August 3, 2017

Spectrum Pharmaceuticals Reports Second Quarter 2017 Financial Results and Pipeline Update

- **ROLONTIS™ (eflapegrastim):**
  - **BLA filing expected next year.**
  - **Enrollment completed in registrational ADVANCE Study under a Special Protocol Assessment (SPA) with the FDA. Topline results expected in Q1 2018.**
  - **A second smaller study RECOVER is enrolling patients in EU and U.S. Enrollment completion expected in Q1 2018.**
- **Poziotinib:**
  - **Interim results are expected before year end from an ongoing Phase 2 study in non-small cell lung cancer patients with exon 20 insertion mutations in EGFR or HER2. This study is being conducted at The University of Texas MD Anderson Cancer Center.**
  - **Following discussions with the FDA, the Company is initiating an additional multicenter clinical trial to expedite the development of poziotinib in this patient population.**
- **Financials**:
  - **Q2 revenues were $34.3 million, including $31.2 million in product sales.**
  - **FOLOTYN® (pralatrexate injection) was recently approved in Japan and the Company expects multiple related milestone payments totaling approximately $5 million from Mundipharma in the second half of the year.**

HENDERSON, Nev.--(BUSINESS WIRE)-- Spectrum Pharmaceuticals, Inc. (NasdaqGS: SPPI), a biotechnology company with fully integrated commercial and drug development operations with a primary focus in Hematology and Oncology, announced today financial results for the three-month period ended June 30, 2017.

"During the second quarter we made significant progress in our highest priority clinical programs and achieved solid performance across our commercial business," said Rajesh C. Shrotriya, MD, Chairman and Chief Executive Officer of Spectrum Pharmaceuticals. "We completed enrollment in ROLONTIS's ADVANCE registrational Phase 3 study ahead of schedule and enrollment in a second international study RECOVER is well under way in Europe and U.S. We are also very excited about the prospects of poziotinib in cancer patients with exon 20 insertion mutations and expect interim results from the Phase 2 lung cancer study before the end of the year. We are driven to bring our novel drugs to patients with unmet medical needs and look forward to multiple near-term development catalysts that could shape the Company's future."

Pipeline Update:

- **ROLONTIS (eflapegrastim), a novel long-acting GCSF:** A registrational Phase 3 study ADVANCE was initiated under an SPA with the FDA last year to evaluate ROLONTIS in the management of chemotherapy-induced neutropenia. The Company has completed enrollment in the ADVANCE study with 405 patients randomized and expects to report topline data in Q1 2018. To strengthen the regulatory package in the Europe and U.S., the Company is currently enrolling the 218-patient international RECOVER study. The Company continues to expect to file the BLA next year.
- **Poziotinib, a potential best-in-class, novel, pan-HER inhibitor**: An investigator sponsored trial is currently enrolling at the University of Texas MD Anderson Cancer Center in non-small cell lung cancer patients with exon 20 insertion mutations in EGFR or HER2. The study is expected to yield interim results before year end. Following discussions with the FDA, the Company is initiating an additional multicenter study in a similar patient population. Spectrum is also conducting a Phase 2 breast cancer study in the third-line setting in the U.S., based on promising Phase 1 study efficacy data in breast cancer patients who had failed multiple HER2-directed therapies. The Company is in discussions with the FDA about a combination trial of poziotinib and standard of care therapy in HER2+ breast cancer patients in the second-line setting.

- **QAPZOLA™, a potent tumor-activated drug for bladder cancer is being investigated for low and intermediate risk non-muscle invasive bladder cancer:** The Company has an SPA from the FDA for a new Phase 3 study incorporating learnings from the previous studies, as well as recommendations from the FDA. Compared to the previous program, this new Phase 3 study will include fewer evaluable patients (n=425 versus 1,557 patients), use a higher dosage of QAPZOLA (8 mg versus 4 mg), and will evaluate time-to-recurrence as the primary endpoint. Approximately 50 sites have been selected thus far for enrolling patients in the Phase 3 study and patients are currently being screened.

Three-Month Period Ended June 30, 2017 (All numbers are approximate)

GAAP Results

Total product sales were $31.2 million in the second quarter of 2017. Product sales in the second quarter included: FUSILEV® (levoleucovorin) net sales of $2.1 million, FOLOTYN® (pralatrexate injection) net sales of $11.2 million, ZEVALIN® (ibritumomab tiuxetan) net sales of $2.3 million, MARQIBO® (vinCRIStine sulfate LIPOSOME injection) net sales of $2.2 million, BELEODAQ® (belinostat) for injection net sales of $3.4 million, and EVOMELA® (melphalan) for injection net sales of $10.1 million.

Spectrum recorded a net loss of $20.5 million, or $0.26 per basic and diluted share in the three-month period ended June 30, 2017, compared to a net loss of $24.3 million, or $0.35 per basic and diluted share in the comparable period in 2016. Total research and development expenses were $15.1 million in the quarter, as compared to $14.3 million in the same period in 2016. Selling, general and administrative expenses were $17.1 million in the quarter, compared to $27.6 million in the same period in 2016.

Our June 30, 2017 cash and equivalents balance is $138.6 million. In July 2017, we sold and issued 3.2 million shares of our common stock for net proceeds of $23.7 million under our ATM. These shares and proceeds are not included in our June 30, 2017 financial statements. We have now fully utilized the ATM facility.

Non-GAAP Results

Spectrum recorded non-GAAP net loss of $8.6 million, or $0.11 per basic and diluted share in the three-month period ended June 30, 2017, compared to non-GAAP net loss of $3.7 million, or $0.05 per basic share and diluted share in the comparable period in 2016. Non-GAAP research and development expenses were $14.6 million, as compared to $12.9 million in the same period of 2016. Non-GAAP selling, general and administrative expenses were $14.5 million, as compared to $16.1 million in the same period in 2016.

Conference Call

Thursday, August 3, 2017 @ 4:30 p.m. Eastern/1:30 p.m. Pacific

Domestic: (877) 837-3910, Conference ID# 44585743
International: (973) 796-5077, Conference ID# 44585743

This conference call will also be webcast. Listeners may access the webcast, which will be available on the investor relations page of Spectrum Pharmaceuticals' website: www.sppirx.com on August 3, 2017 at 4:30 p.m. Eastern/1:30 p.m. Pacific.

About Spectrum Pharmaceuticals, Inc.

Spectrum Pharmaceuticals is a leading biotechnology company focused on acquiring, developing, and commercializing drug products, with a primary focus in Hematology and Oncology. Spectrum currently markets six hematology/oncology drugs, and has an advanced stage pipeline that has the potential to transform the Company. Spectrum's strong track record for in-licensing and acquiring differentiated drugs, and expertise in clinical development have generated a robust, diversified, and growing pipeline of product candidates in advanced-stage Phase 2 and Phase 3 studies. More information on Spectrum is available at www.sppirx.com.

Forward-looking statement - This press release may contain forward-looking statements regarding future events and the future performance of Spectrum Pharmaceuticals that involve risks and uncertainties that could cause actual results to differ materially. These statements are based on management's current beliefs and expectations. These statements include, but are not limited to, statements that relate to Spectrum's business and its future, including certain company milestones, Spectrum's ability to identify, acquire, develop and commercialize a broad and diverse pipeline of late-stage clinical and commercial products, the timing and results of FDA decisions, and any statements that relate to the intent, belief, plans or

expectations of Spectrum or its management, or that are not a statement of historical fact. Risks that could cause actual results to differ include the possibility that Spectrum's existing and new drug candidates may not prove safe or effective, the possibility that our existing and new applications to the FDA and other regulatory agencies may not receive approval in a timely manner or at all, the possibility that our existing and new drug candidates, if approved, may not be more effective, safer or more cost efficient than competing drugs, the possibility that our efforts to acquire or in-license and develop additional drug candidates may fail, our dependence on third parties for clinical trials, manufacturing, distribution and quality control and other risks that are described in further detail in the Company's reports filed with the Securities and Exchange Commission. The Company does not plan to update any such forward-looking statements and expressly disclaims any duty to update the information contained in this press release except as required by law.

SPECTRUM PHARMACEUTICALS, INC.
Condensed Consolidated Statements of Operations
(In thousands, except per share amounts)
(Unaudited)

	Three Months Ended June 30,		Six Months Ended June 30,	
	2017	**2016**	**2017**	**2016**
Revenues:				
Product sales, net	$ 31,156	$ 30,887	$ 57,001	$ 66,129
License fees and service revenue	3,145	3,062	6,401	11,686
Total revenues	34,301	33,949	63,402	77,815
Operating costs and expenses:				
Cost of product sales (excludes amortization and impairment charges of intangible assets)	11,303	5,609	19,439	11,212
Cost of service revenue	2,118	2,214	4,221	3,495
Selling, general and administrative	17,107	27,620	35,715	49,583
Research and development	15,097	14,281	29,792	29,744
Amortization and impairment charges of intangible assets	6,901	6,306	13,790	12,145
Total operating costs and expenses	52,526	56,030	102,957	106,179
Loss from operations	(18,225)	(22,081)	(39,555)	(28,364)
Other (expense) income:				
Interest expense, net	(2,131)	(2,375)	(4,182)	(4,714)
Change in fair value of contingent consideration related to acquisitions	(97)	(285)	(294)	(1,327)
Other income, net	240	340	650	618
Total other expenses	(1,988)	(2,320)	(3,826)	(5,423)
Loss before income taxes	(20,213)	(24,401)	(43,381)	(33,787)
(Provision) benefit for income taxes	(255)	106	(54)	171
Net loss	$ (20,468)	$ (24,295)	$ (43,435)	$ (33,616)
Net loss per share:				
Basic and diluted	$ (0.26)	$ (0.35)	$ (0.55)	$ (0.50)
Weighted average shares outstanding:				
Basic and diluted	78,576,260	68,575,021	78,366,610	67,146,188

SPECTRUM PHARMACEUTICALS, INC.
Condensed Consolidated Balance Sheets

(In thousands, expect per share and par value amounts)
(Unaudited)

	June 30, 2017	December 31, 2016
ASSETS		
Current assets:		
Cash and cash equivalents	$138,313	$ 158,222
Marketable securities	248	247
Accounts receivable, net of allowance for doubtful accounts of $88, respectively	41,977	39,782
Other receivables	3,950	5,754
Inventories	10,157	8,715
Prepaid expenses and other assets	4,369	3,930
Total current assets	199,014	216,650
Property and equipment, net of accumulated depreciation	517	449
Intangible assets, net of accumulated amortization and impairment charges	150,815	164,234
Goodwill	18,057	17,886
Other assets	26,684	29,549
Total assets	$395,087	$ 428,768
LIABILITIES AND STOCKHOLDERS' EQUITY		
Current liabilities:		
Accounts payable and other accrued liabilities	$ 55,617	$ 52,483
Accrued payroll and benefits	6,244	8,981
Deferred revenue	2,551	3,188
Drug development liability	153	861
Acquisition-related contingent obligations	—	—
Total current liabilities	64,565	65,513
Drug development liability, less current portion	12,410	12,269
Deferred revenue, less current portion	326	323
Acquisition-related contingent obligations	1,609	1,315
Deferred tax liabilities	6,802	6,675
Other long-term liabilities	10,451	9,604
Convertible senior notes	100,157	97,043
Total liabilities	196,320	192,742
Commitments and contingencies		
Stockholders' equity:		
Preferred stock, $0.001 par value; 5,000,000 shares authorized; no shares issued and outstanding	—	—
Series B junior participating preferred stock, $0.001 par value; 1,500,000 shares authorized; no shares issued and outstanding	—	—
Series E convertible voting preferred stock, $0.001 par value and $10,000 stated value; 2,000 shares authorized; no shares issued and outstanding.	—	—
Common stock, $0.001 par value; 175,000,000 shares authorized; 81,257,192 and 80,466,735 shares issued and outstanding at June 30, 2017 and December 31, 2016, respectively	80	80
Additional paid-in capital	646,542	640,166
Accumulated other comprehensive loss	(1,779)	(1,579)
Accumulated deficit	(446,076)	(402,641)
Total stockholders' equity	198,767	236,026
Total liabilities and stockholders' equity	$395,087	$ 428,768

Non-GAAP Financial Measures

In this press release, Spectrum reports certain historical "non-GAAP financial measures," as defined in Regulation G of the Securities Exchange Act of 1934. Non-GAAP financial measures differ from financial statements reported in conformity to U.S. generally accepted accounting principles ("GAAP"). In accordance with Regulation G, we reconciled each non-GAAP

financial measure to its most directly comparable GAAP measure. Management uses non-GAAP financial measures to assess our company's performance and allocate company resources, and believes that providing these non-GAAP financial measures allows investors to view the Company's financial results in the way that management views the financial results. We believe non-GAAP disclosures also provide investors with information used generally in our industry for evaluating operating results. Investors should not place undue reliance on non-GAAP financial measures, nor should investors consider non-GAAP financial measures as more meaningful than, or as substitutes or replacements for, financial measures prepared in accordance with GAAP.

The non-GAAP financial measures presented exclude the items summarized in the below table. Management believes that adjustments for these items assist investors in making comparisons of period-to-period operating results and that these items are not indicative of the Company's on-going core operating performance.

The non-GAAP financial measures presented herein have certain limitations in that they do not reflect all of the costs associated with the operations of the Company's business as reported under GAAP. Therefore, investors should consider non-GAAP financial measures in addition to, and not as a substitute for, or as superior to, measures of financial performance prepared in accordance with GAAP. The non-GAAP financial measures presented by the Company may be different from the non-GAAP financial measures used by other companies.

SPECTRUM PHARMACEUTICALS, INC.
Reconciliation of Non-GAAP Adjustments for Condensed Consolidated Statements of Operations
(In thousands, expect per share amounts)

	Three Months Ended June 30,		Six Months Ended June 30,	
	2017	**2016**	**2017**	**2016**
(1) GAAP product sales, net & license fees and service revenue	**$ 34,301**	**$ 33,949**	**$ 63,402**	**$ 77,815**
Non GAAP adjustments to product sales, net & license fees and service revenue:	—	—	—	(6,000)
Non-GAAP product sales, net & license fees and service revenue	**$ 34,301**	**$ 33,949**	**$ 63,402**	**$ 71,815**
(2) GAAP selling, general and administrative expenses	**$ 17,107**	**$ 27,620**	**$ 35,715**	**$ 49,583**
Non GAAP adjustments to SG&A:				
Stock-based compensation	(2,574)	(2,790)	(5,316)	(5,559)
Litigation expenses	—	(8,518)	—	(10,813)
Depreciation expense	(76)	(164)	(166)	(329)
Non-GAAP selling, general and administrative	**$ 14,457**	**$ 16,148**	**$ 30,233**	**$ 32,882**
(3) GAAP research and development	**$ 15,097**	**$ 14,281**	**$ 29,792**	**$ 29,744**
Non-GAAP adjustments to R&D:				
Stock-based compensation	(529)	(637)	(928)	(1,045)
Depreciation expense	(2)	(3)	(5)	(6)
Other R&D milestone payments	—	(770)	—	(2,826)
Non-GAAP research and development	**$ 14,566**	**$ 12,871**	**$ 28,859**	**$ 25,867**
(4) GAAP net loss	**$ (20,468)**	**$ (24,295)**	**$ (43,435)**	**$ (33,616)**
Non-GAAP adjustments to net loss:				
Adjustments to product sales, net & license fees and service revenue, SG&A, and R&D as noted above	3,181	12,882	6,415	14,578
Amortization and impairment charges of intangible assets	6,901	6,306	13,790	12,145
Adjustments to other expense, net	1,525	1,495	3,098	3,694
Adjustments to provision (benefit) for income taxes	255	(106)	54	(171)
Non-GAAP net loss	**$ (8,606)**	**$ (3,718)**	**$ (20,078)**	**$ (3,370)**
(5) GAAP loss per share (Basic and Diluted)	$ (0.26)	$ (0.35)	$ (0.55)	$ (0.50)
Non-GAAP loss per share (Basic and Diluted)				
Basic and diluted	$ (0.11)	$ (0.05)	$ (0.26)	$ (0.05)
Weighted average shares outstanding:				
Basic and diluted	78,576,260	68,575,021	78,366,610	67,146,188

(1) Non-GAAP product sales, net & license fees and service revenue: These amounts reflect adjustments to reverse revenue recognition for upfront revenue from out-licenses and revenue from milestone achievement(s) that do not consistently recur. The resulting non-GAAP revenue solely consists of our (i) product sales, (ii) percentage-based royalties from our licensees' sales, and (iii) on-going service revenue. We believe this measure of non-GAAP revenue is more indicative of the period-over-period success of our core ongoing product sales and service revenue.

(2) Non-GAAP selling, general and administrative: These amounts reflect adjustments to reverse allocated operating expenses for certain non-cash items (including stock-based compensation and depreciation), as well as the reversal of irregular operating expense items such as non-recurring legal fees and settlements. We believe the resulting non-GAAP SG&A value is more indicative of the period-over-period success of our administrative expense control, and more reflective of our normalized SG&A expense trends.

(3) Non-GAAP research and development: These amounts reflect adjustments to reverse allocated operating expenses for certain non-cash items (including stock-based compensation and depreciation), as well as non-recurring R&D milestone achievements that we record to expense for our in-licenses. We believe the resulting non-GAAP R&D value is more reflective of our true R&D expense trends.

(4) Non-GAAP net loss: These amounts reflect all non-GAAP adjustments described in (1) through (3) above, plus other non-cash and/or non-recurring items, including: (i) adjustments to reverse operating expenses for non-cash amortization and impairment of intangible assets (the reversal of these non-cash expenses allows for a clearer representation of the period-over-period success of our overall financial results and future working capital requirements); (ii) adjustments to reverse the impact of income taxes; and (iii) adjustments to reverse the impact of mark-to-market contingent consideration (although our contingent consideration results from prior acquisitions and is a part of our business strategy, these adjustments through earnings typically result from variables other than our current commercial activity or other operating performance measures that are a focus of our management), (iv) reversal of foreign exchange gains and losses (noncash), and (v) debt discount accretion expense (non-cash) for our convertible notes.

(5) Non-GAAP loss per share: These amounts reflect all non-GAAP adjustments in (1) through (4) above to present our overall non-GAAP financial results for each period on a per-share basis.

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