Press release

Allarity Therapeutics Issues Share Units as Payment-In-Kind for Services Rendered During Rights Issue in Q2 2021

- *Issuance of share Units fullfils payment obligations to guarantors and coordinator/bookrunner of Rights Issue conducted in Q2 2021*

Hørsholm, Denmark (14 July 2021) Allarity Therapeutics A/S ("Allarity" or the "Company") today announced a payment-in-kind and a debt conversion structured as a directed issue of 24,112,523 new share Units to the guarantors and to the global coordinator and bookrunner, Aalto Capital AB, of the rights issue completed on 11 June 2021 (the "Rights Issue").

The fee structure and payment-in-kind to be paid in Units to guarantors was described in the prospectus published on 19 May 2021 (the "Prospectus"): each Unit in the directed issue consists of one (1) new share of nominal DKK 0.05 with one (1) warrant attached which grants the right to subscribe one (1) share of nominal DKK 0.05 share in the Company at an exercise price of SEK 1.7. New shares are subscribed against by either receiving shares as payment-in-kind or by debt conversion. The warrants are subscribed without payment. Thereby, the Units in the directed issue are similar to the TO 3 warrants, issued as a part of the Rights Issue, and they will be issued under the same short-name (ALLR TO 3).

The Company carries out the directed issue of the 24,112,523 Units based on a Board resolution from 13 July 2021, pursuant to the authorization granted by the annual general meeting on 15 April 2021.

Of the total 24,112,523 Units, 14,349,536 Units are issued to the guarantors of the Rights Issue at a price of SEK 0.85 per Unit as described in the Prospectus. The guarantors receiving the largest numbers of Units are John Faalstrom (3,529,411 Units) and Crafoord Asset Management AB (1,411,764 Units). Moreover, 9,762,987 Units are issued to Aalto Capital AB as a debt conversion of approximately SEK 8.3 million, at a price of SEK 0.85 per Unit, for various services rendered to the Company before and during the Rights Issue.

The new shares, with a nominal per share value of DKK 0.05, hold no special rights. Following the directed issue, the share capital of the Company is a total of DKK 19,339,299.70 divided into 386,785,994 shares of nominal value DKK 0.05.

In the event that all warrants in the directed issue are fully exercised for subscription of new shares in the Company, the number of shares in the Company will increase with an additional maximum of 24,112,523 shares, from 386,785,994 shares to 410,898,517 shares, and the share capital will increase with an additional maximum DKK 1,205,626 from DKK 19,339,299.70 to DKK 20,544,925.85. These projections does not take into account possible exercise of other issued warrants in series TO 2 and TO 3.

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 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. For more information, please visit the company's website at www.Allarity.com

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 and/or Oncoheroes' 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 and/or Oncoheroes' 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. Neither Allarity or Oncoheroes undertakes any 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 14 July 2021.**