Allarity Therapeutics Issues 2025 End of Year CEO Letter to Shareholders

TARPON SPRINGS, Fla., December 31, 2025 – Allarity Therapeutics, Inc. ("Allarity" or the "Company") (NASDAQ: ALLR), a Phase 2 clinical-stage pharmaceutical company dedicated to developing stenoparib (2X-121)—a differentiated, dual PARP and WNT pathway inhibitor—today issued the following letter to shareholders from the Company's Chief Executive Officer.

Dear Shareholders,

As we close out 2025, I write to you with both optimism and gratitude. Your continued support has helped steer Allarity Therapeutics through a period of meaningful transformation and disciplined execution. This December marks two years since I assumed the role of Chief Executive Officer. Since that time, our efforts have been anchored by a clear and focused strategy centered on advancing stenoparib, our novel dual inhibitor of PARP and the WNT pathway- for advanced ovarian cancers as well as other advanced, difficult-to-treat cancers such as recurrent Small Cell Lung Cancer. The progress we have made has been remarkable- we have strengthened our financial future while simultaneously accelerating stenoparib toward FDA approval. In the season of reflection, I wanted to take a few moments to review these past two years and build on that momentum for 2026 and beyond.

2024 – A Strategic Reset and Foundation for Progress

Looking back, the first full calendar year of my tenure, 2024, was a year of strategic reset for Allarity. We undertook a comprehensive realignment, shedding legacy programs that had limited value in order to focus exclusively on stenoparib and its incredible potential as a game changing therapy for advanced ovarian and other cancers. That focused approach has allowed us to realize and now deepen our understanding of stenoparib's unique therapeutic mechanism of action, to separate this molecule from the first-generation PARP inhibitors. It has also allowed us to expand the possibilities for stenoparib beyond ovarian cancer. Solidifying this unique mechanism, deepening our clinical experience showing durable clinical benefit with a uniquely attractive safety profile has opened up the future for this molecule and for the enterprise value creation it affords Allarity as a company. That we have now placed stenoparib squarely on a path toward clinical and regulatory success is highlighted by the FDA's recent decision to grant stenoparib Fast Track Designation.

At the same time, we took critical steps to strengthen the company's corporate and financial foundations. Our capital structure was simplified, resulting in a single class of common stock, and the company regained full compliance with Nasdaq listing standards. These developments ensured continued access to the public markets and removed longstanding structural overhangs that had weighed on the investment case for our company. Equally important, we resolved outstanding legacy matters with the SEC inherited from the Company's prior period, allowing us to move forward with a full focus on execution and long-term value creation.

Operationally, we streamlined the organization, recruited experienced oncology leadership, and implemented cost-efficiency measures designed to extend our financial runway without compromising clinical development priorities. As a result, we ended 2024 as a more focused organization, supported by a strengthened balance sheet and a clear strategic direction.

2025 – Executing with Focus and Expanding Potential

In 2025, we remained focused on accelerating stenoparib toward FDA approval in ovarian cancer. Importantly, we have now also extended stenoparib's clinical potential to additional high value cancer indications, most notably recurrent Small Cell Lung Cancer- a devastating disease without clear therapeutic options. All of this was accomplished while further strengthening our company's financial health.

Our confidence in stenoparib was further reinforced by the continued clinical benefit evident from our first trial dosing patients twice daily. Specifically, we presented updated data at the AACR Special Conference on Ovarian Cancer showing median Overall Survival had not been reached even though the median time to follow up exceeded 22 months. For context, the most exciting recent advances approved or submitted for the treatment of advanced ovarian cancer patients have shown median overall survival of approximately 16 months. Notably, two patients have now remained on therapy for over 30 months—a rare outcome for such advanced patients- underscoring both the durability of clinical benefit and the favorable safety profile of stenoparib. These data continue to support our belief that stenoparib's unique, dual inhibition of PARP and WNT pathways offers distinct, practical advantages compared to first-generation PARP inhibitors. Indeed, we have now begun a new Phase 2 trial protocol to confirm and extend these results and to accelerate stenoparib toward FDA approval. We have also begun to explore clinical opportunities for stenoparib beyond ovarian cancer, signing an agreement to explore stenoparib in a recurrent small cell lung cancer trial fully funded by the US Veteran's administration. This is the first trial to explore the activity of stenoparib in combination with other cancer agents and ideally allows us to show that stenoparib can be the combination therapy of choice for numerous cancer indications. Moreover, we have been collaborating with the Indiana Biosciences Research Institute (IBRI) to more fully appreciate

stenoparib's role in blocking the WNT pathway- a key pathway activated in many advanced cancer, most notably colorectal cancers. These preclinical studies will provide the foundation for further expanding the enterprise value of stenoparib.

We also advanced our DRP® companion diagnostic platform, entering into a new licensing and laboratory services agreement that validated the platform's utility beyond our internal pipeline. These activities reinforce the value of our proprietary tools while offsetting costs and supporting broader industry adoption.

Financially, we maintained a disciplined operating model. Our cash runway remains aligned with our development objectives, and we continue to manage operating expenses and liabilities with rigor. During the year, we made selective and tactical use of our share repurchase capacity as part of our broader approach to shareholder stewardship, while preserving financial stability.

Taken together, the progress made in 2025 reflects an organization executing with focus and intent. We advanced stenoparib toward FDA approval in ovarian cancer, broadened its potential into new indications, and further reinforced the scientific and financial foundations that will support continued clinical development. This combination of clinical momentum and financial discipline positions Allarity well for the next stage of progress.

2026 – From Foundation to Continued Progress

Looking ahead, 2026 represents an inflection point for Allarity. Our focus is on expanding the enterprise value of Allarity- by first looking to deepen and accelerate the advanced of stenoparib toward approval, by expanding the indications for stenoparib and by being opportunistic in finding additional avenues to enhance and expand the Allarity enterprise.

In Closing

The past two years have required decisive change, hard choices, and persistent focus. The decisions we have made throughout the last two years have positioned Allarity to continue to move forward as a more capable and credible company, focused on bringing better cancer therapies to patients. As we enter 2026, I am confident that the foundation we have laid will support meaningful progress across clinical, regulatory, and strategic dimensions. Thank you for your continued belief in our mission and for joining us on this journey.

Sincerely,
Thomas H. Jensen
Chief Executive Officer

About Stenoparib/2X-121

Stenoparib is an orally available, small-molecule dual-targeted inhibitor of PARP1/2 and tankyrase 1/2. At present, tankyrases are attracting significant attention as emerging therapeutic targets for cancer, principally due to their role in regulating the WNT signaling pathway. Aberrant WNT/β-catenin signaling has been implicated in the development and progression of numerous cancers. By inhibiting PARP and blocking WNT pathway activation, stenoparib's unique therapeutic action shows potential as a promising therapeutic for many cancer types, including ovarian cancer, Small Cell Lung Cancer and colorectal cancer. Allarity has secured exclusive global rights for the development and commercialization of stenoparib, which was originally developed by Eisai Co. Ltd. and was formerly known under the names E7449 and 2X-121. Allarity has two ongoing Phase 2 trial protocols for stenoparib in Ovarian Cancer patients. In the first, patients who had had 2+ lines of therapy were enrolled on stenoparib and given drug twice daily. This protocol has been closed to further enrollment but continues for the enrolled patients who are still receiving benefit from stenoparib administration. The updated data from this study were presented at this AACR special conference on advances in Ovarian Cancer. Note that, as these data are from an ongoing trial, analyses may change as the study fully matures. An amended protocol designed expressly to capitalize on the emerging clinical experience with stenoparib in platinum resistant patients began enrolling patients this summer. This amended protocol enrolls only platinum resistant or platinum-ineligible patients and is designed to accelerate the clinical development of stenoparib toward FDA approval.

About the Drug Response Predictor – DRP® Companion Diagnostic

Allarity uses its drug-specific DRP® to select those patients who, by the gene expression signature of their cancer, may have a high likelihood of benefiting from a specific drug. By screening patients before treatment, and only treating those patients with a sufficiently high, drug-specific DRP score, the therapeutic benefit rate may be enhanced. The DRP method builds on the comparison of sensitive vs. resistant human cancer cell lines, including transcriptomic information from cell lines, combined with clinical tumor biology filters and prior clinical trial outcomes. DRP is based on messenger RNA expression profiles from patient biopsies. The DRP® platform has shown an ability to provide a statistically significant prediction of the clinical outcome from drug treatment in cancer patients across dozens of clinical studies (both retrospective and prospective). The DRP platform, which may be useful in all cancer types and is patented for dozens of anti-cancer drugs, has been extensively published in the peer-reviewed literature.

About Allarity Therapeutics
Allarity Therapeutics, Inc. (NASDAQ: ALLR) is a clinical-stage biopharmaceutical company dedicated to developing personalized cancer treatments. The Company is focused on development of stenoparib, a novel PARP/tankyrase inhibitor for advanced ovarian cancer patients, using its DRP® technology to develop a companion diagnostic that can be used to select those patients expected to derive the greatest clinical benefit from stenoparib. Allarity is headquartered in the U.S., with a research facility in Denmark, and is committed to addressing significant unmet medical needs in cancer treatment. For more information, visit www.allarity.com.

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Forward-Looking Statements
This press release contains "forward-looking statements" within the meaning of the Private Securities Litigation Reform Act of 1995. Forward-looking statements provide the Company's current expectations or forecasts of future events. The words "anticipates," "believe," "continue," "could," "estimate," "expect," "intends," "may," "might," "plan," "possible," "potential," "predicts," "project," "should," "would" and similar expressions may identify forward-looking statements, but the absence of these words does not mean that a statement is not forward-looking. These forward-looking statements include, but are not limited to, statements regarding the Company's strategy, plans, and objectives; the clinical development, potential regulatory approval, and commercial prospects of stenoparib; expectations regarding ongoing and future clinical trials, including enrollment, data generation, and study outcomes; potential expansion of stenoparib into additional cancer indications; anticipated regulatory interactions; the development and potential commercialization of stenoparib; the utility and adoption of the Company's DRP® companion diagnostic platform; and the Company's ability to maintain financial discipline, preserve financial stability, and pursue strategic or development opportunities. Any forward-looking statements in this press release are based on management's current expectations of future events and are subject to multiple risks and uncertainties that could cause actual results to differ materially and adversely from those set forth in or implied by such forward-looking statements. These risks and uncertainties include, but are not limited to, risksrisks related to the Company's ability to successfully advance the clinical development of stenoparib; uncertainties inherent in clinical trials, including patient enrollment, timing, data interpretation, and outcomes; the timing and outcome of regulatory

interactions and approval processes; the potential for delays or changes in development plans; reliance on third parties for clinical, manufacturing, or research activities; competition from other therapies; manufacturing, supply chain, and scale-up risks; the Company's ability to maintain financial discipline and obtain additional financing if needed; and general market, economic, and industry conditions. For a discussion of other risks and uncertainties, and other important factors, any of which could cause our actual results to differ from those contained in the forward-looking statements, see the section entitled "Risk Factors" in our Form 10-K annual report filed with the Securities and Exchange Commission (the "SEC") on March 31, 2025, and our Form 10-Q quarterly reports filed with the SEC on May 9, 2025, August 15, 2025 and November 14, 2025, available at the SEC's website at www.sec.gov, and as well as discussions of potential risks, uncertainties and other important factors in the Company's subsequent filings with the SEC. All information in this press release is as of the date of the release, and the Company undertakes no duty to update this information unless required by law.

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Company Contact:
investorrelations@allarity.com

Media Contact:
Thomas Pedersen
Carrotize PR & Communications
+45 6062 9390
tsp@carrotize.com