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

Interim report for the period January 1, 2021 – March 31, 2021

Contents

Statement by the Board of Directors and the Executive Board	3
Management's review	4 - 21
Consolidated income statement and statement of comprehensive income	22 - 23
Consolidated balance sheet	24 - 25
Consolidated statement of changes in equity	26
Consolidated cash flow statement	27
Parent company income statement	28
Parent company balance sheet	29 - 30
Parent company statement of changes in equity	31
Consolidated notes	32 - 39

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, May 28, 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	Q1 2021	Q1 2020	Year 2020
Key figures			
Profit/loss			
Revenue	0	0	0
Profit/loss before depreciation (EBITDA)	-15,796	-17,297	-58,958
Operating profit/loss before net financials	-16,037	-17,560	-60,017
Net financials	-4,073	218	932
Net profit/loss	-17,622	-15,415	-47,706
Balance sheet			
Balance sheet total	173,981	169,473	176,922
Purchase of PPE	0	0	19
Equity	137,179	134,013	140,583
Cash flows			
Cash flows from:			
Operating activities	-15,419	-13,227	-51,122
Investing activities	0	0	-19
Financing activities	14,431	3,135	42,468
Ratios			
Solvency ratio	79%	79%	79%
Earnings per share (in DKK)	-0.08	-0.12	-0.29
Diluted earnings per share (in DKK)	-0.08	-0.12	-0.29

HIGHLIGHTS DURING Q1 2021

January

- On January 26, Allarity Therapeutics announced that it would test its PARP inhibitor, stenoparib, as a potential therapy for new highly infectious Strain B.1.1.7 of Coronavirus in preclinical trials

February

- On February 11, the company announced that it had drawn down a fourth tranche under its convertible note agreement with Negma Group LTD and Park Partners GP.
- On February 24, the company provided an update on the pre-clinical testing of stenoparib's antiviral activity against new variants of Coronavirus

March

- On March 3, the company published that it had initiated a Phase 2 trial of IXEMPRA® in Europe for the treatment of metastatic breast cancer
- On March 9, the company announced positive data from a preclinical study of dovitinib in osteosarcoma
- On March 23, the company announced plans of fully guaranteed rights issue of approximately SEK 100 million
- On March 31, the company published its annual report for 2020
- On March 31, the company published a notice to convene the Annual General Meeting to be held on Thursday 15 April 2021 at 15:00 (CEST)

HIGHLIGHTS AFTER THE PERIOD

April

- On April 2, the company submitted a premarket approval application to the U.S. FDA for DRP® companion diagnostic for dovitinib
- On April 15, the company published the minutes of the Annual General Meeting 2021
- On April 29, the company announced that a Dovitinib-DRP® e-Poster will be presented at the European Association for Cancer Research (EACR) 2021 Virtual Congress to be held from 9-12 June 2021.

May

- On May 19, the company announced that it would conduct a Rights Issue of new shares, and it had published a prospectus regarding the Rights Issue.
- On May 21, the company announced that it had secured and investment from 3i Fund for recapitalization, transition to listing on U.S. Nasdaq, and advancing the company's pipeline of priority oncology therapeutics

CEO LETTER

During the first quarter of 2021, we have announced several press releases regarding positive progress on our priority pipeline, as well as how we plan to finance the company's future activities and success.

In the beginning of March, we announced the initiation of our Phase 2 trial of IXEMPRA® in the European Union (EU) for the treatment of metastatic breast cancer. The development of this asset in the EU positions us to advance the drug toward a registrational approval and commercialization in Europe. We are confident that our Phase 2 study will prove the merits of this drug, together with its DRP® companion diagnostic. We plan to enroll about 60 IXEMPRA® DRP®-selected patients in this trial, and have numerous trial sites planned in Europe, including Belgium, England, Denmark, Finland, Poland and Germany.

Also in March, we announced positive data from a preclinical study of dovitinib in osteosarcoma, where treatment of animal osteosarcoma models with dovitinib increased the median survival time by 50 % as compared to control animals. Osteosarcoma is the most common primary malignant bone tumor in children and young adults. This preclinical test was a part of our preparation of the submission of a New Drug Application (NDA) for dovitinib as a treatment for renal cell carcinoma (RCC) with the U.S. FDA, which also requires us to plan and conduct a clinical trial in a pediatric cancer. We expect to conduct a trial in pediatric osteosarcoma, and the patients in this trial will, of course, be selected with the Dovitinib-DRP® companion diagnostic.

Another step towards commercialization of dovitinib was our submission of a PreMarket Approval (PMA) application to the U.S. FDA for the DRP® companion diagnostic for dovitinib. It was a major event for the Company, as it is the first time in our history that a PMA for market use and commercialization of a DRP® companion diagnostic has been filed.

Allarity plans to file a NDA with the U.S. FDA for the approval of dovitinib for the treatment of RCC (kidney cancer) during 2021. If the FDA approves the PMA for the Dovitinib-DRP® as a companion diagnostic, as well as an NDA approval for dovitinib, Allarity will be able to market dovitinib to DRP®-selected RCC patients as an effective new therapy to treat their disease. It is noteworthy that, if the DRP® for dovitinib is approved, it will be the first complex, gene expression signature approved by the U.S. FDA as a companion diagnostic to guide patient selection for cancer therapy.

During the first quarter of 2021, we also announced several updates on our efforts to explore stenoparib as a potential treatment for COVID-19. First, we announced that we would conduct additional preclinical testing of stenoparib's antiviral properties on the viral variant known as the British variant. Later, we announced that we would expand this testing to also include the viral variant known as the South African variant. Experiments are ongoing.

Finally, we have also made two recent announcements on the financing of the Company in order to support the further development of our priority pipeline and to help ensure our future activities and success. The first announcement relates to the ongoing Rights Issue, where the gross proceeds

will be in excess of SEK 100 million. This financing allows us to cease using the convertible note agreement with Park/Negma that has been the main source of financing of the Company for the majority of 2020. This shift of financing has been requested by many investors, and understandably so. I am pleased that we have now reached a point where our investment case is very clear and provocative, given that we anticipate a string of value-creating milestone events to be reached during this year and the next.

The second announcement relates to our Company's planned recapitalization and securing an U.S. $20 M investment from 3i Fund (New York, N.Y. U.S.A.) that is conditioned upon shareholder approval of the recapitalization to help support our transition from our current listing at Nasdaq First North in Sweden to a listing on the U.S. Nasdaq Stock Market and to help accelerate the development of our priority pipeline. To ensure full compliance with the U.S. Securities and Exchange Commission (SEC) requirements, I will refrain from commenting further on this transaction until after we have filed a registration statement on Form S-4 with the SEC further described below under *Important Information About the Recapitalization Share Exchange and Where to Find It.* However, it is important to note that this substantial funding is the first time in the Company's history that we have secured institutional investor support for our vision and mission, and further that we have secured this level of investment.

In closing, I can say that I am very optimistic on the outlook for our Company in the coming years, particularly if we succeed in migrating to the U.S. Nasdaq Stock Market, where we can unlock our true value and secure the level of funding we need to succeed and thrive in the coming years. We are very advanced in the process towards filing our first NDA, and we continue to advance our two other high priority programs.

I look forward to sharing our continuing progress with you in the time to come. After all, the patients are waiting.

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 will be provided in a registration statement on Form S-4 to be filed with the U.S. Securities and Exchange Commission (SEC) by Allarity Therapeutics, Inc., that will include 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, when available, the information statement and prospectus as well as other documents filed with the SEC because these documents will contain important information about Allarity Therapeutics, Inc., Allarity Therapeutics A/S, and the recapitalization transaction**. After the registration statement is declared effective, the definitive information statement and prospectus to be included in the registration statement will be distributed to shareholders of Allarity Therapeutics A/S, as of a record date to be established for voting on the proposed recapitalization and related transactions. Once available, 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 Venlighedsvej 1, 2970 Hørsholm, Denmark. The preliminary and definitive information statement and prospectus to be included in the registration statement, once available, can also be obtained, without charge, at the SEC's website (www.sec.gov).

ALLARITY THERAPEUTICS A/S IN BRIEF

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 (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).

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

[1] https://www.cancerresearchuk.org/about-us/cancer-news/press-release/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

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.

High-priority programs

So far, Allarity has in-licensed a total of six drug candidates to its portfolio. 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

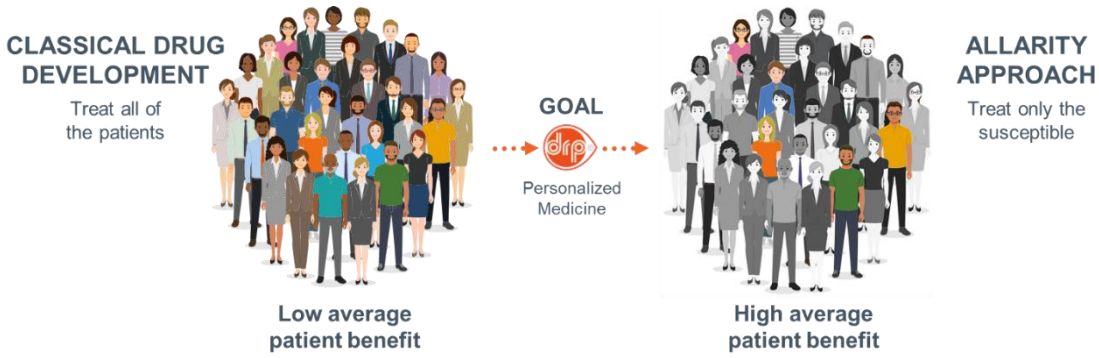
As a strategic choice, to decrease the time-to-market for its total portfolio as well as to create the shortest pathway to commercialization, Allarity may also choose to out-license the further development of a drug candidate for which Allarity hold commercial rights. This has already happened in the 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].

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).

[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

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

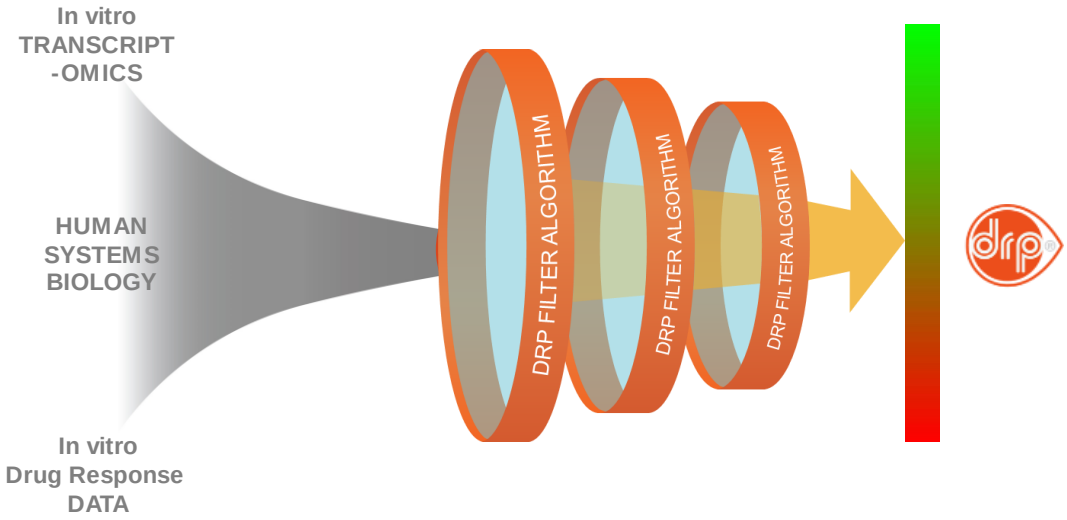
The demand for Personalized Medicine is increasing and cancer patients, regulatory authorities, insurers, and treating physicians are also increasingly seeking for new companion diagnostics to help identify the right treatments for each individual patient. More and more drugs are being approved together 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.

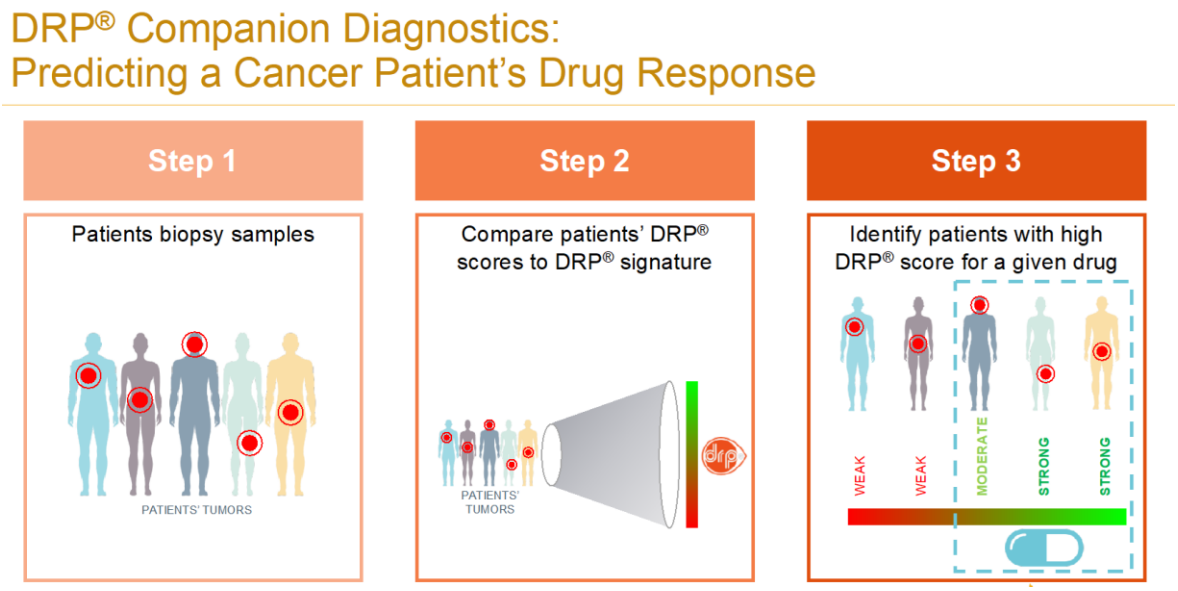


Allarity's DRP® companion diagnostics platform

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.



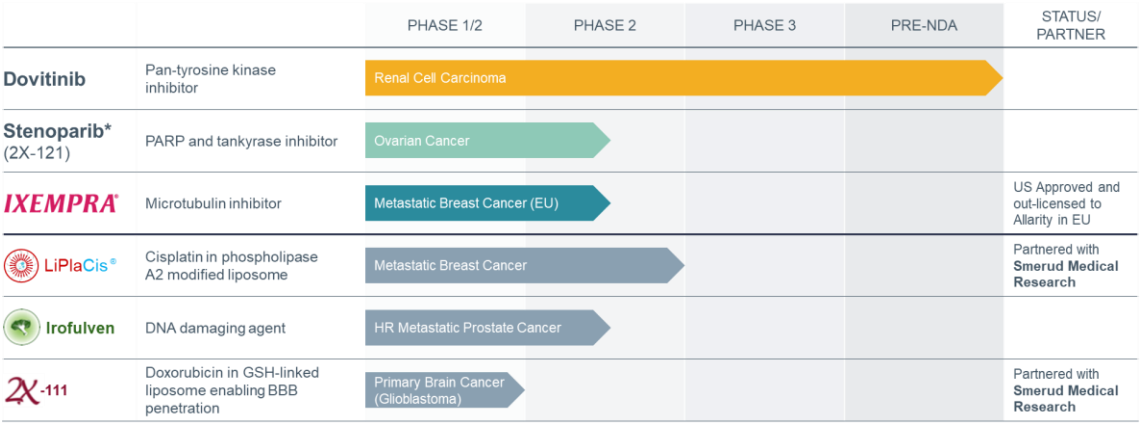
The Patient Response Predictor (PRP®)

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 recent 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 based on "non-inferiority" against the already approved compound sorafenib (Bayer) 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 is using 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 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. The Company also plans to file its first pre-market approval (PMA) application in 2021 with the U.S. FDA for the use of the dovitinib DRP® as a companion diagnostic for the drug.

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. The Pathogen and Microbiome Institute at Northern Arizona University (NAU), a leading U.S. infectious disease test center, is currently conducting pre-clinical testing of the antiviral activity of stenoparib. The testing us focused on Coronavirus Variant B.1.1.7 (the "British variant") and Vari-ant B.1.351 (the "South African variant"). The testing against the British and the South African variants follow previous positive pre-clinical test results with stenoparib as a treatment of SARS-CoV-2, as 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 ongoing testing of stenoparib at the Pathogen and Microbiome Institute 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®.

SHARE INFORMATION

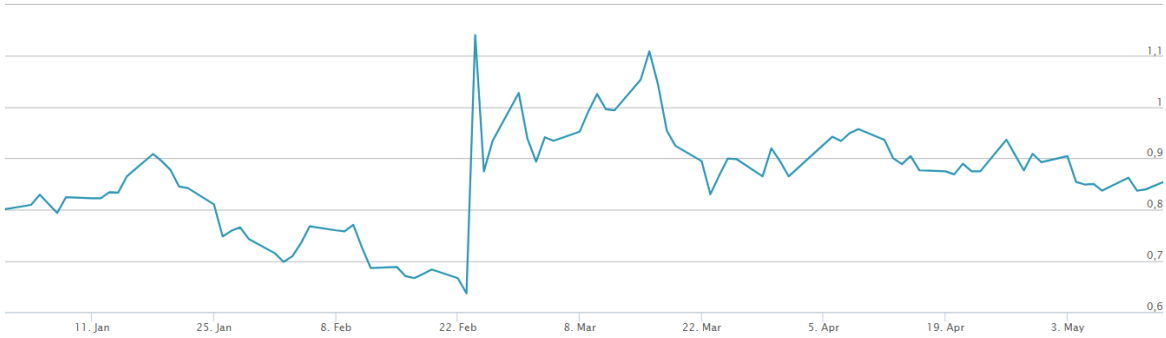
Allarity Therapeutics' share is traded on Nasdaq First North Stockholm. ISIN code: DK0060732477. Ticker: ALLR. The Company is the result of a merger between Oncology Venture Sweden AB and Medical Prognosis Institute A/S (MPI), which was completed on August 21, 2018. Prior to the merger, Oncology Venture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

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

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 May 15, 2020, the share price decreased from SEK 1.7 to SEK 1.59. At end of the period, the market capitalization was SEK 192.9 million, based on a closing price of SEK 1.7. During the period 435.953.942 Oncology Venture shares were traded for a value of SEK 1.088.204.823.



Ownership structure

Allarity Therapeutics had 6,892 shareholders by May 14, 2021. The Board of Directors and Management of the Company holds 3,4 percent of the shares.

Name	Number of shares	Percentage of voting rights and capital (%)
SASS & LARSEN APS	36,238,537	15.0%
FÖRSÄKRINGSAKTIEBOLAGET, AVANZA PENSION	11,462,281	4.7%
UBS SWITZERLAND AG, W8IMY*	10,088,611	4,2%
Others	183,992,885	76,1%
Total	**241,782,314**	**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

May 14, 2021, the share capital totaled DKK 12,089,115.7, distributed between 241,782,314 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.

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.

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.

Investor warrants

20,166,221 investor warrants (TO1 warrants) have been granted to investors in connection with subscription of Offer Units in the rights issued carried out April/May 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 7.5 (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.

Warrants may be exercised in the periods: June 1, 2019 – June 7, 2019; September 1, 2019 – September 6, 2019; December 1, 2019 – December 6, 2019; April 1, 2019 – April 10, 2019; May 1, 2020 – May 31 2020 (the "Warrant Exercise Periods").

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.

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 prospectus published in May 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

Jens Knudsen, CFO
E-mail: investorrelations@allarity.com
Cell Phone: (+45) 88 74 24 15
Website: www.allarity.com

Certified Advisor

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

FINANCIAL REVIEW

Income statement Q1 2021

Net sales amounted to 0 KDKK (previous year KDKK 0). EBITDA amounted to KDKK -15,796 (previous year KDKK -17,297).

The company realized a net profit of KDKK -17,622 (last year a net profit of KDKK -15,415). Net profit per share: DKK -0.08 (DKK -0.12). Total number of shares as of May 14, 2020, was 241,782,314.

Balance sheet

Total assets amounted to KDKK 173,981 (previous year KDKK 169,473). Cash and cash equivalents amounted to DKK 12,851 (previous year 10,843) due to an income tax benefit of DKK 7,988 (previous year DKK 7,423). Current liabilities amounted to KDKK 36,255 (previous year KDKK 27,249). The Group's equity and liabilities amounted to KDKK 173,981 (previous year KDKK 169,473).

Cash flows

The Group's cash flow from operating activities amounted to KDKK -15,419 (previous year KDKK -13,227). The outflow from operating activities is attributable primarily to increased development activities and to the preparation of clinical development activities. The Group's cash flow from financing activities amounted to KDKK 14,431 (previous year KDKK 3,135).

Significant financial events during Q1 2021

February

- On February 11, the company announced that it had drawn down a fourth tranche under its convertible note agreement with Negma Group LTD and Park Partners GP.

March

- On March 23, the company announced plans of fully guaranteed rights issue of approximately SEK 100 million. As a part of the transaction a bridge-loan facility of SEK 25 million was established.

Financial Calendar

Interim Report January-June: August 31
Interim Report January-September: November 30

Consolidated income statement and statement of comprehensive income

Note	Amounts in DKK '000	Q1 2021	Q1 2020	Year 2020
4	**Revenue**	**0**	**0**	**0**
5	Other operating income	69	0	145
	Other external expenses	-10,707	-11,194	-36,493
	Staff expenses, share-based payments	-680	-1,331	-3,687
	Staff expenses, other	-4,478	-4,772	-18,923
	Loss before depreciation (EBITDA)	**-15,796**	**-17,297**	**-58,958**
	Depreciation of property, plant and equipment	-241	-263	-1,059
	Operating loss before net financials	**-16,037**	**-17,560**	**-60,017**
	Financial income	152	563	7,548
	Financial expenses	-4,225	-345	-6,616
	Profit/loss before tax	**-20,110**	**-17,342**	**-59,085**
	Tax on profit/loss	2,488	1,927	11,379
	Net profit/loss	**-17,622**	**-15,415**	**-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	-156	-67	304
	Other comprehensive income, net of tax	**-156**	**-67**	**304**
	Total comprehensive income	**-17,778**	**-15,482**	**-47,402**

Consolidated income statement and statement of comprehensive income

Note	Amounts in DKK '000	Q1 2021	Q1 2020	Year 2020
	Net profit/loss attributable to:			
	Owners of the parent company	-17,622	-15,420	-47,608
	Non-controlling interests	0	5	-98
	Total	**-17,622**	**-15,415**	**-47,706**
	Total comprehensive income attributable to:			
	Owners of the parent company	-17,778	-15,487	-47,304
	Non-controlling interests	0	5	-98
	Total	**-17,778**	**-15,482**	**-47,402**
6	**Earnings per share**			
	Earnings per share (in DKK)	-0.08	-0.12	-0.29
	Diluted earnings per share (in DKK)	-0.08	-0.12	-0.29

Consolidated balance sheet

ASSETS

Note	Amounts in DKK '000	31/03/2021	31/03/2020	31/12/2020
7	Property, plant and equipment	1,047	2,717	2,134
8	Acquired patents	633	890	697
8	Development projects in progress	155,023	155,023	155,023
	Other investments	4,427	0	5,119
	Total non-current assets	**161,130**	**158,630**	**162,973**
	Trade receivables	0	152	0
	Income tax receivable	7,988	7,429	5,500
	Other receivables	2,203	3,186	1,722
	Prepayments	1,997	69	4,920
	Cash	663	7	1,807
	Total current assets	**12,851**	**10,843**	**13,949**
	Total assets	**173,981**	**169,473**	**176,922**

Consolidated balance sheet

EQUITY AND LIABILITIES

Note	Amounts in DKK '000	31/03/2021	31/03/2020	31/12/2020
	Share capital	11,952	6,533	10,630
	Share premium	400,610	316,891	388,236
	Retained earnings	-275,771	-207,059	-258,827
	Currency translation reserve	388	173	544
	Non-controling interests	0	17,475	0
	Total equity	**137,179**	**134,013**	**140,583**
	Lease liabilities	547	2,115	1,615
	Deferred tax	0	6,096	0
	Non-current liabilities	**547**	**8,211**	**1,615**
	Convertible loan	2,906	0	9,246
	Loan	7,294	22	0
	Bank debt	705	0	507
	Lease liabilities	599	593	659
	Trade payables	13,494	12,106	12,817
	Income tax payable	344	284	345
	Other payables	10,913	14,244	11,150
	Deferred income	0	0	0
	Current liabilities	**36,255**	**27,249**	**34,724**
	Total liabilities	**36,802**	**35,460**	**36,339**
	Total equity and liabilities	**173,981**	**169,473**	**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			-17,622		0	-17,622
Other comprehensive income				-156		-156
Total comprehensive income	0	0	-17,622	-156	0	-17,778
Capital increases, debt conversion	1,322	13,321				14,643
Costs of capital increases		-947				-947
Share-based payments			678			678
Equity as at 31/03/2021	**11,952**	**400,610**	**-275,771**	**388**	**0**	**137,179**
Equity as at 01/01/2020	6,067	310,527	-192,970	240	17,470	141,334
Profit/loss			-15,420		5	-15,415
Other comprehensive income				-67		-67
Total comprehensive income	0	0	-15,420	-67	5	-15,482
Cash capital increases	466	7,079				7,545
Costs of capital increase		-715				-715
Share-based payments			1,331			1,331
Equity as at 31/03/2020	**6,533**	**316,891**	**-207,059**	**173**	**17,475**	**134,013**

Consolidated cash flow statement

Note	Amounts in DKK '000	Q1 2021	Q1 2020	Year 2020
	Loss before tax	**-20,110**	**-17,342**	**-59,085**
	Adjustment for non-cash items	870	1,594	4,769
	Financial income, reversed	-152	-563	-7,548
	Financial expenses, reversed	4,225	345	6,616
	Change in working capital	1,055	2,363	-143
	Cash flows from operating activities before net financials	**-14,112**	**-13,603**	**-55,391**
	Financial income received	152	532	2,177
	Financial expenses paid	-1,459	-169	-3,262
	Income tax received	0	13	5,500
	Income tax paid	0	0	-146
	Cash flows from operating activities	**-15,419**	**-13,227**	**-51,122**
	Purchase of property, plant and equipment	0	0	-19
	Purchase of intangible assets	0	0	0
	Acquisition of non-controlling interests	0	0	0
	Purchase of other investments	0	0	0
	Cash flows from investing activities	**0**	**0**	**-19**
	Cash capital increase	0	7,545	25,906
	Transaction cost, capital increase	-267	-715	-1,169
	Proceeds from convertible loan	7,352	0	21,363
	Proceeds from loan	7,294	0	0
	Repayment of loan	0	-3,556	-3,567
	Bank debt	198	0	507
	Lease liabilities	-146	-139	-572
	Cash flows from financing activities	**14,431**	**3,135**	**42,468**
	Total cash flows	**-988**	**-10,092**	**-8,673**
	Cash, beginning	1,807	10,176	10,176
	Net foreign exchange difference	-156	-77	304
	Cash, end	**663**	**7**	**1,807**

Parent company income statement

Amounts in DKK '000	Q1 2021	Q1 2020	Year 2020
Revenue	**0**	**0**	**0**
Other operating income	5,802	0	-2,100
Other external expenses	-11,015	-2,699	-26,972
Staff expenses	-4,274	-4,084	-5,609
Profit/loss before depreciation, amortization and impairment (EBITDA)	**-9,487**	**-6,783**	**-34,681**
Amortization and depreciation	-22	-160	-459
Impairment losses	-3,713	0	-12,681
Operating profit/loss before net financials	**-13,222**	**-6,943**	**-47,821**
Financial income	113	450	7,856
Financial expenses	-4,018	-183	-6,041
Profit/loss before tax	**-17,127**	**-6,676**	**-46,006**
Tax on profit/loss	1,212	179	2,995
Net profit/loss	**-15,915**	**-6,497**	**-43,011**

Parent company balance sheet

ASSETS

Amounts in DKK '000	31/03/2021	31/03/2020	31/12/2020
Acquired patents	73	234	87
Development projects	1,045	1,175	1,045
Intangible assets	**1,118**	**1,409**	**1,132**
Plant and machinery	54	65	62
Property, plant and equipment	**54**	**65**	**62**
Investment in subsidiaries	43,286	3,978	43,286
Other investments	4,427	0	5,119
Receivables from subsidiaries	0	279	0
Financial assets	**47,713**	**4,257**	**48,405**
Total fixed assets	**48,885**	**5,731**	**49,599**
Receivables from subsidiaries	5,375	0	738
Trade receivables	0	463	0
Income tax receivable	4,119	2,350	2,907
Other receivables	452	2,289	905
Prepayments	1,997	69	4,863
Cash and cash equivalents	646	0	1,583
Total current assets	**12,589**	**5,171**	**10,996**
Total assets	**61,474**	**10,902**	**60,595**

Parent company balance sheet

EQUITY AND LIABILITIES

Amounts in DKK '000	31/03/2021	31/03/2020	31/12/2020
Share capital	11,952	6,533	10,630
Share premium	400,610	316,891	388,236
Retained earnings	-377,270	-324,841	-361,355
Translation reserve	-6	0	-13
Total equity	**35,286**	**-1,417**	**37,498**
Payables to subsidiaries	828	4,166	3,465
Bank debt	705	0	507
Convertible loan	2,906	0	9,246
Loan	7,294	22	0
Trade payables	11,315	3,088	7,148
Income tax payables	60	284	61
Other payables	3,080	4,759	2,670
Deferred income	0	0	0
Current liabilities	**26,188**	**12,319**	**23,097**
Total liabilities	**26,188**	**12,319**	**23,097**
Total equity and liabilities	**61,474**	**10,902**	**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
Capital increases, debt conversion	1,322	13,321			14,643
Costs of capital increases		-947			-947
Foreign currency translation				7	7
Profit/loss			-15,915		-15,915
Equity as at 31/03/2021	**11,952**	**400,610**	**-377,270**	**-6**	**35,286**
Equity as at 01/01/2020	6,067	310,527	-318,344	0	-1,750
Cash capital increases	466	7,079			7,545
Costs of capital increases		-715			-715
Profit/loss			-6,497		-6,497
Equity as at 31/03/2020	**6,533**	**316,891**	**-324,841**	**0**	**-1,417**

Consolidated notes

1. Accounting policies
2. Significant accounting estimates and assessments
3. Segment information
4. Revenue
5. Other operating income
6. Earnings per share
7. Property, plant and equipment
8. Intangible assets
9. Contingent liabilities
10. Related parties
11. Events after the balance sheet date

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	Q1 2021	Q1 2020	Year 2020

4. Revenue

Revenue is distributed as follows:

Rendering of services	0	0	0
Total	0	0	0

5. Other operating income

Grants	0	0	145
Net gain on disposal of property, plant and equipment	69	0	0
Total	69	0	145

6. Earnings per share

Earnings per share (basic)

Profit/loss attributable to the owners of the parent company	-17,622	-15,420	-47,608
Average number of shares in circulation	226,671,495	125,027,068	163,238,991
Earnings per share (in DKK)	-0.08	-0.12	-0.29

Diluted earnings per share

Diluted average number of shares in circulation	226,671,495	125,027,068	163,238,991
Diluted earnings per share (in DKK)	-0.08	-0.12	-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 31/03/2021	2,204	2,074	4,278
Depreciation and impairment losses as at 01/01/2021	2,075	1,336	3,411
Impairment losses	0	0	0
Depreciation	34	142	176
Reversal of depreciation of and impairment losses on disposed assets	0	-356	-356
Depreciation and impairment losses as at 31/03/2021	2,109	1,122	3,231
Carrying amount as at 31/03/2021	**95**	**952**	**1,047**
Cost as at 01/01/2020	2,185	3,341	5,526
Cost as at 31/03/2020	2,185	3,341	5,526
Depreciation and impairment losses as at 01/01/2020	1,941	668	2,609
Depreciation	33	167	200
Depreciation and impairment losses as at 31/03/2020	1,974	835	2,809
Carrying amount as at 31/03/2020	**211**	**2,506**	**2,717**

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
Cost as at 31/03/2021	1.324	235.521	236.845
Amortisation and impairment losses as at 01/01/2021	627	80.498	81.125
Amortisation	64	0	64
Amortisation and impairment losses as at 31/03/2021	691	80.498	81.189
Carrying amount as at 31/03/2021	**633**	**155.023**	**155.656**
Cost as at 01/01/2020	1.324	235.521	236.845
Cost as at 31/03/2020	1.324	235.521	236.845
Amortisation and impairment losses as at 01/01/2020	369	80.498	80.867
Amortisation	65	0	65
Amortisation and impairment losses as at 31/03/2020	434	80.498	80.932
Carrying amount as at 31/03/2020	**890**	**155.023**	**155.913**

Amounts in DKK '000	31/03/2021	31/03/2020	31/12/2020
Individually material development projects in progress			
LiPlaCis	58.851	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
Total	155.023	155.023	155.023

Remaining amortization period

All abovementioned intangible assets are development projects in progress.

9. Contingent liabilities

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

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
Other related parties:					
Services provided	Q1 2021		258		0
	Q1 2020		256		0

11. Events after the balance sheet date

On May 19, 2021, the company announced it will conduct a rights issue of new shares, and published prospectus regarding the rights issue. Gross proceeds of approximately 100 million SEK are fully guaranteed. Subscription period started May 25, 2021 and is expected to end on June 8, 2021. Shareholders on record May 20, 2021 will have subscription rights to subscribe for 1 unit for each 2 shares owned as of the record date. One Unit can be subscribed to for .85 SEK and consists of one share and one warrant. The exercise price of the warrant is 1.70 SEK and it expires on April 15, 2023.

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. On May 20, 2021, the Company and Allarity Delaware entered into a Plan of Reorganization and Asset Purchase Agreement that provides that substantially all of the assets of the Company will be purchased, and substantially all of the liabilities of the Company will be assumed, by a directly wholly owned subsidiary of Allarity Delaware (the "Acquisition Sub") in exchange for shares of Allarity Delaware common stock (the "Delaware Common Stock") which will then be distributed to the Company's shareholders first by a share exchange buy back program followed by an extraordinary dividend paid to shareholders who have not participated in the share exchange buy back program (the

"Recapitalization Share Exchange"). The Company will then dissolve and liquidate pursuant to Part 14 of the Danish Companies Act. The number of shares of Delaware Common Stock a shareholder of the Company is entitled to receive in the share exchange buy back program, or the extraordinary dividend, is determined by an exchange ratio of 0.02 shares of Delaware Common Stock for each of the Company's ordinary shares. The Recapitalization Share Exchange is conditioned upon the approval the Company's shareholder and an effective registration statement filed with the US Securities and Exchange Commission.

Concurrently with entering into the Plan of Reorganization and Asset Purchase Agreement, the Company and Allarity Delaware entered into a Securities Purchase Agreement with 3i, LP, a Delaware limited partnership that provides for an investment of $20 million in 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. Subject to the 4.99% limitation described below, the preferred stock to be issued in the PIPE Investment initially may convert over time into a number of shares of Allarity Delaware common stock that would be equal to 20% of the issued and outstanding shares of Allarity Delaware common stock outstanding as of the date the Recapitalization Share Exchange is consummated, but would be entitled to convert into a greater percentage in the event that the volume weighted average price of Allarity Delaware common stock trades below the fixed conversion price for the preferred stock. The fixed conversion price for the preferred stock will be determined on the date the Recapitalization Share Exchange is consummated by dividing $80 million by the number of shares of Delaware Common Stock issued to the Company's shareholders in the Recapitalization Share Exchange. As of the date of this Subsequent Events note, the Company anticipates that at approximately 7,253,470 share of Delaware Common Stock will be issued in the Recapitalization Share Exchange to the Company's shareholders resulting in a fixed conversion price of the preferred stock and the exercise price of the warrants of $11.0292 assuming that all 120,891,314 Units in the Company's scheduled rights offering are fully subscribed and no warrants issued in rights offering have been exercised. If all 120,891,157 warrants issued as part of the rights offering are exercised, the fixed conversion price for the preferred stock and the exercise price of the warrants would be reduced to $8.2719. 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. Notwithstanding the conversion features described above, at no time may a holder of preferred stock convert shares of preferred stock into common stock or exercise any warrants if the amount of common stock issued on the conversion or the exercise of warrants, together with all other shares of common stock beneficially owned by the holder, exceeds 4.99% of the total issued and outstanding shares of Allarity Delaware common stock. In addition, in the event that the average daily US dollar volume of share of Allarity Delaware common stock traded on the US Nasdaq Stock Market fall 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 ($1,600,000) that would ultimately be paid in shares of common stock upon conversion of the convertible preferred stock at the applicable conversion price.