

# **OFFER DOCUMENT**

VOLUNTARY PUBLIC SHARE SWAP OFFER  
TO THE SHAREHOLDERS OF



## **Allarity Therapeutics A/S**

(company registration no. (CVR) 28106351)

24 November 2021

## **IMPORTANT INFORMATION**

This offer document (the "**Offer Document**") has been prepared in connection with the voluntary offer (the "**Offer**") to acquire all outstanding shares in Allarity Therapeutics A/S, a Danish public limited liability company incorporated under the laws of Denmark ("**Allarity A/S**"), which is listed on the Nasdaq First North Growth Market Sweden. The consideration, which is offered by Allarity A/S, consists of a number of shares of common stock in Allarity Therapeutics, Inc. ("**Allarity Delaware**"), a Delaware corporation and a wholly owned subsidiary of Allarity A/S, equal to the Exchange Ratio (as defined below). An application for listing of the common stock of Allarity Delaware has been filed with the U.S. Nasdaq Stock Market, and trading is expected to occur on or about 21 December 2021 on the Nasdaq Capital Market division of the U.S. Nasdaq Stock Market effective upon the closing of the Recapitalization Share Exchange (as defined below).

This Offer Document serves as a prospectus equivalent document, cf. Article 1(4)(f) and 1.6a(a) of Regulation (EU) 2017/1129 of the European Parliament and of the Council of 14 June 2017 on the prospectus to be published when securities are offered to the public or admitted to trading on a regulated market (the "**Prospectus Regulation**") and has been drafted in accordance with the Commission Delegated Regulation (EU) 2021/528 of 16 December 2020 supplementing Regulation (EU) 2017/1129 of the European Parliament and of the Council as regards the minimum information content of the document to be published for a prospectus exemption in connection with a takeover by means of an exchange offer, a merger or a division (the "**Delegated Prospectus Regulation**"). This Offer Document is prepared solely in the English language. This Offer Document does not constitute a prospectus within the meaning of the Prospectus Regulation and has not been subject to the scrutiny and approval by the Danish Financial Supervisory Authority and any other competent authority.

This Offer Document has also been prepared to comply with the requirements regarding mergers and merger-like processes set out in the Takeover Rules for Certain Trading Platforms issued by the Swedish Corporate Governance Board.

The information contained in this Offer Document is current as at the date hereof and subject to the change, completion, and amendments without notice. If there are any material changes to the information in the Offer Document, such changes will be announced in accordance with the provisions of Regulation (EU) No 596/2014 of the European Parliament and of the Council of 16 April 2014 on market abuse (the "**Market Abuse Regulation**"). The information in this Offer Document is furnished solely for the purpose of the Offer and may not be relied upon for any other purposes. With the exception of Allarity A/S, as the offeror, no person is entitled or authorised to provide any information or make any representation in connection with the Offer, other than the information included in this Offer Document. If any such information or representation is provided or made by any other party than Allarity A/S, such information or representation, as the case may be, should not be relied upon as having been provided or made by or on behalf of Allarity A/S.

**APPLICABLE LAW AND DISPUTES**

The Offer, and any agreements entered into in connection with the Offer, shall be governed by and construed in accordance with the laws of Denmark. The courts of Denmark shall have exclusive jurisdiction over any dispute arising out of or in connection with the Offer.

**NOTICE CONCERNING RESTRICTED DISTRIBUTION OF THE OFFER DOCUMENT**

The distribution of this Offer Document and any related offer documentation in certain jurisdictions may be restricted or affected by the laws of such jurisdictions. Accordingly, copies of this Offer Document are not being, and must not be, mailed or otherwise forwarded, distributed or sent in or into any such jurisdiction. Therefore, persons who receive this communication (including, without limitations, nominees, trustees and custodians) and are subject to the laws of any such jurisdiction will need to inform themselves about, and observe, any applicable restrictions or requirements. Any failure to do so may constitute a violation of the securities laws of any such jurisdiction.

The Offer is not being made, and this Offer Document may not be distributed, directly or indirectly, in or into, nor will any tender of shares be accepted from or on behalf of holders in any jurisdiction in which the making of the Offer, the distribution of this Offer Document or the acceptance of any tender of shares would contravene applicable laws or regulations or require further Offer Documents, filings or other measures in addition to those required by the applicable laws.

**FORWARD-LOOKING STATEMENT**

This Offer Document contains certain statements about Allarity A/S and Allarity Delaware as well as the timing and procedures relating to the Offer and potential amendments to the Offer that are or may be considered as forward-looking statements. These forward-looking statements can be identified by the fact that they relate to estimated or anticipated future results, or the fact that they do not otherwise relate exclusively to historical or current facts. Forward-looking statements sometimes use words such as "may", "might", "will", "seek", "continue", "aim", "anticipate", "target", "expect", "estimate", "intend", "plan", "goal", "believe", "could", "should", "forecast", "outlook", "guidance", "possible", "potential", "predict", "project", or other words or phrases of similar meaning.

Examples of forward-looking statements include, among others, statements regarding the Offer, including the timetable and conditions and other terms relating to the Offer and other statements that are not historical facts. By their nature, forward-looking statements involve risk and uncertainty because they relate to future events and circumstances beyond Allarity A/S' and Allarity Delaware's control. As a result, actual future results may differ materially from the plans, goals and expectations set forth in any forward-looking statements. Any forward-looking statements made herein speak only as of the date they are made. Allarity A/S and Allarity Delaware disclaim any obligation or undertaking to release publicly any updates or revisions to any forward-looking statements contained in this document to reflect any change in expectations with regard thereto or any change in events, conditions or circumstances on which any such statement is based, except to the extent required by law.

**EXPERTS' REPORTS AND THIRD-PARTY INFORMATION**

This Offer Document does not contain any expert statements or expert reports, other than the statement of the auditors and financial reports included in the financial statements of Allarity A/S, see section 6.1 "*Selected Financial Statements*" below.

This Offer Document, including information incorporated by reference thereto, contains statistics, data and other information relating to markets, market sizes, market positions and other industry data pertaining to Allarity A/S' business and the markets in which Allarity A/S operates. Unless otherwise indicated, information contained in this Offer Document, including information incorporated by reference thereto, concerning Allarity A/S' industry and the markets in which it operates, including general expectations, market opportunity and competitive position, is based on information from Allarity A/S' own management estimates, research and knowledge of the market, in which it operates, as well as from industry and general publications, research, surveys and studies conducted by third parties.

While Allarity A/S can confirm that information from external sources has been accurately reproduced, Allarity A/S has not independently verified and cannot give any assurances as to the accuracy of market data as presented in this Offer Document, including information incorporated by reference thereto, that was extracted or derived from these external sources. As far as Allarity A/S is aware and able to ascertain from this information, no facts have been omitted which would render the information provided inaccurate or misleading.

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**VOLUNTARY SHARE SWAP OFFER TO THE SHAREHOLDERS IN ALLARITY THERAPEUTICS A/S FOR THE EXCHANGE OF ALL SHARES IN THE COMPANY**

**1. RISK FACTORS**

This section contains the risk factors considered to be material to the business of Allarity A/S and, upon consummation of the Recapitalization Share Exchange, the business of Allarity Delaware as well as such other risk factors considered to be material to the transactions contemplated by the Recapitalization Share Exchange and the Delaware Common Stock (as defined below). The assessment of the materiality of each risk factor is based on the probability of their occurrence and the expected magnitude of their negative impact. In accordance with the Delegated Prospectus Regulation, the risk factors mentioned below are limited to risks which are specific to the business of Allarity A/S and Allarity Delaware as well as the Recapitalization Share Exchange and the Delaware Common Stock.

The shareholders should carefully read this section "Risk Factors" for a discussion of the risks that they should consider before accepting the Offer. The risks and uncertainties described below could have a material adverse effect on the operations, financial position and/or earnings of Allarity A/S and Allarity Delaware.

**1.1. Risk factors relating to business and operations**

Reference is made to the following sections of the Registration Statements (as defined herein) which are incorporated by reference into this Offer Document:

- "*Risks Related to Financial Position and Need for Capital*" (pages 26 - 30)
- "*Risks Related to the Discovery and Development of Our Therapeutic Candidates*" (pages 30 - 44)
- "*Risks Related to the Approval and Commercialization of Our Therapeutic Candidates*" (pages 44 - 54)
- "*Risks Related to Our Reliance on Third Parties*" (pages 55 - 57)
- "*Risks Related to Our Business and Industry*" (pages 57 - 62)
- "*Risks Related to Our Intellectual Property*" (pages 62 - 68)
- "*General Risk Factors*" (pages 76 - 81)

**1.2. Risk factors relating to the Recapitalization Share Exchange**

Reference is made to Section "*Risks Related to the Recapitalization Share Exchange*" beginning on page 68 of the Registration Statement which is incorporated into this Offer Document.

**1.3. Risk factors relating to the Delaware Common Stock**

Reference is made to Section "*Risks Related to Owning our Common Stock and this Offering*" on page 72 of the Registration Statement which is incorporated into this Offer Document.

## **2. RESPONSIBILITY STATEMENT**

Allarity A/S is responsible for this Offer Document in accordance with Danish law.

We hereby declare that we, as the persons responsible for this Offer Document on behalf of the Allarity A/S in our capacity as members of the board of directors and the executive management, have taken all reasonable care to ensure that, to the best of our knowledge and belief, the information contained in the Offer Document is in accordance with the facts and that the Offer Document makes no omission likely to affect its import.

Allarity Therapeutics A/S

### **Board of Directors**

#### **Duncan Moore**

*Chairman*

#### **Gail Maderis**

*Board Member*

#### **Søren Gade Jensen**

*Board Member*

#### **Steve Carchedi**

*Board Member*

Duncan Moore: Partner of East West Capital Partners Pte. Ltd.

Gail Maderis: President and CEO of Antiva Biosciences, Inc.

Søren Gade Jensen: Member of the European Parliament

Steve Carchedi: CEO of Allarity Therapeutics A/S

### **Executive Management**

#### **Steve Carchedi**

*CEO*



### **3. THE SHARE SWAP OFFER**

#### **3.1. Terms and Conditions of the Offer**

Following a resolution of the general meeting of the shareholders on 22 November 2021 in Allarity A/S, Allarity A/S hereby offers to exchange all issued and outstanding shares in Allarity A/S, with a nominal value of DKK 0.05 each (each a "**Share**" and collectively "**Shares**"), for an aggregate nominal amount of up to SEK 20,189,560 as well as such additional shares that may be subscribed through exercise of outstanding warrants (the "**Offer**"). The Offer is being made in connection with Allarity A/S' recapitalization and reorganization ("**Recapitalization and Share Exchange**" or "**Recapitalization**") into a U.S. holding company (Allarity Therapeutics, Inc., a Delaware corporation, with offices at 210 Broadway, Suite 201, Cambridge, Massachusetts USA, a wholly owned subsidiary of Allarity A/S formed for the sole purpose of creating a U.S listed holding company) ("**Allarity Delaware**") owning, directly or indirectly, all of the assets of Allarity A/S, and application for listing on the U.S Nasdaq Stock Market as described in Section 3.3, "Background for the Offer" below.

As consideration for the Share Swap Offer, the Company's shareholders will receive from Allarity A/S a number of shares of common stock in Allarity Delaware (the "**Delaware Common Stock**") equal to the Exchange Ratio. The "**Exchange Ratio**" means the quotient of the number of Shares in Allarity A/S divided by fifty (50) or 0.02 shares of common stock in Allarity Delaware for each Share issued and outstanding as of immediately prior to the effective date of 20 December 2021 ("**Effective Date**"). In the event that the Exchange Ratio used in the Offer should result in fractional shares such fractional shares cannot be validly issued under US law and will therefore be settled in cash.

The Offer will be completed through one capital decrease of nominal DKK 11,873,736 and up to eight capital decreases of nominal DKK 989,478 in Allarity A/S down to nominal DKK 400,000 as resolved on the extraordinary general meeting held on 22 November 2021. Allarity A/S may, however, at its discretion also elect to complete the Offer through a partial purchase of treasury shares utilizing free reserves.

Those of Allarity A/S' shareholders who participate in the Offer will, as of the completion of the Recapitalization, own the same percentage of Allarity Delaware as they did in Allarity A/S prior to the Recapitalization, subject only to adjustments due to cash compensation being made with regard to fractional shares, if any, and subject to ownership dilution due to the announced investment from 3i Fund. As the Recapitalization Share Exchange in substance is analogous to a "reverse stock split" coupled with a redomicile to the U.S. State of Delaware and a listing on the U.S. Nasdaq Stock Market, the Allarity A/S board of directors decided that a third-party valuation or fairness opinion would not add any meaningful information to the total mix of information considered by the Allarity A/S board of directors.

The consideration payable in the Offer has been based on the investment offer from 3i Fund resulting in an implied value of Allarity Delaware of USD 80 million immediately following the recapitalization and reorganisation where all assets and liabilities of Allarity A/S will be held by Allarity Delaware There can be no assurances that the implied value of Allarity Delaware will correspond to the listed price of the Delaware Common Stock and the agreement with 3i Fund

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contains certain anti-dilution protection provisions to take into account a lower listed price on the shares.

The Company has not received binding or conditional commitments, declarations of intent or positive statements from shareholders in the Company regarding acceptance of the offer.

In the event that not all shareholders sell their Shares to Allarity A/S in the Offer, the remaining shares in Allarity Delaware are expected to be distributed to such shareholders as dividends or as liquidation proceeds in connection with a liquidation of Allarity A/S. **Any such distributions may be subject to withholding taxes as applicable.**

In the event that all shareholders wish to participate in the Offer, Allarity Delaware will acquire the minimum share capital of nominal DKK 400,000 of Allarity A/S and Allarity A/S will thus become a wholly owned subsidiary of Allarity Delaware.

*This Offer is valid starting from 25 November 2021 at 9:00 a.m. (CET) and ending on 9 December 2021 at 15:00 (CET) unless terminated earlier, extended or recalled at Allarity A/S' sole discretion (the "**Tender Period**"). Any extension, early termination or recall of the Offer will be announced through a company announcement.*

Any participating shareholder must specify the number of Shares to be included in the Offer by filing the acceptance form with Hagberg & Aneborn Fondkommission AB through its own account holding bank prior to the expiry of the Tender Period. It is a condition for the acceptance of the Offer that the individual shareholder offers all shares held by the shareholder during the Tender Period. **Hence, a partial participation in the Offer is not possible.**

Shareholders who do not participate in the Offer, or whose Shares are not accepted for exchange by Allarity A/S pursuant to the terms and conditions of the Offer, will continue to hold their Shares after completion of the Offer. Such shareholders are, however, expected to receive the remaining shares in Allarity Delaware as dividends or as liquidation proceeds in connection with a liquidation of Allarity A/S to be carried out at a time following the completion of the Offer.

This Offer Document should be read in conjunction with the information statement/prospectus that is included in the registration statement on Form S-4 (attached hereto as Appendix A) ("**Registration Statement**") filed with the U.S. Securities and Exchange Commission covering Allarity Delaware and the Delaware Common Stock. The information statement/prospectus contains further information on the Reorganization Agreement and the Securities Purchase Agreement and the transactions contemplated thereby and should be read carefully by the shareholders before accepting the Offer.

### **3.2. Terms of the Delaware Common Stock**

For a description of the Allarity Delaware Capital Stock, including the rights attached to the Allarity Delaware Common Stock, see Section "*Description of Allarity Delaware Capital Stock*" beginning on page 72 of the Registration Statement which is incorporated by reference into this Offer Document. The Delaware Common Stock are denominated in US dollars.

There are no contractual restrictions on the free transferability of the Delaware Common Stock. The number of shares of Delaware Common Stock or preferred stock is set forth in the Certificate of Incorporation and amendments thereto which is an exhibit to the Registration Statement. No further shareholder approval is necessary provided that the number of shares issued does not exceed the number authorized in the Certificate of Incorporation.

All shares of Delaware Common Stock have been approved by the board of directors of Allarity Delaware.

### **3.3. Background for the Offer**

On 21 May 2021 Allarity A/S announced that it has entered into an agreement with 3i Fund, a U.S. fund formed under a single family office umbrella investing in public companies, for a USD 20,000,000 investment (the "**Securities Purchase Agreement**") to support Allarity A/S' recapitalization and reorganization (the "**Recapitalization**") into Allarity Delaware and an application for listing on the U.S. Nasdaq Stock Market. The USD 20,000,000 investment is anticipated to be made directly into Allarity Delaware and was subject to, inter alia, completion of the Reorganization, including approval by Allarity A/S' general meeting and a listing of the Delaware Common Stock on the U.S. Nasdaq Stock Market. Allarity A/S' general meeting approved the investment by 3i Fund and the Reorganization Agreement on the extraordinary general meeting held on 22 November 2021.

Allarity Delaware has initially been organized as a wholly owned subsidiary of Allarity A/S and as of the date of this Offer Document has no business operations or assets and has engaged in no commercial activities other than pursuing the Reorganization described herein and in the information statement/prospectus.

Simultaneously with the execution of the Securities Purchase Agreement, Allarity A/S has entered into a Plan of Reorganization and Asset Purchase Agreement with Allarity Delaware to facilitate Allarity Delaware becoming a U.S. holding company listed on the U.S. Nasdaq Stock Market (the "**Reorganization Agreement**"). As of 25 November 2021, Allarity Delaware purchased indirectly through a special purpose wholly owned subsidiary all of the assets and assumed substantially all of the liabilities of Allarity A/S in exchange for shares of common stock in Allarity Delaware, for which an application for trading on the U.S. Nasdaq Stock Market has been made to be effective on completion of the Recapitalization. The purchase is conditional upon completion of the Recapitalization Agreement.

In connection with receipt by Allarity A/S of the Delaware Common Stock, Allarity A/S is, by way of publication of this Offer Document, commencing a share swap program offering the shareholders of Allarity A/S to exchange their Shares in Allarity A/S with the Delaware Common Stock on the basis of the Exchange Ratio. In the event that not all shareholders exchange their Shares to Allarity A/S in the Offer the remaining Delaware Common Stock are expected to be distributed to such shareholders as dividends or as liquidation proceeds in connection with a liquidation of Allarity A/S. **Withholding taxes may apply to such distributions and will be deducted accordingly.**

As a result of the Recapitalization, Allarity Delaware will become the direct or indirect holder of all of the assets and substantially all of the liabilities formerly held by Allarity A/S, except

for the shareholding in Allarity Delaware and a certain level cash position to defray running costs also related to liquidation, and Allarity A/S' shareholders who participate in the Offer will, as of the completion of the Recapitalization, own the same percentage of Allarity Delaware as they did in Allarity A/S prior to the Recapitalization, subject only to adjustments due to cash compensation being made with regard to fractional shares, if any, and subject to ownership dilution due to the announced investment from 3i Fund.

Upon the completion of the Recapitalization, 3i Fund will invest USD 20,000,000 in Allarity Delaware in exchange for convertible preferred stock in Allarity Delaware at an initial fixed conversion price of USD 9.906 if fully converted, would be convertible into a 20% ownership of the Allarity Delaware shares of common stock over time, subject to the condition that 3i may not beneficially own more than 4.99% of Delaware shares of common stock at any point in time. There is an implied pre-investment value for Allarity Delaware of USD 80,000,000 and a post-investment implied value of USD 100,000,000 assuming that the Recapitalization is completed and that Allarity Delaware is listed on the U.S. Nasdaq Stock Market.

It is the belief of the Board of Directors that the Reorganization, the listing of Allarity Delaware on the U.S. Nasdaq Stock Market and completion of the 3i Fund investment will secure working capital, give better access to capital and in the end increase the value for the shareholders in a more liquid and accessible market. For further information on the reasons behind the Reorganization please see pages 7 and 8 of the Registration Statement.

### **3.4. Dilution**

Under the Offer terms, all shareholders who participate in the Offer will own substantially the same percentage ownership of Allarity Delaware as they owned in Allarity A/S. However, following completion of the investment from 3i Fund, 3i Fund will receive convertible preferred stock in Allarity Delaware that initially has the right to convert into 2,018,958 shares of Allarity Delaware's common stock (initially 20% of the issued and outstanding shares of Allarity Delaware common stock) at a conversion price of \$9.906, on an "as converted basis" and without giving effect to any future conversion price adjustments, anti-dilution provisions, or a one-time special dividend upon certain events as described below.

3i Fund will also own warrants to purchase an additional 2,018,958 shares of Allarity Delaware common stock, at an initial exercise price of \$9.906 per share.

The fixed conversion of the preferred stock could, according to the applicable anti-dilution provisions and market price protection mechanisms, be reduced (i) if the trading price of the common stock of Allarity Delaware listed on the U.S. Nasdaq Stock Market trades below the fixed conversion price of the preferred stock, (ii) if the average daily trading volume falls below certain levels, or (iii) if Allarity Delaware issues additional common stock at a price less than the fixed conversion price. In the case of an additional issuance of common stock below the exercise price of \$9.06 per share, the exercise price of the warrant would also be reduced to the same price as the price offered in the additional issuances of shares. For a detailed description of these anti-dilution provisions and market price protection mechanisms, see pages 252 and 253 of the Registration Statement which is incorporated by reference hereto.

### **3.5. Conditions to the Offer**

It is a condition for completion of the Offer that minimum nominal DKK 11,873,736 shares are offered for exchange by the shareholders. Allarity A/S may, however, at its sole discretion waive the condition and complete the Offer.

### **3.6. Expected timetable**

This Offer is valid starting from 25 November 2021 at 9.00 (CET) and ending on 9 December 2021 at 15:00 (CET) unless terminated earlier, extended or recalled in Allarity A/S' sole discretion. Settlement is expected to occur on or about 20 December 2021 (the "**Settlement Date**"). There can be no assurances as to when settlement of the Offer will take place vis-à-vis any given shareholder. In the event of an early termination or extension of the Tender Period, the Settlement Date will be moved forward or postponed correspondingly. Any early termination or extension of the Tender Period will be announced through a company announcement via GlobeNewswire. With regard to an extension of the Tender Period this will be announced through a company announcement via GlobeNewswire at the latest on 10 December 2021.

Allarity A/S expects to announce the results of the Offer on or about 17 December 2021. In the event of an early termination or extension of the Tender Period, such announcement will be moved forward or postponed correspondingly. Information on the number of the Shares acquired by Allarity A/S from each of the relevant shareholders and delivery of the Delaware Common Stock will be handled by the shareholders' account holding bank.

#### Expected timetable

24 November 2021	Announcement of the Offer
25 November 2021	Start of the Tender Period
9 December 2021	Expiry of the Tender Period
17 December 2021	Announcement of the result of the Offer
20 December 2021	Settlement of the Offer

### **3.7. Representations and warranties**

By accepting the Offer, the shareholder shall be deemed to agree to, acknowledge, represent, warrant and undertake to Allarity A/S the following on the last day of the Tender Period and on the Settlement Date (and if the shareholder is unable to give these agreements, acknowledgements, representations, warranties and undertakings, such shareholder may not be able to participate in the Offer):

- (a) it has received and reviewed the Registration Statement attached as Appendix A to this Offer Document and has received, reviewed and accepted the terms, conditions and other considerations of the Offer, and the offer and distribution restrictions, all as described in this Offer Document;
- (b) it is not a person to whom it is unlawful to make an invitation pursuant to the Offer under applicable securities law; and

- (c) it is the beneficial owner of the shares in Allarity A/S being tendered in the Offer and it is located and resident outside Australia, Canada, Japan and the United States and is participating in the Offer from outside Australia, Canada, Japan and the United States; or
- (d) it is acting on behalf of the beneficial owner of the shares being tendered in the Offer on a non-discretionary basis and has been duly authorized to so act and such beneficial owner has confirmed to it that it is located and resident outside Australia, Canada, Japan and the United States and is participating in the Offer from outside Australia, Canada, Japan and the United States.

### **3.8. Method of acceptance**

#### *3.8.1. Nominee registered holdings*

Acceptance of the Offer for shareholders whose holdings of Shares in Allarity A/S are nominee-registered with a bank or other nominee shall be made in accordance with instructions from the respective nominee. Please contact your nominee (bank or other broker) for further instruction on how to accept the Offer.

#### *3.8.2. Directly registered holdings*

Shareholders whose holdings of Shares in Allarity A/S are directly registered with Euroclear Sweden AB ("Euroclear") and who wish to accept the Offer must open a nominee account with a bank or other nominee and transfer the holdings of shares in Allarity A/S to the nominee before accepting the Offer. Acceptance shall be made in accordance with instructions from the respective nominee. Please contact a nominee (bank or other broker) for further instruction on how to accept the Offer.

#### *3.8.3. Nominees – only for banks and brokers*

Banks and brokers who wishes to accept the Offer must, during the period from 25 November 2021 to 9 December 2021;

- 1) Sign and send (by regular mail or email) the acceptance form to Hagberg & Aneborn Fondkommission as below:

Acceptance form must be received by Hagberg & Aneborn Fondkommission no later than 15:00 (CET) on 9 December 2021.

Hagberg & Aneborn Fondkommission AB

Subject: Allarity

Valhallavägen 124

114 41 Stockholm

Sweden

Phone: +46 8 408 933 50

E-mail: [info@hagberganeborn.se](mailto:info@hagberganeborn.se)

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Please note that incorrect or incomplete acceptance forms may be disregarded. Additional acceptance forms can be obtained from Hagberg & Aneborn Fondkommission at the above telephone number or email address.

2) Registration with Computershare

Upon the successful submission of an Offer acceptance to Hagberg & Aneborn Fondkommission, a nominee bank wishing to receive the Delaware Common Stock into their account (or an account of a local custodian appointed by them) in DTC must also complete a web instruction through the following site:

[www.allarityshareswap.com](http://www.allarityshareswap.com)

The website will go live at 9:00 CET on 25 November 2021.

If you have questions about the submitting of your DTC delivery instruction, please contact Hagberg & Aneborn Fondkommission +46 8 408 933 50 or send an email to [info@hagberganeborn.se](mailto:info@hagberganeborn.se). You may also contact Computershare, directly at +1 781-575-2660. Representatives are available to assist you Monday through Friday 8:00am to 8:00pm US Eastern Time.

To lodge a valid instruction, the nominee bank will need to provide mandatory information, including those listed below, by not later than 17:00 pm US Eastern Time on 10 December 2021. Please note, (i) only one DTC participant account can be provided per instruction, (ii) if successfully completed, your nominated DTC participant will need to initiate a DWAC instruction to requisition the new securities within 24 hours of the distribution date otherwise your new shares of Allarity Delaware will be issued in DRS form (iii) the number of Allarity A/S shares and unique system reference number must both exactly match with the Offer acceptance lodged through Hagberg & Aneborn Fondkommission and (iv) partial instructions are not permitted.

Mandatory information to be provided:

- Euroclear Sweden participant account number
- Number of Allarity A/S shares accepted through the Offer
- Unique system reference number from created and provided by Hagberg & Aneborn Fondkommission upon submission of your acceptance form (under the process outlined above)
- Euroclear Sweden participant contact name, telephone number and email address
- DTC participant account number
- DTC participant contact name, telephone number and email address

Shareholders who lodge an Offer acceptance but do not also complete a valid DTC web election (or where their nominated DTC participant does not complete the required DWAC as required) will instead receive their Delaware Common Stock in DRS form, registered in the name of the nominee directly on the US maintained share register. A DRS advice statement will be issued by post to the registered address of the nominee, as is recorded by Euroclear Sweden. Shares issued in DRS form may later be deposited into DTC and nominees should liaise directly with

their DTC participant for instructions upon receipt of the DRS advice statement. Please note, where the Delaware Common Stock have not been validly requested to be delivered into DTC, nominees and their clients may experience significant delays in the ability to lodge and settle trades in the Delaware Common Stock. Neither Allarity A/S, Allarity Delaware nor the US transfer agent will be responsible or liable for any such delays experienced by shareholders or their nominee.

Nominees must submit DTC election via Computershare website to be able to receive the Delaware Common Stock.

*Confirmation and transfer of shares to a blocked VP-account*

After Hagberg & Aneborn Fondkommission has received and registered a correctly completed acceptance form, the shares in Allarity A/S will be transferred to a newly opened blocked VP account for each shareholder, a so-called "apportkonto". In connection with this, Euroclear sends a slip ("VP avi") which shows the number of shares in Allarity A/S that were booked out of the original VP account and a VP avi that shows the number of shares booked in the newly opened blocked VP account.

*Fractions*

The terms for the Offer are that for every 50 shares in Allarity A/S, one (1) share of Delaware Common Stock is received. For holdings not dividable by 50, cash compensation will be distributed.

*3.8.4. Holdings registered with VP Securities*

Acceptance of the Offer shall be sent to the shareholder's own bank in accordance with applicable instructions therefrom.

Acceptance from banks shall be forwarded by email to Danske Bank A/S together with transfer of accepted VP shares in accordance with information forwarded to the banks. Email can be sent to:

Danske Bank Corporate Actions  
Email: [prospekter@danskebank.dk](mailto:prospekter@danskebank.dk)  
Tel. +45 4514 3794

## **4. INFORMATION ABOUT ALLARITY A/S**

### **4.1. General Information**

Allarity A/S (Allarity Therapeutics A/S) is a public limited liability company domiciled in Denmark with its registered office at Venlighedsvej 1, DK-2970 Hørsholm, Denmark.

Allarity A/S was incorporated under the laws of Denmark on 9 September 2004 and is subject to Danish law. Allarity A/S is registered with the Danish Business Authority under registration (CVR) no. 28106351 and its legal entity identifier (LEI) code is: 213800FKAPK1MPJ18Q79.



Allarity A/S' telephone number is +45 88 74 24 14 and its website is [www.allarity.com](http://www.allarity.com). The information on the website does not form part of the Offer Document unless that information is incorporated by reference into this Offer Document.

#### **4.2. Business and Industry Overview**

For a description of Allarity A/S' business and industry, see section "*Information about Allarity A/S*" of the Registration Statement which is incorporated by reference into this Offer Document.

#### **4.3. Significant events following 30 September 2021**

There have been no significant events following 30 September 2021 other than as disclosed in this Offer Document.

#### **4.4. Investments following 30 September 2021**

There have been no material investments after 30 September 2021 until the date of this Offer Document.

### **5. INFORMATION ABOUT ALLARITY DELAWARE**

#### **5.1. General Information**

Allarity Delaware is a Delaware corporation with its registered office at 1209 Orange Street, Wilmington, Delaware 19801, USA and is a directly wholly owned subsidiary of Allarity A/S. Allarity Delaware was formed on April 6, 2021, under the laws of Delaware as a Delaware corporation for the purpose of effecting the Recapitalization with Allarity A/S and has its principal business office located at 210 Broadway, Suite 201, Cambridge, Massachusetts USA.

Allarity Acquisition Subsidiary, Inc. ("Allarity Subsidiary") is a Delaware corporation with its registered office at 1209 Orange Street, Wilmington, Delaware 19801, USA, and is a directly wholly owned subsidiary of Allarity Delaware formed on June 24, 2021, under the laws of Delaware for the purpose of effecting the Recapitalization.

#### **5.2. Business and Industry Overview**

As of the date of this Offer Document, neither Allarity Delaware nor Allarity Subsidiary, the latter being a directly wholly owned subsidiary of Allarity Delaware, owns any material assets or operate any business. Upon the consummation of the Recapitalization Share Exchange, substantially all of the assets and liabilities of Allarity A/S will be transferred to Acquisition Subsidiary in exchange for the Delaware Common Stock which will be distributed to the shareholders of Allarity A/S either by the Offer, by extraordinary dividend or liquidation proceeds and then Allarity A/S is expected to liquidate and dissolve.

### **6. FINANCIAL INFORMATION**

#### **6.1. Selected Financial Statements**

For a summary of (i) the audited consolidated financial statements of Allarity A/S as of and for the years ended 31 December 2019 and 2020 ("**FY19 Consolidated Financial Statements**")

and "**FY20 Consolidated Financial Statements**", respectively) and (ii) the unaudited interim consolidated financial statements of Allarity A/S for the six months period ended on 30 June 2021 ("**Interim Financial Statements**"), see Section "*Summary Historical Financial Information*" on page 23 of the Registration Statement which is incorporated by reference into the Offer Document. These financial statements have been prepared in accordance with US GAAP. The unaudited interim consolidated financial statements of Allarity A/S for the nine months period ended on 30 September 2021 can be found on the website of Allarity A/S: [www.allarity.com](http://www.allarity.com).

## **6.2. Auditor**

The independent auditors of Allarity A/S are: PricewaterhouseCoopers Statsautoriseret Revisionspartnerselskab ("PwC"), CVR no. 33771231, Strandvejen 44, 2900 Hellerup, Denmark. PwC is represented by Torben Jensen, State Authorised Public Accountant, who is a member of FSR–Danish Auditors, the Danish association for state-authorized public accountants, (FSR–Danske Revisorer).

The FY20 Consolidated Financial Statements and the FY19 Consolidated Financial Statements have been audited by PwC.

## **6.3. Significant Events Following 30 September 2021**

There have been no significant events relating to Allarity Delaware following 30 September 2021.

## **6.4. Working Capital Statement**

Allarity A/S is of the opinion that the net proceeds from the investment from 3i Fund, together with its existing cash and cash equivalents as of the date of this Offer Document, are sufficient for the present requirements of Allarity A/S and Allarity Delaware for the forthcoming 12-month period. In this context, the working capital signifies the ability of Allarity A/S and Allarity Delaware to access capital for fulfilling their respective payments as they become due to payment.

## **7. CORPORATE GOVERNANCE**

### **7.1. Management**

For a description of the current officers and directors of Allarity A/S and Allarity Delaware, including names and functions, see Section "*Management of Allarity A/S and Allarity Delaware*" beginning on page 205 of the Registration Statement which is incorporated by reference into this Offer Document.

The business address of all officers and directors is: c/o Allarity Therapeutics A/S, Venlighedsvej 1, DK-2970 Hørsholm, Denmark.

The members of the board of directors and executive management of Allarity A/S are the current officers and directors of Allarity Delaware. Upon the consummation of the Recapitalization Share Exchange, the business of Allarity Delaware will continue to be managed

by or under the direction of its board of directors. The directors and executive officers of Allarity A/S will continue to be the directors and executive officers of Allarity Delaware.

Several members of the board of directors and executive management of Allarity A/S and Allarity Delaware have financial interest in the Recapitalization Share Exchange through direct and indirect holdings in Allarity A/S. Besides these holdings, there are no conflicts of interest or potential conflicts of interest between the obligations of members of the board of directors and executive management and their private interests and/or other undertakings.

The members of the board of directors and executive management are not subject to lock-up agreements or any other restrictions on the disposal of their holdings in Allarity A/S following the Offer and the consummation of the Recapitalization Share Exchange.

### **7.2. Ownership Structure and Shareholders**

For a description of the ownership of Allarity A/S as of the date of this Offer Document and Allarity Delaware following the Recapitalization Share Exchange, see section "*Ownership of Allarity A/S*" and "*Ownership of Allarity Delaware Following the Recapitalization Share Exchange*", beginning on page 21 and 22, respectively, of the Registration Statement which is incorporated by reference into the Offer Document.

As of the date of this Offer Document, Allarity A/S has received notifications of holdings of 5% or more of the share capital and voting rights from Sass & Larsen ApS, CVR no. 10738040, who holds 13,18 % of the total share capital and voting rights of Allarity A/S. By virtue of its shareholding, Sass & Larsen ApS has an interest in the Recapitalization Share Exchange.

Allarity A/S is not aware of any other person who, directly or indirectly, owns or controls an interest in the Company's share capital or voting rights that is notifiable under Danish law.

### **7.3. Warrants and convertible bonds**

Allarity A/S has of the date of this Offer Document 62,966,453 outstanding warrants, each conferring the right to subscribe 62,966,453 Shares of nominal DKK 0.05 each. The terms and conditions of the warrants have been incorporated in the articles of association. The exercise prices applicable to the warrants are as follows:

- 4,287,381 warrants have an exercise price of SEK 2.20 per Share.
- 1,980,000 warrants have an exercise price of SEK 1.41 per Share.
- 1,409,555 warrants have an exercise price of SEK 2.42 per Share.
- 3,996,864 warrants have an exercise price of SEK 3.30 per Share.
- 38,807,413 warrants have an exercise price of SEK 0.945 per Share.
- 4,683,978 warrants have an exercise price of DKK SEK 1.851 per Share.
- 7,801,262 warrants have an exercise price of SEK 1.592 per Share.

On 24 November 2021 the Board of Directors made the following resolution regarding warrants in connection with the Recapitalization Share Exchange:

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- The Board of Directors resolved to delete appendices 1-4 to the articles of association as well as sections 6.1 – 6.5 since all outstanding warrants issued pursuant thereto lapsed as of 1 July 2021.
- The Board of Directors resolved to delete appendix 5 to the articles of association as well as sections 6.9 and 6.9.1 since all outstanding warrants issued pursuant thereto lapsed as of 30 June 2020.
- The Board of Directors resolved to delete appendix 7 to the articles of association as well as sections 6.9 and 6.9.2 since all outstanding warrants issued pursuant thereto lapsed as of 15 September 2021.
- The Board of Directors resolved to delete appendix 13 to the articles of association as well as sections 6.9, 6.9.3 and 6.9.4 since all outstanding warrants issued pursuant thereto lapsed as of 15 September 2021.
- With respect to 3,996,864 warrants issued on the terms and conditions set out in Appendix 8 to the articles of association, the Board of Directors has pursuant to clause 5 of Appendix 8 resolved that the warrants may be exercised in an extraordinary exercise window in the period 25 November – 12 December 2021. If these warrants are exercised fully, Allarity A/S will receive SEK 13,189,651 in cash proceeds and the warrants will be replaced with 79,937 Delaware Common Stock by applying the Exchange Ratio corresponding 3,996,864 divided by 50. In the event that these warrants are not exercised these warrants will lapse and become null and void.
- The Board of Directors resolved that 4,287,381 warrants with an exercise price of SEK 2.20 per Share in connection with the Reorganization Exchange Agreement shall be converted into similar instruments of similar value in Allarity Delaware.
- The Board of Directors resolved that 1,980,000 warrants with an exercise price of SEK 1.41 per Share in connection with the Reorganization Exchange Agreement shall be converted into similar instruments of similar value in Allarity Delaware.
- The Board of Directors resolved that 1,409,555 warrants with an exercise price of SEK 2.42 per Share in connection with the Reorganization Exchange Agreement shall be converted into similar instruments of similar value in Allarity Delaware.
- The Board of Directors resolved to delete appendices 9 – 12 to the articles of association as well as sections 6.10 and 6.10.1 – 6.10.15 regarding convertible loans since all such loans have either been repaid or converted into Shares.
- The Board of Directors resolved to issue 38,807,413 warrants at an exercise price of SEK 0.945 per Share in accordance with the terms set out in a new appendix 14 to the articles of association.
- The Board of Directors resolved to issue 7,801,262 warrants at an exercise price of SEK 1.592 per Share in accordance with the terms set out in a new appendix 14 to the articles of association.
- The Board of Directors resolved to issue 4,683,978 warrants at an exercise price of SEK 1.851 per Share in accordance with the terms set out in a new appendix 14 to the articles of association.

#### **7.4. Legal Proceedings**

As at the date of this Offer Document, Allarity A/S is not involved in any governmental, legal or arbitration proceedings, and the board of directors and the executive management of Allarity A/S is not aware of any such proceedings being threatened that could have a significant effect on Allarity A/S' financial position, results of operations and prospects, nor has Allarity A/S been involved in any such governmental, legal or arbitration proceedings during the previous 12 months as at the date of this Prospectus.

### **7.5. Material Contracts**

For a summary of all material contracts of Allarity A/S to be assumed by Allarity Delaware upon consummation of the Recapitalization Share Exchange, see the section "*Recapitalization Share Exchange*" beginning on page 236 of the Registration Statement which is incorporated by reference into this Offer Document.

No material contracts of Allarity A/S will be materially affected by the Recapitalization Share Exchange as Allarity Delaware, directly or indirectly, will assume such contracts.

### **7.6. Disinvestment**

Upon consummation of the Recapitalization Share Exchange, no material disinvestments such as sale of significant assets will be effected nor will there be any material cancellation of future investments or disinvestments which have been previously announced by Allarity A/S.

## **8. TAX CONSIDERATIONS**

### **8.1. General**

The tax considerations described herein are only a general description of the expected tax consequences when a shareholder accepts the Offer and the description should be treated as such. The tax considerations provide no guarantee in terms of the tax treatment for any of the shareholders.

The summary is based on the applicable tax laws in Denmark and Sweden as of the date of this Offer Document and is solely intended to provide general guidelines to the shareholders (individuals and limited liability companies) on the expected Danish and Swedish tax treatment, since the tax treatment of each individual shareholder depends on such investor's particular circumstances.

All shareholders are advised to seek tax advice to assess the tax implication of the Offer- for each shareholder individually and Allarity A/S, Allarity Delaware or any company affiliated with these companies does not hold any responsibility in relation to the tax consequences for the shareholders.

### **8.2. Danish tax resident shareholders**

#### *8.2.1. Withholding taxes on Share Swap*

The share swap should by default be subject to 27% withholding tax on the gross amount of the value of the shares in Allarity Delaware received by the shareholder as the transaction should be considered a dividend (expected to be the average trading value on the first day of trading of shares in Allarity Delaware but to be determined) as the transaction for tax purposes should be considered a buy back of shares by the company issuing the shares (i.e. a share buy back by Allarity A/S). The 27% withholding tax may then subsequently be reduced to a lower rate according to an applicable double taxation agreement or EU-Directive by reclaim by the individual shareholders. Taxes withheld by Allarity A/S will therefore affect the proceeds received by each shareholder.

However, a draft approval has successfully been obtained from the Danish tax authorities to treat the share swap as a capital gain/loss on shares no withholding tax should be applied by Allarity A/S on the transfer of shares in Allarity Delaware to shareholders resident in either EU, EEA or in a country that has an exchange of information agreement with the Danish tax authorities. A final approval is expected to be issued once it is possible to provide the Danish tax authorities with a list of the shareholders that have accepted the share swap.

Any cash dividend should also be subject to 27% withholding tax by default on the gross amount which may then subsequently be reduced to a lower rate according to an applicable double taxation agreement via reclaim by the individual shareholders unless an approval is obtained. A draft approval from the Danish tax authorities has successfully been obtained for the cash dividends.

#### *8.2.2. Individuals*

Accepting the Offer should be treated as a taxable event for the Danish tax resident individual shareholders.

The transaction should by default be considered a dividend received by the individual from Allarity A/S equal to the value of the shares in Allarity Delaware. A dividend should generally be subject to taxation of up to 42% (27% not exceeding DKK 56,500 per year (2021) and 113,000 for spouses). If the transaction is considered a dividend 27% withholding tax shall be withheld by Allarity A/S and should be considered a pre-payment of the final taxes for the Danish individual shareholders. Taxes withheld by the Allarity A/S will therefore affect the proceeds received by each shareholder.

However, a draft approval has been obtained from the Danish Tax Authorities approving to treat the transaction as a taxable capital gain/loss on shares traded on a non-regulated market (in Danish: "noterede aktier"). A gain or loss on shares should also generally be subject to taxation of up to 42% (27% not exceeding DKK 56,500 per year (2021) and 113,000 for spouses), but with the possibility to deduct the tax basis when calculating the gain or loss.

Any cash compensation received due to fractional shares should be expected to be treated as a dividend by default subject to 27% withholding tax, but according to the draft approval received from the Danish tax authorities, the cash compensation should also be treated as a taxable capital gain/loss on shares traded on a non-regulated market subject to taxation of up to 42% (27% not exceeding DKK 56,500 per year (2021) and 113,000 for spouses).

Any future gains or losses on the shares in Allarity Delaware should be considered gains or losses on listed shares traded on a regulated market (in Danish: "noterede aktier") subject to taxation of up to 42% (27% not exceeding DKK 56,500 per year (2021) and 113,000 for spouses) that may only be used against gains or losses on other listed shares traded on a regulated market. Any received dividends should be taxable of up to 42% (27% not exceeding DKK 56,500 per year (2021) and 113,000 for spouses).

#### *8.2.3. Companies*

If the Danish corporate shareholder holds less than 10% of the share capital in Allarity A/S, accepting the Offer should be treated as a taxable distribution equal to the value of the shares

received in Allarity Delaware (or any cash due to fractional shares) and subject to taxation of 22%. Allarity A/S shall as a default withhold 27% (considered a prepayment of taxes), however it may be possible for the company only to withhold 22% (subject to certain shareholder documentation requirements being fulfilled).

Since the draft approval has been obtained from the Danish tax authorities, shareholders should be allowed to deduct the tax basis in the shares when calculating the capital gains/loss on shares. No withholding tax should apply if a final approval is issued by the Danish tax authorities.

The Danish corporate shareholders holding less than 10% of the share capital in Allarity A/S should be subject to mark-to-market taxation on their shares in Allarity A/S and therefore no excess tax should generally on a broad level be expected on an annual basis regardless of whether the transaction is treated as a capital gain/loss or a dividend from a Danish tax perspective tax. The key difference should mainly be a timing consideration in relation to when taxes are paid.

For shareholders that holds at least 10% of the shares in Allarity A/S, the distribution or capital gains/losses on shares should be tax exempt and no withholding tax should apply (subject to certain documentation requirements and beneficial owner requirements).

Any future dividends or capital gains/losses on shares in Allarity Delaware should be taxable subject to corporate income taxation at 22% for shareholders holding less than 10% of the share capital in Allarity Delaware based on the mark-to-market taxation principle. For corporate shareholders holding at least 10% of the share capital in Allarity Delaware any future dividends and capital gains/losses should be tax exempt.

### **8.3. Swedish tax resident shareholders**

#### *8.3.1. Individuals*

For individuals who are subject to unlimited tax liability in Sweden, capital income such as interest income, dividends and capital gains is taxed in the income category capital. The tax rate in the income category capital is 30%. When calculating whether a capital gain or capital loss arises, the overhead amount for all shares of the same type and variety shall be added together and calculated jointly using the average method. Alternatively, upon on the sale of listed shares, the tax basis may alternatively be determined as 20% of the sales proceeds. Capital losses on listed shares may be deducted in full against taxable capital gains that arise in the same year on shares and listed securities that are taxed as shares. Capital loss on unlisted shares may be deducted in the income category capital of 70% of the loss. If there is a net loss in the capital income category, a tax reduction is allowed against municipal and national income tax, as well as against real estate tax and municipal real estate charges. This tax reduction is granted at 30% of the net loss that does not exceed SEK 100,000 and at 21% of any remaining loss. Net losses incurred in one year cannot be carried forward to subsequent fiscal years.

However, for an individual who is subject to unlimited tax liability in Sweden due to his or her residence or permanent stay in Sweden arises no taxable capital gain or deductible capital loss in respect of the shares in Allarity A/S that are sold as a result of the Offer, provided that the rules on deferred taxation are applicable. In order for the rules on deferred taxation to be applicable, it is required, among other things, that Allarity Delaware owns shares in the Company corresponding

to more than 50% of the voting rights for all shares in Allarity A/S at the end of the calendar year of the sale and that the sale is made at market price.

If an individual no longer fulfils the conditions to be resident in Sweden, or in another state within the European Economic Area ("EEA"), or to reside permanently here or within the EEA and the rules on deferred taxation have been applied, the capital gain is taxed. An individual who has been resident or permanently resident in Sweden must thus report the capital gain in the year in which the residence or stay in Sweden ends. The shares received shall then be considered sold for the market value that applied at the time of the share swap.

Cash compensation (e.g. due to fractional shares) that have been received through the Offer, should be treated as a dividend subject to 30% tax.

Any liquidation proceeds in connection with a liquidation of Allarity A/S should be considered capital gains or capital losses and be taxed in accordance with above.

### *8.3.2. Companies*

For limited companies that are subject to unlimited tax liability in Sweden, all income, including taxable capital gains and dividends, is taxed as business income at a rate of 20.6% as of 1 January 2021. The capital gain or capital loss is calculated on the basis of the difference between the market value of the shares received in Allarity Delaware at the time of sale of the shares in Allarity A/S and the overhead amount (using the average method) for the shares sold in Allarity A/S. Alternatively, upon on the sale of listed shares, the tax basis may be determined as 20% of the sales proceeds.

Deductions for capital losses on shares are only allowed against capital gains on shares and other securities that are taxed as shares. Under certain circumstances, such capital losses may also be deducted against capital gains in another company in the same group, provided that the requirements for group contributions (in Swedish: koncernbidragsrätt) between the companies are met. A capital loss that cannot be utilized during a given income year may be carried forward and be offset against taxable capital gains on shares and other equity-related securities during subsequent income years, without limitation in time. However, it can be noted that special tax rules may apply to certain categories of companies or certain legal entities, such as mutual funds or special funds and investment companies.

However, to the extent that limited liability companies through the Offer exchange shares in Allarity A/S for shares in Allarity Delaware with capital gains as a result, deferral of taxation may be granted upon request, provided that certain conditions are met. For the rules on deferral to be applicable, it is required, among other things, that the sale of the shares in Allarity A/S to Allarity Delaware is made at market value and that Allarity Delaware owns shares in Allarity A/S corresponding to more than 50% of the voting rights for all shares in Allarity A/S at the end of the calendar year in which the sale of shares is carried out.

Limited companies requesting a deferral of taxation of the capital gain must report the capital gain in their tax return and make a request for deferral of taxation. The deferral amount shall be distributed equally among the shares in Allarity Delaware that have been received through the Offer. If a deferral is granted, the capital gain should be taxed at the latest when the ownership



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of the shares in Allarity Delaware is transferred or if the shares cease to exist. The taxpayer may also at any time request that the deferral amount should be taxed.

Cash compensation (e.g. due to fractional shares) that have been received through the Offer, will be subject to 20.6% tax. No deferral is possible.

Any liquidation proceeds in connection with a liquidation of Allarity A/S should be considered capital gains or capital losses and be subject to 20.6% tax.

*8.3.3. Tax credit in Sweden for Danish withholding tax*

Since a draft approval is obtained from the Danish tax authorities to treat the share swap as a capital gain/loss on shares, such a gain or loss from the sale of the shares for a Swedish tax resident should not be subject to tax in Denmark unless the Swedish tax resident hold shares in connection with a business carried out in Denmark.

A Swedish shareholder subject to unlimited taxation in Sweden will have a possibility to claim a tax credit for Danish withholding tax that has been withheld in accordance with the tax treaty between Sweden and Denmark. To be able to claim a tax credit, the general prerequisites must be fulfilled, and the Swedish taxpayer must have a sufficient threshold amount (in Swedish: spärrbelopp). The credit is normally claimed in connection to the tax return.

**9. DOCUMENTS AVAILABLE AND INCORPORATION BY REFERENCE**

**9.1. Documents Available**

The documents set out below are held available for inspection during office hours at Allarity A/S' registered office at Venlighedsvej 1, DK-2970 Hørsholm, Denmark. These documents are also available in electronic form on Allarity A/S' website: <https://allarity.com/investors/>.

- (i) Registration Statement
- (ii) Articles of Association
- (iii) Valuation Report from Ernst and Young

**9.2. Incorporated by reference**

The documents set out below are incorporated by reference and constitute an integral part of this Offer Document. The information contained on Allarity A/S' website is not included unless the information is expressly incorporated by reference.

- (i) Registration Statement
- (ii) Articles of Association

## **10. DEFINITIONS**

The following definitions have been used in this Offer Document:

3iFund	means 3i, LP, a Delaware limited partnership formed under a single family office umbrella investing in public companies that is a party to the Securities Purchase Agreement
Acquisition Subsidiary	means Allarity Acquisition Subsidiary, Inc., a Delaware corporation, with offices at 210 Broadway, Suite 201, Cambridge, Massachusetts USA, which is a wholly owned subsidiary of Allarity Delaware
Allarity A/S	means Allarity Therapeutics A/S, a Danish public limited liability company incorporated under the laws of Denmark
Allarity Delaware	means Allarity Therapeutics, Inc., a Delaware corporation, with offices at 210 Broadway, Suite 201, Cambridge, Massachusetts USA, a wholly owned subsidiary of Allarity A/S formed for the sole purpose of creating a U.S. listed holding company
Effective Date	means 20 December 2021
Exchange Ratio	means the quotient of the number of Shares in Allarity A/S divided by fifty (50) or 0.02 shares of common stock in Allarity Delaware for each Share issued and outstanding as of immediately prior to the effective date of 20 December 2021
Offer	means the voluntary offer to acquire all outstanding shares in Allarity Therapeutics A/S for an aggregate nominal amount of up to SEK 20,189,560 as well as such additional shares that may be subscribed through exercise of outstanding warrants
Offer Document	means this offer document.
Delegate Prospectus Regulation	means Commission Delegated Regulation (EU) 2021/528 of 16 December 2020 supplementing Regulation (EU) 2017/1129 of the European Parliament and of the Council as regards the minimum information content of the document to be published for a prospectus exemption in connection with a takeover by means of an exchange offer, a merger or a division

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Delaware Common Stock	means a number of shares of common stock in Allarity Delaware equal to the Exchange Ratio.
Market Abuse Regulation	means Regulation (EU) No 596/2014 of the European Parliament and of the Council of 16 April 2014 on market abuse
Offer	means the Offer as set out herein.
Prospectus Regulation	means Regulation (EU) 2017/1129 of the European Parliament and of the Council of 14 June 2017 on the prospectus to be published when securities are offered to the public or admitted to trading on a regulated market
PWC	means PricewaterhouseCoopers Statsautoriseret Revisionspartnerselskab, CVR no. 33771231, Strandvejen 44, 2900 Hellerup, Denmark
Recapitalization Share Exchange	means the recapitalization and reorganization into a U.S. holding company (Allarity Delaware a wholly owned subsidiary of Allarity A/S formed for the sole purpose of creating a U.S. listed holding company) owning, directly or indirectly, all of the assets of Allarity A/S, and application for listing on the U.S Nasdaq Stock Market of the Delaware Common Stock
Registration Statement	means the information statement/prospectus that is included in the registration statement on Form S-4 (attached hereto as Appendix A)
Reorganization Agreement	means the Plan of Reorganization and Asset Purchase Agreement with Allarity Delaware to facilitate Allarity Delaware becoming a U.S. holding company listed on the U.S. Nasdaq Stock Market
Securities Purchase Agreement	means an agreement with 3i Fund, a U.S. fund formed under a single family office umbrella investing in public companies, for a USD 20,000,000 investment
Share(s)	means all issued and outstanding shares in Allarity A/S, with a nominal value of DKK 0.05 each (each a " <b>Share</b> " and collectively " <b>Shares</b> "), for an aggregate nominal amount of up to SEK 20,189,560 as well as such additional shares that may be subscribed through exercise of outstanding warrants

**Appendix A**

Registration Statement included as a separate document.