Press Release

Allarity Therapeutics Draws Down the Third Tranche Under Its Convertible Note Agreement with Negma Group LTD and Park Partners GP

Hørsholm, Denmark (22 December 2020) – Allarity Therapeutics A/S ("Allarity" or the "Company") today announced that it has called upon the third tranche of SEK 10 million under its existing financing facility with Negma Group LTD and Park Partners GP ("Negma/Park"), in line with the terms from the financing agreement communicated on 31 March 2020. The transaction is carried out through a private placement of convertible notes. It is the third tranche out of a flexible financing agreement allowing Allarity Therapeutics to request up to a total of SEK 100 million.

This financing, under the called tranche, serves as a foundation to provide financial resources for the Company to continue execution of its strategy to further progress development of its three high-priority pipeline programs, including IXEMPRA®, stenoparib and dovitinib.

Highlights about the transaction:

- 100 notes with a principal amount of SEK 100,000 per note corresponding to in aggregate SEK 10 million.
- Proceeds to Allarity Therapeutics amount to SEK 10 million.
- There are no interest payments in relation to the convertible notes.
- Maturity of 12 months.
- Conversion price is 95% of the reference price. The reference price is the lowest closing volume weighted average (VWAP) share price of the 7 consecutive trading days prior the receipt of a conversion request, excluding trading days on which the closing VWAP is lower than 90 % of the average closing VWAP over the pricing period otherwise calculated.

For more information please see the press release regarding the financial agreement published 31 March 2020.

About Allarity Therapeutics
Allarity Therapeutics (Nasdaq First North Growth Market Stockholm: ALLR.ST) develops drugs for personalized treatment of cancer guided by its proprietary drug response predictor technology, the DRP® platform. The company has a mature portfolio of six drug candidates, including compounds in the pre-registration stage. The product portfolio includes: stenoparib (2X-121), a PARP inhibitor in Phase 2 for ovarian cancer; dovitinib, a pan-TKI in post-Phase 3 for renal cell carcinoma; IXEMPRA® (Ixabepilone), a microtubulin inhibitor approved in the U.S. for the treatment of breast cancer; LiPlaCis®, a liposomal formulation of cisplatin in Phase 2 trials for breast and prostate cancer; 2X-111, a liposomal formulation of doxorubicin under manufacturing for Phase 2 in breast cancer; and Irofulven, a DNA damaging agent in Phase 2 for prostate cancer.

About the Drug Response Predictor – DRP® Companion Diagnostic

Allarity uses its drug specific DRP® to select those patients who, by the genetic signature of their cancer, are found to have a high likelihood of responding to the specific drug. By screening patients before treatment, the response rate can be significantly increased. 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 prior clinical trial outcomes. DRP® is based on messenger RNA from the patient's biopsies. DRP® has proven its ability to provide a statistically significant prediction of the clinical outcome from drug treatment in cancer patients in nearly 40 clinical studies that were examined, including an ongoing, prospective Phase 2 trial. The DRP® platform can be used in all cancer types and is patented for more than 70 anti-cancer drugs.

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Forward-looking statements
This announcement includes forward-looking statements that involve risks, uncertainties and other factors, many of which are outside of Allarity's control and which could cause actual results to differ materially from the results discussed in the forward-looking statements. Forward-looking statements include statements concerning Allarity's plans, objectives, goals, future events, performance and/or other information that is not historical information. All such forward-looking statements are expressly qualified by these cautionary statements and any other cautionary statements which may accompany the forward-looking statements. Allarity undertakes no obligation to publicly update or revise forward-looking statements to reflect subsequent events or circumstances after the date made, except as required by law.

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This information is information that Allarity A/S is obliged to make public pursuant to the EU Market Abuse Regulation. The information was submitted for **publication on 22 December 2020.**