Q3 2020

- On 13 July, the company announced that it had acquired full ownership of its PARP inhibitor program (at the time known as 2X-121, now stenoparib) by acquiring all outstanding shares in Oncology Venture US Inc., formerly 2X Oncology, Inc., from its external shareholders and warrant holders.

- On 14 July, the company announced a directed issue of 2,255,639 shares under its existing convertible loan note agreement with Negma Group LTD and Park Partners GP.

- On 14 August, the company announced a directed issue of 1,893,939 shares under its existing convertible loan note agreement with Negma Group LTD and Park Partners GP.

- On 21 August, the company published that it would offer 1,619,912 new shares, each with a subscription price of DKK 0.05, to a small number of recipients as part of the clean-up of outstanding incentive commitments and obligations made by prior management.

- On 21 August, the company announced that it had called upon Global Corporate Finance (GCF) to invest in the Company in a directed share issue in accordance with the Company's share subscription agreement with GCF. A total of 5,980,020 shares at a price per share of SEK 1.3420441 was issued to Global Corporate Finance.

- On 26 August, the company announced that its PARP inhibitor stenoparib (formerly known as 2X-121) had shown in vitro anti-viral activity against Coronavirus in pre-clinical studies. Based on these findings, the company planned to advance the compound into human clinical trials as a potential therapy for COVID-19.

- On 28 August, the company published the Interim Report for the period January – June 2020.

- On 21 September, the company published a notice to convene an Extraordinary General Meeting on 7 October 2020.

- On 21 September, the company announced its plans to change its company name to Allarity Therapeutics and restructure its Board of Directors subject to approval of shareholders at the upcoming EGM.

HIGHLIGHTS AFTER THE PERIOD

- On 6 October, the company announced that it has called upon Global Corporate Finance (GCF) to invest in the Company in a directed share issue in accordance with the Company's share subscription agreement with GCF. A total of 5,370,617 shares was issued to Global Corporate Finance.

- On 6 October, the company announced that a small group of recipients had received a total of 1,619,912 shares in exchange for previously annulled warrants.

- On 7 October, the company announced that the Extraordinary General Meeting had approved the adoption of the Company's new name, Allarity Therapeutics, as well as the restructuring of its Board of Directors, and a revision of the Company's Articles of Association.

- On 9 October, Allarity Therapeutics published that following the Company's name change from Oncology Venture A/S to Allarity Therapeutics A/S, the Company will be trading under its new short name (ticker code) ALLR from Monday, 12 October 2020.

- On 23 October, Allarity Therapeutics announced several updates related to its planned filing of a new drug application (NDA) with the U.S. Food and Drug Administration (FDA) for dovitinib, one of Allarity's priority programs.

- On 26 October, Allarity Therapeutics announced that the United States Patent and Trademark Office (USPTO) had issued Notices of Allowance to the Company for three new DRP® biomarker patents in conjunction with use of several of its clinical pipeline drugs.

- On 4 November, the company announced that Jens Erik Knudsen, CPA, MBA, had been appointed as its new Chief Financial Officer (CFO), effective immediately, replacing outgoing CFO Henrik Moltke.

- On 5 November, the company announced that it had drawn down a second tranche under its convertible note agreement with Negma Group LTD and Park Partners GP.

CEO LETTER

Dear shareholders,

We continue to make significant progress toward our goal of transforming the company with a focus on commercialization of our three priority pipeline programs. During the Third quarter (Q3) we achieved some significant milestones toward the transformation. The most visible change was the adoption of a new name and corporate brand-identity, Allarity Therapeutics. Although this may not seem an important event to those familiar with the company, it is actually a pivotal step forward. Our new name matches the new vision of the company, and it better reflects our strategy toward Realizing Personalized Cancer Care. It also establishes a renewed vision, a new company identity, and eliminates the confusion in the past with the old company name Oncology Venture. Moreover, it establishes a unique perception of the company allowing us to keep our Danish roots, while increasing awareness of our company among US investors and commercial partners to drive their understanding of the true value of the company. Our new name, Allarity Therapeutics, brings along connotations to relevant words such as clarity, alertness and anyone interacting with us in the future will know that we are in business of improving patients' lives through personalized medicine from the very moment they see our name.

We also announced good news regarding our Stenoparib program, our PARP inhibitor previously known as 2X-121. In July we announced that we had acquired full control of this development program, improving the investment case of company, and clarifying our position in potential negotiations with partners in the future. Later, we announced the exciting findings that Stenoparib had shown in vitro anti-viral activity against Coronavirus in pre-clinical studies conducted at the Pathogen and Microbiome Institute at Northern Arizona University (NAU), a leading U.S. infectious disease test center. Based on these findings, we plan to advance the compound into human clinical trials as a potential therapy for COVID-19. Even though recent general news on vaccine developments related to COVID-19 are encouraging, we believe that there will be a need for effective treatments of COVID-19 patients for several years to come, and we remain very excited about the fact that our product may play a role fighting this largest pandemic of our lifetime.

Our board has also been refreshed with two new members. First, we welcome Søren Gade, a member of the European Parliament, and former Minister of Defense in Denmark. He is also currently serving as patron for the Danish Bowel Cancer Association. The second new board member, Gail Maderis, is currently CEO of Antiva Biosciences, Inc., and former CEO of Five Prime Therapeutics, Inc. Gail brings to our board strong CEO and drug development experience in Oncology therapeutics. We are delighted to have the strong caliber of these individuals to our new board. As a result, our board restructuring also means that co-founder and CSO Steen Knudsen has stepped down from the board, but he remains a critical part of the executive management team and remains fully engaged in our day-to-day operations. Dr. Carani Sanjeevi, has also left the board, and is now serving as chairman of our Scientific Advisory Board working alongside our other key opinion leaders. Finally, we wish to thank Frank Knudsen and Dr. Magnus Petersen for their longstanding tenure on the board and support throughout the years. They remain as close

supporters of the company. Overall the outcome of the board changes results in a strengthening of the company as we continue to evolve towards commercialization of our priority assets and towards the diversification of our investor base.

Speaking of our organization, I would also like to highlight that Mr. Jens Knudsen, MBA, CPA has joined the company as our new CFO. We have been fortunate to have Jens join our team. He is a Danish citizen living in the US, with extensive experience as a Vice President of Finance and Controller in numerous public and private companies, including in the life sciences sector. Jens is a member of the American Institute of Certified Public Accountants and the Pennsylvania Institute of Certified Public Accountants. Having a CFO with an in-depth understanding of both private and public markets in both the US and Denmark is the best possible situation for Allarity, as we continue to have a significant presence and activities in both countries. I warmly welcome Jens to our team. At the same time, I would like to thank our former CFO, Henrik Moltke for his efforts and contributions and wish him the best in his future endeavors.

In October, we published an updated timeline for our Dovitinib program. Even though our in-house preparation of the U.S. NDA application (for approval for the treatment of renal cell carcinoma (RCC)) itself is progressing as scheduled, our third-party contract manufacturer of the registration batch of the drug has been experiencing delays, in part as a result of the ongoing coronavirus pandemic. Therefore, we had to revise our timeline accordingly, so it accurately reflected this new uncertainty regarding when we expect to be able to file our planned NDA with the FDA, based on non-inferiority to the approved drug Sorafenib in RCC. That being said, we also announced that we are on track with our Pre-Market Approval for the Dovitinib DRP® companion diagnostic. Regardless of the unfortunate COVID delays, we are moving our Dovitinib program forward as planned. In addition, we received recent US Patent Office approval of our patent covering the dovitinib DRP® companion diagnostic, along with approval of our patent applications for the DRP® companion diagnostics for LiPlaCis® and 2X-111, respectively. These US patent approvals continue to validate the value of our DRP® platform technology and expand our competitive advantage in the oncology therapeutics field.

Throughout the whole period we have also continued our rigorous and strict cost control measures to stay on the path of fiscal discipline that we have been following since October 2019. As a result, the financial numbers we have published today show that we have reduced the company's net loss by more than 50 % when comparing to the first three quarters of 2020 with the corresponding period in 2019.

During the last year, many have asked if we have plans to publicly list the company in the US, especially after launching our new name and corporate identity. I would like to say that we are very well aware that many European biotech companies have, over the years, shifted their listing from Europe to the US. The motivation to do so includes ensuring the company is close to the main global oncology market for the company's products, and getting broader access to investment, etc. As you know, oncology drug development requires capital. In our case, we operate within a range

of scenarios of how the company may develop in the long-term, and a listing on an exchange in the US is one of such several scenarios that we see as possible development path for the company, as many of our peers in the oncology space are listed on Nasdaq in the US, where they have successfully unlocked their true enterprise value. We continue to evaluate all strategic options to capitalize the company and result in the best possible outcome for our shareholders and for the patients we hope to benefit.

Overall, I continue to be very optimistic on behalf of our company and looking to share our progress with you in the time to come. After all, the patients are waiting.

Steve Carchedi
President and Chief Executive Officer

ABOUT ALLARITY THERAPEUTICS A/S

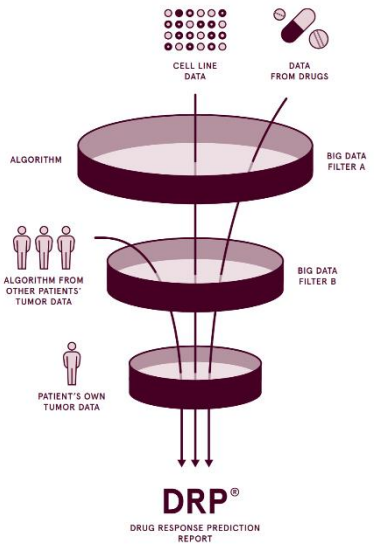
Allarity Therapeutics A/S (Nasdaq First North Growth Market Stockholm: ALLR.ST) develops drugs for
the personalized treatment of cancer using drug-specific companion diagnostics (cDx) generated by its proprietary drug response predictor technology, DRP®.

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, and irofulven, a DNA damaging agent, in Phase 2 for prostate 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).

Drug Response Predictor (DRP®) Platform

Allarity Therapeutic's proprietary and best-in-class DRP® predictive biomarker technology enables us to identify and treat those patients who are sensitive to a particular cancer drug candidate. DRP® provides a gene expression fingerprint that distinguishes the tumor forms that are sensitive to treatment with a specific drug from those who are insensitive. By including only patients with sensitive tumors in clinical trials, it is possible to avoid also treating non-sensitive patients, which lowers drug efficacy read-outs. The important bottom line is that the DRP® technology has demonstrated, in 29 out of 37 clinical trials, that clinical results of cancer treatments can be predicted with a high degree of statistical significance.



The DRP® method builds on the comparison of sensitive vs. resistant human cancer cell lines, including genomic 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 from the patient's biopsies. The DRP® platform (both the drug-specific DRP® biomarkers and the PRP® patient guidance reports), can be used in all cancer types and is patented for more than 70 anti-cancer drugs in the US. The PRP® is in development for potential future commercialization within the Personalized Medicine market sector.

Patient Response Prediction (PRP®)

Long term, the DRP® technology will be the base of the development of Patient Response Predictor (PRP®) products in the oncology sector. 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. We believe that PRP® can become a powerful tool for a large group of cancer patients where other biomarkers are currently unavailable. PRP® is a novel product opportunity within Personalized Medicine, focusing on the future development of consumer products and services to inform, gather and formulate personal treatments together with the consultation and care of an oncologist. The PRP® report makes it possible to assist patients and doctors by helping them determine which cancer treatment may be most suitable in each specific case.

DEVELOPMENT PROJECTS

Allarity Therapeutics has a pipeline of six drug development projects, with dovitinib (a pan-TKI), stenoparib (formerly 2X-121, a PARP inhibitor), and IXEMPRA® (ixabepilone) having the highest priority. Two projects, LiPlaCis® and 2X-111, are licensed Smerud Medical Research International.

Dovitinib

Dovitinib is Allarity Therapeutic's most advanced clinical asset. Following a pre-NDA meeting, the U.S. FDA has provided guidance to the company regarding its potential path to approval. Based on this feedback from the FDA, Allarity Therapeutics now plans to file a New Drug Application (NDA) for the approval of dovitinib for the treatment of RCC during 2021.

Allarity Therapeutics will seek U.S. approval for dovitinib based on "non-inferiority" against the already approved compound sorafenib (Bayer) for the treatment of RCC, based on prior Phase 3 trial results (by Novartis). Allarity Therapeutics will use the data from the prior Phase 3 trial to prove that dovitinib is in fact "non-inferior" to sorafenib for the treatment of RCC, and expects that dovitinib will be 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 unpredictable and may or may not lead to a formal approval.

Dovitinib is a small molecule, pan-tyrosine kinase inhibitor (TKI) licensed from Novartis, that was previously developed through Phase 3 clinical trials. This extensive 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 renal 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, successfully 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, liver and breast cancer tumors.

Dovitinib addresses a significant unmet need for new treatments for Renal Cell Carcinoma. 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 (2X-121)

Stenoparib (formerly 2X-121) 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 Corona virus.

Stenoparib as a potential antiviral therapy for treating COVID-19

Stenoparib has shown in vitro anti-viral activity against Coronavirus in pre-clinical studies conducted at the Pathogen and Microbiome Institute at Northern Arizona University (NAU), a leading U.S. infectious disease test center. Based on these findings, Allarity Therapeutics plans to advance the compound into human clinical trials as a potential therapy for COVID-19.

The series of pre-clinical studies indicated that stenoparib showed inhibitory activity against Coronavirus in LLC-MK2 cells as a single agent. In addition, stenoparib in combination with remdesivir was active in inhibiting SARS-Cov-2, the virus that causes COVID-19, in VERO E6 cells. The concentration of stenoparib required for virus inhibition was lower in the combination study than in the single agent study. The two drugs target the virus through unique but different mechanisms of action. Remdesivir blocks the RNA replication enzyme, while stenoparib, as an inhibitor of PARP1/PARP2 (Poly ADP-Ribose Polymerases) and tankyrase 1 and 2 inhibits virus assembly and inhibits the negative effects of virus infection on the human body such as cytokine storm and necrosis.

Allarity Therapeutics is optimistic that the tankyrase activity may confer an advantage on the company's molecule vs other PARP inhibitors which do not exhibit dual PARP/tankyrase inhibitory activity.

Stenoparib as a cancer therapeutic

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 COVID-19 pandemic.

The global PARP inhibitor market is projected to reach USD 9 billion by 2027 in ovarian cancer alone.

IXEMPRA® (Ixabepilone)

Allarity Therapeutics holds an exclusive option to license the European rights to IXEMPRA®(ixabepilone) from the pharmaceutical company R-Pharm U.S. The drug was originally developed by Bristol-Myers Squibb (BMS) and is approved in the U.S. for the treatment of certain types of breast cancer. The Company is currently advancing a protocol to evaluate IXEMPRA® for the treatment of metastatic breast cancer in a DRP®-guided Phase 2 clinical trial, with multiple sites planned in Europe. The Company's protocol aims towards an enrollment target of nearly 40 patients. The company will announce when the first patient has been enrolled at a clinical trial site. Through use of DRP® patient selection, Allarity Therapeutics aims to provide a superior clinical benefit to breast cancer patients receiving IXEMPRA® compared to other approved therapy options.

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 neoadjuvant therapies in the newly diagnosed patient population, a future market expansion opportunity for IXEMPRA®.

Shareholders

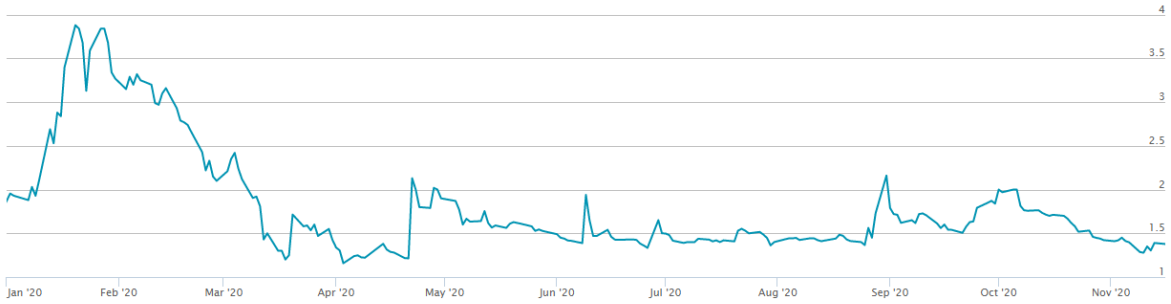
The table below shows shareholders with over 5% of the votes and capital in Allarity Therapeutics A/S on November 11, 2020.

Name	Number of shares	Ownership in %
SASS & LARSEN APS	36.860.251	18,6
UBS SWITZERLAND AG	11.667.050	5,9
Others	150.217.579	75,5
Total	198.744.880	100

Total number of shareholders was 7,205 as of November 11, 2020

Capital structure

On November 11, 2020, the share capital totaled DKK 9,937,244, distributed between 198,744,880 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. In the period January 1 to November 11, 2020, the share price decreased from SEK 1.7 to SEK 1.38. At end of the period, the market capitalization was SEK 274,3 million, based on a closing price of SEK 1.38. During the period 669,486,594 Allarity Therapeutics shares were traded for a value of SEK 1,70,610,807.



Warrants

As an incentive for the board members, employees, key persons and investors, Allarity Therapeutics A/S has implemented a total of five warrant programs, of which four are active:

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 that the individuals concerned 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 the 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 either immediately vesting upon the grant, or with a monthly vesting of 1/36 until July 1, 2019, provided the individuals 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.

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 the holders 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.

Warrant plan #3
On December 17, 2014, the board of directors approved an equity-settled stock option plan, which provides key management personnel and with the option to purchase ordinary shares of Allarity Therapeutics A/S at a fixed price. Warrants was 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.

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 from 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 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-month 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

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, 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 prospectus published in October 2019. 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

E-mail: investorrelations@allarity.com
Website: www.allarity.com

Certified Advisor

Allarity Therapeutics's Certified Adviser is:
Svensk Kapitalmarknadsgranskning AB
Fähusgatan 5
603 72 Norrköping, Sweden
Phone: +46 11-32 30 732.

FINANCIAL REVIEW

Income statement Q3 2020

The Company had a net loss of minus 8,5 million DKK in the third quarter of 2020. In the third quarter of 2019 the loss was 22,2 million DKK. The improvement of the net result is due to a reduction of 6,1 million DKK in the cost base compare to third quarter 2019 and a revised book value of the Company share position in Lantern Pharma, of a value of 2,1 million DKK as of 30 September 2020. The financial expenses were reduced from 6,0 million DKK in the third quarter of 2019 to 1.5 million DKK in the third quarter of 2020. This change is reflecting the change of strategy, not to establish expensive short-term loans to fund the Company's activities.

Measured on the first nine months of 2020, the Company had a net loss of 27,2 million DKK compared to 59 million DKK in H1 2019, an 54 % reduction.

Balance sheet

The balance sheet as of 30 September 2020 was 171,8 million DKK compared to 257,4 million DKK in same period 2019. The difference is mainly due to the impairment test of the value of company's development projects at year 2019, leading to a lower book value of the total pipeline.

Cash flows

The Company's cash position at 30 September 2020 was 0,2 million DKK compared to 2,3 million DKK as of 30 September 2019.

Capital resources and Liquidity

The Company has access to liquidity through convertible notes and directed rights issues of 150 million SEK. Combining these sources of funding will bring the Group well into 2021. Management is continuously evaluating a variety of partnering agreements and asset sales to optimize funding costs.

Significant financial events during Q3 2020

There have been no significant financial events in Q 3 2020

Financial Calendar

- Financial Calendar year ends on 31 December 2020.
- Annual Report for 2020 is planned to be published on 31 March 2021.
- Annual General Meeting 2020 is planned to be held on the 19 April 2021.
- Interim report for Q1 2021 is panned to be published on 28 May 2021.
- Interim report for Q2 2021 is panned to be published on 31 August 2021.
- Interim report for Q3 2021 is panned to be published on 31 November 2021.

Consolidated income statement and statement of comprehensive income

Note	Amounts in DKK '000	Q3 2020	Q3 2019	Q1 - Q3 2020	Q1 - Q3 2019	Year 2019
4	**Revenue**	**0**	**0**	**0**	**519**	**801**
5	Other operating income	0	0	7,099	0	2,100
	Other external expenses	-7,725	-13,850	-25,149	-34,651	-46,821
	Staff expenses, share-based payments	-789	0	-3,122	-100	-2,210
	Staff expenses, other	-3,253	-4,077	-13,123	-11,779	-20,372
	Loss before depreciation and amortisation (EBITDA)	**-11,767**	**-17,927**	**-34,295**	**-46,011**	**-66,502**
	Depreciation, amortisation and impairment losses	-263	-274	-795	-826	-81,600
	Operating loss before net financials	**-12,030**	**-18,201**	**-35,090**	**-46,837**	**-148,102**
	Financial income	2,122	432	6,346	3,442	3,281
	Financial expenses	-1,506	-6,027	-2,893	-21,121	-30,103
	Profit/loss before tax	**-11,414**	**-23,796**	**-31,637**	**-64,516**	**-174,924**
	Tax on profit/loss	2,875	1,586	4,180	5,447	36,792
	Net profit/loss	**-8,539**	**-22,210**	**-27,457**	**-59,069**	**-138,132**
	Other comprehensive income to be reclassified to profit or loss in subsequent periods (net of tax):					
	Exchange differences on translation of foreign operations	194	27	230	77	119
	Other comprehensive income, net of tax	**194**	**27**	**230**	**77**	**119**
	Total comprehensive income	**-8,345**	**-22,183**	**-27,227**	**-58,992**	**-138,013**

Consolidated income statement and statement of comprehensive income

Note	Amounts in DKK '000	Q3 2020	Q3 2019	Q1 - Q3 2020	Q1 - Q3 2019	Year 2019
	Net profit/loss attributable to:					
	Owners of the parent company	-8,545	-21,588	-27,359	-57,720	-131,955
	Non-controlling interests	6	-622	-98	-1,349	-6,177
	Total	**-8,539**	**-22,210**	**-27,457**	**-59,069**	**-138,132**
	Total comprehensive income attributable to:					
	Owners of the parent company	-8,351	-21,561	-27,129	-57,643	-131,836
	Non-controlling interests	6	-622	-98	-1,349	-6,177
	Total	**-8,345**	**-22,183**	**-27,227**	**-58,992**	**-138,013**
6	**Earnings per share**					
	Earnings per share, DKK	-0.05	-0.31	-0.18	-0.95	-2.08
	Diluted earnings per share, DKK	-0.05	-0.31	-0.18	-0.95	-2.08

Consolidated balance sheet

ASSETS

Note	Amounts in DKK '000	30/09/2020	30/09/2019	31/12/2019
7	Property, plant and equipment	2,335	3,112	2,917
8	Acquired patents and rights	762	1,019	955
8	Development projects in progress	155,023	235,849	155,023
	Other investments	5,260	0	0
	Total non-current assets	**163,380**	**239,980**	**158,895**
	Trade receivables	1	216	637
	Income tax receivable	4,052	11,007	5,512
	Other receivables	1,262	2,891	5,300
	Prepayments	2,931	1,007	681
	Cash	191	2,265	10,176
	Total current assets	**8,437**	**17,386**	**22,306**
	Total assets	**171,817**	**257,366**	**181,201**

Consolidated balance sheet

EQUITY AND LIABILITIES

Note	Amounts in DKK '000	30/09/2020	30/09/2019	31/12/2019
	Share capital	9,665	3,535	6,067
	Share premium	374,953	255,629	310,527
	Retained earnings	-239,143	-120,844	-192,970
	Currency translation reserve	470	198	240
	Non-controling interests	0	22,298	17,470
	Total equity	**145,945**	**160,816**	**141,334**
	Lease liabilities	1,786	2,422	2,274
	Deferred tax	6,096	34,234	6,096
	Non-current liabilities	**7,882**	**36,656**	**8,370**
	Convertible loan	0	0	0
	Loan	0	36,994	3,578
	Bank debt	702	638	0
	Lease liabilities	636	553	573
	Trade payables	11,339	16,785	14,537
	Other payables	5,313	4,924	286
	Deferred income	0	0	12,523
	Current liabilities	**17,990**	**59,894**	**31,497**
	Total liabilities	**25,872**	**96,550**	**39,867**
	Total equity and liabilities	**171,817**	**257,366**	**181,201**

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 01/01/2020	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 increase in Q1	466	7,079				7,545
Cash capital increase in Q2	259	5,238				5,497
Cash capital increase in Q3	376	5,803				6,179
Capital increase, debt conversion in Q2	373	6,967				7,340
Capital increase, debt conversion in Q3	208	3,665				3,873
Capital increase, acquisition of NCI in Q2	1,297	24,510				25,807
Capital increase, acquisition of NCI in Q3	619	12,881				13,500
Costs of capital increases		-1,717				-1,717
Acquisition, non-controlling interests in Q2			-11,796		-14,011	-25,807
Acquisition, non-controlling interests in Q3			-10,139		-3,361	-13,500
Share-based payments			3,121			3,121
Equity as at 30/09/2020	**9,665**	**374,953**	**-239,143**	**470**	**0**	**145,945**
Equity as at 01/01/2019	2,516	213,554	-61,040	121	26,705	181,856
Profit/loss			-57,720		-1,349	-59,069
Other comprehensive income				77		77
Total comprehensive income	0	0	-57,720	77	-1,349	-58,992
Cash capital increase, including issue of warrants	764	43,114				43,878
Capital increase, debt conversion, including issue of warrants	244	13,267				13,511
Costs of capital increase		-14,414				-14,414
Exercise of warrants	11	108				119
Acquisition, non-controlling interests			-2,250		-3,058	-5,308
Share-based payments			166			166
Equity as at 30/09/2019	**3,535**	**255,629**	**-120,844**	**198**	**22,298**	**160,816**

Consolidated cash flow statement

Note	Amounts in DKK '000	Q3 2020	Q3 2019	Q1 - Q3 2020	Q1 - Q3 2019	Year 2019
	Loss before tax	**-11,414**	**-23,796**	**-31,637**	**-64,516**	**-174,924**
	Adjustment for non-cash items	1,051	274	3,916	992	83,875
	Financial income, reversed	-2,122	-432	-6,346	-3,442	-3,281
	Financial expenses, reversed	1,506	6,027	2,893	21,121	30,103
	Change in working capital	1,117	2,242	-5,605	6,872	9,716
	Cash flows from operating activities before net financials	**-9,862**	**-15,685**	**-36,779**	**-38,973**	**-54,511**
	Financial income received	253	168	919	444	53
	Financial expenses paid	-1,165	-5,316	-1,436	-20,410	-26,899
	Income tax received	0	-3	5,498	-46	8,942
	Income tax paid	0	0	-146	0	0
	Cash flows from operating activities	**-10,774**	**-20,836**	**-31,944**	**-58,985**	**-72,415**
	Purchase of property, plant and equipment	-19	0	-19	-40	-56
	Purchase of intangible assets	0	0	0	-328	0
	Acquisition of non-controlling interests	0	0	0	-5,308	-5,308
	Sale of investments in associates	0	0	0	1,550	1,550
	Cash flows from investing activities	**-19**	**0**	**-19**	**-4,126**	**-3,814**
	Cash capital increase	8,353	119	19,221	43,997	92,251
	Transaction cost, capital increase	-134	0	-1,038	-2,818	-29,536
	Proceeds from loan	0	16,054	6,854	49,401	57,739
	Repayment of loan	0	0	-3,567	-26,392	-35,199
	Bank debt	117	-782	701	-72	0
	Lease liabilities	-145	-125	-423	-367	-495
	Cash flows from financing activities	**8,191**	**15,266**	**21,748**	**63,749**	**84,760**
	Total cash flows	**-2,602**	**-5,570**	**-10,215**	**638**	**8,531**
	Cash, beginning	2,599	7,802	10,176	1,547	1,547
	Net foreign exchange difference	194	33	230	80	98
	Cash, end	**191**	**2,265**	**191**	**2,265**	**10,176**

Parent company income statement

Amounts in DKK '000	Q3 2020	Q3 2019	Q1 - Q3 2020	Q1 - Q3 2019	Year 2019
Revenue	**0**	**1,058**	**0**	**2,860**	**3,718**
Other operating income	0	0	-2,100	0	2,100
Other external expenses	-2,249	-5,242	-9,161	-13,459	-16,900
Staff expenses	-3,167	-2,976	-10,923	-6,511	-13,270
Profit/loss before depreciation, amortization and impairment (EBITDA)	**-5,416**	**-7,160**	**-22,184**	**-17,110**	**-24,352**
Amortization and depreciation	-80	-169	-404	-506	-676
Impairment losses					-233,875
Operating profit/loss before net financials	**-5,496**	**-7,329**	**-22,588**	**-17,616**	**-258,903**
Financial income	1,974	611	5,978	4,050	3,992
Financial expenses	-5,980	-6,977	-7,307	-24,249	-30,541
Profit/loss before tax	**-9,502**	**-13,695**	**-23,917**	**-37,815**	**-285,452**
Tax on profit/loss	704	589	1,324	1,453	3,037
Net profit/loss	**-8,798**	**-13,106**	**-22,593**	**-36,362**	**-282,415**

Parent company balance sheet

ASSETS

Amounts in DKK '000	30/09/2020	30/09/2019	31/12/2019
Acquired patents and rights	109	1,280	336
Development projects in progress	1,071	437	1,228
Intangible assets	**1,180**	**1,717**	**1,564**
Plant and machinery	69	71	71
Property, plant and equipment	**69**	**71**	**71**
Investment in subsidiaries	43,285	82,835	3,978
Other investments	5,260	0	0
Receivables from subsidiaries	0	144,607	163
Financial assets	**48,545**	**227,442**	**4,141**
Total fixed assets	**49,794**	**229,230**	**5,776**
Receivables from subsidiaries	962	0	0
Trade receivables	0	216	637
Income tax receivable	1,176	3,154	2,170
Other receivables	512	1,438	3,390
Prepayments	2,875	437	201
Cash and cash equivalents	173	1,577	4,548
Total current assets	**5,698**	**6,822**	**10,946**
Total assets	**55,492**	**236,052**	**16,722**

Parent company balance sheet

EQUITY AND LIABILITIES

Amounts in DKK '000	30/09/2020	30/09/2019	31/12/2019
Share capital	9,665	3,535	6,067
Share premium	374,953	255,629	310,527
Retained earnings	-340,937	-72,291	-318,344
Total equity	**43,681**	**186,873**	**-1,750**
Payables to subsidiaries	2,528	2,621	2,658
Bank debt	701	638	0
Convertible loan	0		0
Loan	0	36,994	3,578
Trade payables	6,878	7,863	6,013
Income tax payable	0	0	286
Other payables	1,704	1,063	5,937
Current liabilities	**11,811**	**49,179**	**18,472**
Total liabilities	**11,811**	**49,179**	**18,472**
Total equity and liabilities	**55,492**	**236,052**	**16,722**

Parent company statement of changes in equity

Amounts in DKK '000	Share capital	Share premium	Retained earnings	Total equity
Equity as at 01/01/2020	6,067	310,527	-318,344	-1,750
Cash capital increase in Q1	466	7,079		7,545
Cash capital increase in Q2	259	5,238		5,497
Cash capital increase in Q3	376	5,803		6,179
Capital increase, debt conversion in Q2	373	6,967		7,340
Capital increase, debt conversion in Q3	208	3,665		3,873
Capital increase, acquisition of NCI in Q2	1,297	24,510		25,807
Capital increase, acquisition of NCI in Q3	619	12,881		13,500
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**	**43,681**
Equity as at 01/01/2019	2,516	213,554	-35,929	180,141
Cash capital increase, including issue of warrants	764	43,114		43,878
Capital increase, debt conversion, including issue of warrants	244	13,267		13,511
Costs of capital increases		-14,414		-14,414
Capital increase, exercise of warrants	11	108		119
Profit/loss			-36,362	-36,362
Equity as at 30/09/2019	**3,535**	**255,629**	**-72,291**	**186,873**

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 2019.

New accounting policy

The Group has implemented the latest amendments to International Financial Reporting Standards effective as of 1 January 2020 as adopted by the European Union. None of the amendments have had any material impact on the Group's financial statements.

Convertible loan

Convertible loan facility has been separated into liability and equity components based on the terms of the contract. On issuance of the convertible loan facility, the fair value of the liability component, is determined using a market rate for an equivalent non-convertible instrument.

The transaction costs are allocated to each component of the loan.

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 2019, 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 2020	Q3 2019	Q1 - Q3 2020	Q1 - Q3 2019	Year 2019

4. Revenue

Revenue is distributed as follows:

Rendering of services	0	0	0	519	801
Total	0	0	0	519	801

Amounts in DKK '000	Q3 2020	Q3 2019	Q1 - Q3 2020	Q1 - Q3 2019	Year 2019

5. Other operating income

Income from licenses	0	0	7,000	0	0
Grants	0	0	99	0	2,100
Total	0	0	7,099	0	2,100

Amounts in DKK '000	Q3 2020	Q3 2019	Q1 - Q3 2020	Q1 - Q3 2019	Year 2019
6. Earnings per share					
Earnings per share (basic)					
Profit/loss attributable to the owners of the parent company	-8,545	-21,588	-27,359	-57,720	-131,955
Average number of shares in circulation	186,230,830	70,477,499	150,650,949	60,505,192	63,407,230
Earnings per share, DKK	-0.05	-0.31	-0.18	-0.95	-2.08
Diluted earnings per share					
Diluted average number of shares in circulation	186,230,830	70,477,499	150,650,949	60,505,192	63,407,230
Diluted earnings per share, DKK	-0.05	-0.31	-0.18	-0.95	-2.08

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 01/01/2020	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**
Cost as at 01/01/2019	2,129	0	2,129
Adoption of IFRS 16	0	3,341	3,341
Additions	40	0	40
Cost as at 30/09/2019	2,169	3,341	5,510
Depreciation and impairment losses as at 01/01/2019	1,766	0	1,766
Depreciation	131	501	632
Depreciation and impairment losses as at 30/09/2019	1,897	501	2,398
Carrying amount as at 30/09/2019	**272**	**2,840**	**3,112**

Amounts in DKK '000	Acquired patents	Develop-ment projects in progress	Total
8. Intangible assets			
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**
Cost as at 01/01/2019	1,324	235,521	236,845
Additions	0	328	328
Cost as at 30/09/2019	1,324	235,849	237,173
Amortisation and impairment losses as at 01/01/2019	112	0	112
Amortisation	193	0	193
Amortisation and impairment losses as at 30/09/2019	305	0	305
Carrying amount as at 30/09/2019	**1,019**	**235,849**	**236,868**

Amounts in DKK '000	30/09/2020	30/09/2019	31/12/2019
Individually material development projects in progress			
LiPlaCis	58,851	58,851	58,851
2X-111	0	39,759	0
2X-121	40,863	40,863	40,863
Dovitinib	55,309	55,309	55,309
Irofulven	0	40,739	0
Other	0	328	0
Total	155,023	235,849	155,023

Remaining amortization period

All intangible assets above are development projects in progress.

9. Contingent liabilities

There has been no significant changes in the commitments and contingencies as described in note 23 to the annual report for 2019.

10. 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 2020		764		0
	Q1-Q3 2019		2,027		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.

11. Events after the balance sheet date

- On 6 October, the company announced that it has called upon Global Corporate Finance (GCF) to invest in the Company in a directed share issue in accordance with the Company's share subscription agreement with GCF. A total of 5,370,617 shares was issued to Global Corporate Finance.

- On 5 November, the company announced that it had drawn down a second tranche under its convertible note agreement with Negma Group LTD and Park Partners GP.