Press release

Allarity Therapeutics to Conduct a Rights Issue of New Shares, and Publishes Prospectus regarding the Rights Issue

- Proceeds will finance further development of three high-priority programs
- More than SEK 100 million covered by subscription undertakings and guarantee commitments

Hørsholm, Denmark (19 May 2021) Allarity Therapeutics A/S ("Allarity" or the "Company") today announced that its Board of Directors has resolved to carry out a share issue with preferential rights for the Company's existing shareholders, including warrants (the "Offering"), supported by an authorization granted to the Board of Directors at an Extraordinary General Meeting on 15 April 2021. Allarity is also today publishing a prospectus (the "Prospectus"), which has been prepared in connection with the Offering, for up to a maximum of 120,891,157 offer units. Each unit ("Offer Unit") consists of one (1) new share of nominal DKK 0.05 ("New Share") with one (1) warrant attached which confers the right to subscribe one (1) share of nominal DKK 0.05 share in the Company at an exercise price of SEK 1.7 ("Investor Warrant"). New Shares are subscribed against cash payment of SEK 0.85. Investor Warrants are subscribed without payment. Guarantees and undertakings of in excess of SEK 100 million from underwriters and guarantors have been received.

The subscription period starts on 25 May 2021 and ends on 8 June 2021. The Company will receive SEK 102.8 million upon full subscription of the Offer Units, before transaction costs. The Investor Warrants have a term of 22 months and the Company expects to receive additional net proceeds of approximately SEK 206 million upon full subscription and full exercise of the Investor Warrants. The rights issue is also open to the public to the extent it is not fully subscribed for by existing shareholders.

Expected timetable of principal events:

- 18 May 2021: Last day of trading in the share, including the right to receive subscription rights.
- 19 May 2021: Publication of the EU growth prospectus.
- 19 May 2021: First day of trading in the share, excluding the right to receive subscription rights.
- 20 May 2021: Record date for participation in the Offering, i.e. holders of shares who are registered in the share register maintained by Euroclear Sweden AB on this date will receive subscription rights for participation in the Offering with preferential right.
- 25 May – 3 June 2021: Trading in subscription rights.
- 25 May – 8 June 2021: Subscription period.
- 25 May – until registration is completed with the Danish Business Authority: Trading in BTUs (paid subscription units).
- 10 June 2021: Expected day for publication of the outcome of the Offering

Allarity's CEO, Steve Carchedi, stated, "Allarity remains focused on delivering clinical and commercial progress on our three high-priority projects, dovitinib, stenoparib and IXEMPRA®. The potential value

inflection points for all of these projects could appear on the horizon as soon as within a year or two. This situation presents the circumstances for our Company to offer a compelling investment opportunity to both existing and new shareholders, through the publication of the Prospectus describing the Offering."

Investors in the Offering will have the possibility to exercise their Investor Warrants in five two-week windows during the 22-month term, following the completion of the Offering, during which the Investor Warrants can be exercised. The windows will occur in October 2021, March 2022, August 2022, November 2022, and April 2023.

The Prospectus is available via the Company's website (www.allarity.com).

Advisors

Aalto Capital AB is the sole global coordinator and bookrunner in connection with the Offering and Hagberg & Aneborn Fondkommission AB the issuing agent. Mazanti-Andersen Advokatpartnerselskab is legal advisor to the Company.

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.

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 advancing towards a U.S. NDA filing for renal cell carcinoma; IXEMPRA® (Ixabepilone), a microtubule 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.

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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. Allarity's clinical programs may be delayed or impacted by the ongoing global COVID-19 pandemic.

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The information was submitted for **publication on 19 May 2021.**