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UNITED STATES SECURITIES AND EXCHANGE COMMISSION
Washington, D.C. 20549

FORM 10-Q

(Mark One)

☑ **QUARTERLY REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934**

For the quarterly period ended September 30, 2007

OR

o **TRANSITION REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934**

For the transition period from _____ to _____

Commission File Number 000-28782

SPECTRUM PHARMACEUTICALS, INC.

(Exact Name of Registrant as Specified in its Charter)

Delaware	**93-0979187**
(State or other jurisdiction of incorporation or organization)	(I.R.S. Employer Identification No.)
157 Technology Drive Irvine, California	**92618**
(Address of Principal Executive Offices)	(Zip Code)

Registrant's Telephone Number, Including Area Code: (949) 788-6700

Indicate by check mark whether the Registrant (1) has filed all reports required to be filed by Section 13 or 15(d) of the Securities Exchange Act of 1934 during the preceding 12 months (or for such shorter period that the Registrant was required to file such reports), and (2) has been subject to such filing requirements for the past 90 days. Yes ☑ No o

Indicate by check mark whether the registrant is a large accelerated filer, an accelerated filer, or a non-accelerated filer. See definition of "accelerated filer and large accelerated filer" in Rule 12b-2 of the Exchange Act. (Check one):

Large accelerated filer o Accelerated filer ☑ Non-accelerated filer o

Indicate by check mark whether the Registrant is a shell company (as defined in Rule 12b-2 of the Exchange Act). Yes o No ☑

Indicate the number of shares outstanding of each of the issuer's classes of Common Stock as of the latest practicable date:

Class	**Outstanding at October 31, 2007**
Common Stock, $.001 par value	31,220,775

SPECTRUM PHARMACEUTICALS, INC.

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SPECTRUM PHARMACEUTICALS, INC.

FORM 10-Q

For the Three-month and Nine-month periods ended September 30, 2007

(Unaudited)

PART I — FINANCIAL INFORMATION

ITEM 1. Financial Statements

Statement Regarding Financial Information

The unaudited condensed consolidated financial statements of Spectrum Pharmaceuticals, Inc. included herein have been prepared by management pursuant to the rules and regulations of the Securities and Exchange Commission (SEC). Certain information normally included in the consolidated financial statements prepared in accordance with accounting principles generally accepted in the United States has been condensed or omitted pursuant to such rules and regulations. However, we believe that the disclosures are adequate to make the information presented not misleading.

We recommend that you read the unaudited condensed consolidated financial statements included herein in conjunction with the audited consolidated financial statements and notes thereto included in our Annual Report on Form 10-K for the fiscal year ended December 31, 2006, filed with the SEC on March 14, 2007.

SPECTRUM PHARMACEUTICALS, INC.

Condensed Consolidated Balance Sheets
(Unaudited)

	September 30, 2007	December 31, 2006
	(In Thousands, Except Share and Per Share Data)	
Assets		
Current Assets:		
Cash and cash equivalents	$ 3,008	$ 519
Marketable securities	62,751	50,178
Accounts Receivable, net of allowance for doubtful accounts	1,344	1,150
Prepaid expenses and other current assets	548	440
Total current assets	67,651	52,287
Property and equipment, net	772	625
Other Assets	176	205
Total assets	$ 68,599	$ 53,117
Liabilities and Stockholders' Equity		
Current Liabilities:		
Accounts payable	$ 2,522	$ 2,100
Accrued compensation	930	1,008
Accrued clinical study costs	4,926	3,125
Total current liabilities	8,378	6,233
Deferred revenue and other credits	1,005	1,035
Total liabilities	9,383	7,268
Commitments and Contingencies (Note 4)		
Minority Interest	—	20
Stockholders' Equity:		
Preferred Stock, par value $0.001 per share, 5,000,000 shares authorized:		
Series B Junior Participating Preferred Stock, 1,000,000 shares authorized, no shares issued and outstanding	—	—
Series D 8% Cumulative Convertible Voting Preferred Stock, 600 shares authorized, stated value $10,000 per share, issued and outstanding 49 shares at December 31, 2006	—	233
Series E Convertible Voting Preferred Stock, 2,000 shares authorized, stated value $10,000 per share, $2.0 million aggregate liquidation value, issued and outstanding, 170 shares at September 30, 2007 and December 31, 2006	1,048	1,048
Common stock, par value $0.001 per share, 100,000,000 shares authorized:		
Issued and outstanding, 31,095,775 and 25,217,793 shares at September 30, 2007 and December 31, 2006, respectively	31	25
Additional paid-in capital	286,853	251,880
Accumulated other comprehensive income	530	357
Accumulated deficit	(229,246)	(207,714)
Total stockholders' equity	59,216	45,829
Total liabilities and stockholders' equity	$ 68,599	$ 53,117

The accompanying notes are an integral part of these condensed consolidated financial statements.

SPECTRUM PHARMACEUTICALS, INC.

Condensed Consolidated Statements of Operations
(Unaudited)

	Three-Months Ended September 30, 2007	Three-Months Ended September 30, 2006	Nine-Months Ended September 30, 2007	Nine-Months Ended September 30, 2006
	(In Thousands, Except Share and Per Share Data)			
Revenues				
Licensing and milestone revenues	$ 3,250	$ —	$ 7,625	$ —
Product sales		92		92
Total Revenues	$ 3,250	$ 92	$ 7,625	$ 92
Operating expenses:				
Cost of product sold	$ —	$ 97	$ —	$ 97
Research and development	6,789	5,803	18,973	13,554
General and administrative	2,382	1,516	7,846	4,379
Stock-based charges	2,388	738	4,617	6,306
Total operating expenses	11,559	8,154	31,436	24,336
Loss from operations	(8,309)	(8,062)	(23,811)	(24,244)
Other income, net	927	660	2,259	1,949
Net loss before minority interest in consolidated subsidiary	(7,382)	(7,402)	(21,552)	(22,295)
Minority interest in net loss of consolidated subsidiary	—	—	20	2
Net loss	$ (7,382)	$ (7,402)	$ (21,532)	$ (22,293)
Basic and diluted net loss per share	$ (0.24)	$ (0.30)	$ (0.76)	$ (0.93)
Basic and diluted weighted average common shares outstanding	31,034,241	24,485,369	28,276,992	23,934,749
Supplemental Information				
Stock-based charges — Components:				
Research and development	$ 1,743	$ 447	$ 3,052	$ 5,233
General and administrative	645	291	1,565	1,073
Total stock based charges	$ 2,388	$ 738	$ 4,617	$ 6,306

The accompanying notes are an integral part of these condensed consolidated financial statements.

SPECTRUM PHARMACEUTICALS, INC.

Condensed Consolidated Statements of Cash Flows
(Unaudited)

	Nine-Months Ended September 30, 2007	Nine-Months Ended September 30, 2006
	(In Thousands)	
Cash Flows From Operating Activities:		
Net loss	$(21,532)	$(22,293)
Adjustments to reconcile net loss to net cash used in operating activities:		
Depreciation and amortization	187	145
Stock-based compensation	4,096	2,990
Fair value of common stock issued in connection with drug license	520	3,316
Minority interest in subsidiary	(20)	(2)
Changes in operating assets and liabilities:		
Increase in Accounts Receivable	(194)	(927)
(Increase) Decrease in other assets	(54)	138
Increase in accounts payable and accrued expenses	1,673	2,536
(Decrease) in accrued compensation and related taxes	(78)	(11)
(Decrease) in deferred revenue and other credits	(30)	825
Net cash used in operating activities	(15,432)	(13,283)
Cash Flows From Investing Activities:		
Purchases of marketable securities	(12,425)	(11,060)
Purchases of property and equipment	(334)	(161)
Net cash provided by (used in) investing activities	(12,759)	(11,221)
Cash Flows From Financing Activities:		
Proceeds from issuance of common stock and warrants, net of related offering costs and expenses	30,041	—
Proceeds from exercise of warrants	519	17
Proceeds from exercise of stock options	120	—
Net cash provided by financing activities	30,680	17
Net increase (decrease) in cash and cash equivalents	2,489	(24,487)
Cash and cash equivalents, beginning of period	519	28,750
Cash and cash equivalents, end of period	$ 3,008	$ 4,263
Supplemental Cash Flow Information:		
Interest paid	$ —	$ 3
Income taxes paid	$ —	$ 1
Schedule of Non-Cash Investing and Financing Activities:		
Fair value of common stock issued in connection with drug license	$ 520	$ 3,316
Fair value of restricted stock granted to employees and directors	$ 1,308	$ 338
Fair value of warrants issued to consultants and placement agents	$ —	$ 237
Fair value of stock issued to match employee 401k contributions	$ 129	$ 75
Preferred stock dividends paid with common stock	$ 12	$ 55

The accompanying notes are an integral part of these condensed consolidated financial statements.

SPECTRUM PHARMACEUTICALS, INC.

Notes to Condensed Consolidated Financial Statements

September 30, 2007
(Unaudited)

1. Business and Basis of Presentation

Business

Spectrum Pharmaceuticals, Inc. (the "Company") is a biopharmaceutical company engaged in the business of acquiring and advancing a diversified portfolio of drug candidates, with a focus on oncology, urology and other critical health needs for which there are currently few other treatment options.

Basis of Presentation

The accompanying unaudited condensed consolidated financial statements are prepared on a consistent basis in accordance with accounting principles generally accepted in the United States (GAAP) for interim financial information and with the instructions to Form 10-Q and Article 10 of Regulation S-X. Accordingly, they do not include all of the information and footnotes required by GAAP for complete financial statements. In the opinion of management, all adjustments (consisting of normal recurring accruals and consolidation and elimination entries) considered necessary for a fair presentation have been included. Operating results for the three-month and nine-month periods ended September 30, 2007 are not necessarily indicative of the results that may be expected for the year ending December 31, 2007. The balance sheet at December 31, 2006 has been derived from the audited financial statements at that date but does not include all of the information and footnotes required by GAAP for complete financial statements. For further information, refer to the consolidated financial statements and footnotes thereto included in our Annual Report on Form 10-K for the year ended December 31, 2006.

2. Summary of Significant Accounting Policies and Estimates

Principles of Consolidation

The consolidated financial statements include the accounts of the Company and of our wholly-owned and majority-owned subsidiaries. As of September 30, 2007, we had two subsidiaries: Spectrum Pharmaceuticals GmbH, a wholly-owned inactive subsidiary incorporated in Switzerland in April 1997; and NeoJB, LLC (NeoJB), 80% owned, organized in Delaware in April 2002. We have eliminated all significant intercompany accounts and transactions.

Investments by outside parties in our consolidated subsidiary are recorded as Minority Interest in Consolidated Subsidiary in our accounts, and stated net after allocation of income and losses in the subsidiary.

Use of Estimates

The preparation of financial statements in conformity with GAAP requires us to make estimates and assumptions that affect the reported amounts of assets, liabilities, revenues and expenses and disclosure of contingent obligations in the financial statements and accompanying notes. Our most significant assumptions are employed in estimates used in determining values of financial instruments and accrued obligations, as well as in estimates used in applying the revenue recognition policy and estimating stock-based charges. The estimation process requires assumptions to be made about future events and conditions, and as such, is inherently subjective and uncertain. Actual results could differ materially from our estimates.

Fair Value of Financial Instruments

The carrying amounts of cash and cash equivalents, marketable securities, accounts receivable, accounts payable and accrued liabilities, as reported in the balance sheets, are considered to approximate fair value given the short term maturity and/or liquidity of these financial instruments.

SPECTRUM PHARMACEUTICALS, INC.

Notes to Condensed Consolidated Financial Statements

September 30, 2007
(Unaudited)

Cash, Cash Equivalents and Marketable Securities

Cash, cash equivalents and marketable securities primarily consist of bank checking deposits, short-term treasury securities, institutional money market funds, corporate debt and equity, municipal obligations, including market auction debt securities, government agency notes, and certificates of deposit. We classify highly liquid short-term investments, with insignificant interest rate risk and maturities of 90 days or less at the time of acquisition, as cash and cash equivalents. Other investments, which do not meet the above definition of cash equivalents, are classified as either "held-to-maturity" or "available-for-sale" marketable securities, in accordance with the provisions of Financial Accounting Standards Board (FASB) Statement (SFAS) No. 115, *"Accounting for Certain Investments in Debt and Equity Securities."* Investments that we intend to hold for more than one year are classified as long-term investments.

Concentrations of Credit Risk

All of our cash, cash equivalents and marketable securities are invested at two major financial institutions. To a limited degree these investments are insured by the Federal Deposit Insurance Corporation (FDIC) and by third party insurance. However, these investments are not insured against the possibility of a complete loss of earnings or principal and are inherently subject to the credit risk related to the credit worthiness of the underlying issuer. We believe that such risks are mitigated because we invest only in investment grade securities. We have not incurred any significant credit risk losses related to such investments.

Patents and Licenses

We own or license all the intellectual property that forms the basis of our business model. We expense all licensing and patent application costs as they are incurred.

Revenue Recognition

We follow the provisions as set forth by current accounting rules, which primarily include Staff Accounting Bulletin (SAB) 104, *Revenue Recognition*, and Emerging Issues Task Force (EITF) No. 00-21, "*Accounting for Revenue Arrangements with Multiple Deliverables*." Generally, revenue is recognized when evidence of an arrangement exists, delivery has occurred or services have been rendered, the price is fixed and determinable, and collectibility is reasonably assured.

Upfront fees representing non-refundable payments received upon the execution of licensing or other agreements are recognized as revenue upon execution of the agreements where we have no significant future performance obligations and collectibility of the fees is reasonably assured. Milestone payments, which are generally based on developmental or regulatory events, are recognized as revenue when the milestones are achieved, collectibility is reasonably assured, and we have no significant future performance obligations in connection with the milestone. In those instances where we have collected fees or milestone payments but have significant future performance obligations related to the development of the drug product, we record deferred revenue and recognize it over the period of our future obligations.

Revenue from sales of product is recognized upon shipment of product when title and risk of loss have transferred to the customer, and provisions for estimates, including promotional adjustments, price adjustments, returns, and other potential adjustments are reasonably determinable. Such revenue is recorded, net of such estimated provisions, at the minimum amount of the customer's obligation to us. We state the related accounts receivable at net realizable value, with any allowance for doubtful accounts charged to general operating expenses.

SPECTRUM PHARMACEUTICALS, INC.

Notes to Condensed Consolidated Financial Statements

September 30, 2007
(Unaudited)

Research and Development

Research and development expenses are comprised of the following types of costs incurred in performing research and development activities: personnel expenses, facility costs, contract services, license fees and milestone payments, costs of clinical trials, laboratory supplies and drug products, and allocations of corporate costs. We expense all research and development activity costs in the period incurred. We review and accrue clinical study expenses based on factors such as estimates of work performed, patient enrollment, completion of patient studies and other events. Accrued clinical study costs are subject to revisions as trials progress to completion. Revisions are charged to expense in the period in which the facts that give rise to the revision become known.

Basic and Diluted Net Loss Per Share

In accordance with FASB Statement No. 128, *"Earnings Per Share"*, we calculate basic and diluted net loss per share using the weighted average number of common shares outstanding during the periods presented, and adjust the amount of net loss used in this calculation for preferred stock dividends declared during the period.

We incurred a net loss in each period presented, and as such, did not include the effect of potentially dilutive common stock equivalents in the diluted net loss per share calculation, as their effect would be anti-dilutive for all periods. Dilutive common stock equivalents would include the common stock issuable upon the conversion of preferred stock and the exercise of warrants and stock options that have conversion or exercise prices below the market value of our common stock at the measurement date. As of September 30, 2007 and 2006, all potentially dilutive common stock equivalents amounted to approximately 16 and 15 million shares, respectively.

The following data show the amounts used in computing basic loss per share for the three-month and nine-month periods ended September 30, 2007 and 2006.

	Three-Months Ended September 30, 2007	Three-Months Ended September 30, 2006	Nine-Months Ended September 30, 2007	Nine-Months Ended September 30, 2006
	(In Thousands, Except Share and Per Share Data)			
Net loss	$ (7,382)	$ (7,402)	$ (21,532)	$ (22,293)
Less:				
Preferred dividends paid in cash or stock	(10)	(26)	(12)	(81)
Income available to common stockholders used in computing basic earnings per share	$ (7,392)	$ (7,428)	$ (21,544)	$ (22,374)
Weighted average shares outstanding	31,034,241	24,485,369	28,276,992	23,934,749
Basic and diluted net loss per share	$ (0.24)	$ (0.30)	$ (0.76)	$ (0.93)

Accounting for Stock-Based Employee Compensation

Effective January 1, 2006, we adopted SFAS No. 123(R), *"Share-Based Payment,"* using the modified prospective transition method and, accordingly, did not restate the consolidated statements of operations for periods prior to January 1, 2006. This pronouncement amended SFAS No. 123, "*Accounting for Stock-Based Compensation*," and superseded Accounting Principles Board (APB) Opinion No. 25, "*Accounting for Stock Issued to Employees*." Under SFAS No. 123(R), we measure compensation cost for all stock-based awards at fair value on the date of grant and recognize compensation expense in our consolidated statements of operations over the service period that the awards are expected to vest. As permitted under SFAS No. 123(R), we have elected to recognize compensation cost for all options with graded vesting on a straight-line basis over the vesting period of the entire option.

In estimating the fair value of stock-based compensation, we use the closing market price of our common stock for stock awards, and the Black-Scholes Option Pricing Model for stock options and warrants. We estimate future

SPECTRUM PHARMACEUTICALS, INC.

Notes to Condensed Consolidated Financial Statements

September 30, 2007
(Unaudited)

volatility based on past volatility of our common stock, and we estimate the expected length of options based on several criteria, including the vesting period of the grant and the expected volatility.

Comprehensive Loss

Comprehensive loss consists of net loss and other gains and losses affecting shareholders' equity that, under GAAP, are excluded from net loss. For the Company, such items consist primarily of unrealized gains and losses on marketable equity investments and foreign currency translation gains and losses.

3. Products and Strategic Alliances

Our key products under development that represent nearer term revenue and/or development expense potential and related business alliances are described in detail in our Annual Report on Form 10-K for the year ended December 31, 2006.

The following is a brief update of the most advanced products under development as of September 30, 2007:

Satraplatin: During the nine-month period ended September 30, 2007, we recorded $7.2 million in milestone revenues from GPC Biotech AG in connection with the filing and acceptance of a New Drug Application, or NDA, by the U.S. Food and Drug Administration, or FDA, and the filing and acceptance of a Marketing Authorization Application that was filed by a sub-licensee of GPC Biotech with the European Medicines Agency, or EMEA. We paid Johnson Matthey an aggregate of $1 million in milestone payments, $500,000 on the filing of the NDA and $500,000 upon the acceptance of the NDA.

On October 30, 2007, GPC announced that the Phase 3 Satraplatin and Prednisone Against Refractory Cancer trial evaluating satraplatin for the treatment of hormone-refractory prostate cancer did not meet its primary efficacy endpoint.

ISO-Vorin™ (LFA): During the nine-month period ended September 30, 2007, we continued progression toward submitting a response to certain chemistry and manufacturing questions raised by the FDA during the review of the NDA, and in July 2007, we filed with the FDA an amendment to the NDA to address such questions. Action by the FDA is expected by early 2008. As a result of the foregoing, during the three-month period ended September 30, 2007, we recorded $520,000 as a stock-based research and development charge, which represents the fair market value of 125,000 shares of common stock issued in October 2007 as a milestone payment to Targent, LLC, from which we acquired certain rights to ISO-Vorin.

EOquin®: Under a Special Protocol Assessment procedure, we received concurrence from the FDA for the design of the Phase 3 study protocol for EOquin in non-invasive bladder cancer. The development plan for EOquin calls for two Phase 3 clinical studies. The first study began during the second quarter of 2007, and the second study began during the third quarter of 2007.

Ozarelix: In January 2007, we initiated a Phase 2b study of ozarelix for the treatment of benign prostatic hypertrophy after the FDA cleared our Investigation New Drug application, and concurred with the study protocol. On April 30, 2007, we completed enrollment in the trial.

Ortataxel: On July 20, 2007, we entered into a worldwide license agreement for ortataxel, a third-generation taxane classified as a new chemical entity that has demonstrated clinical activity against taxane-refractory tumors. We acquired these rights from Indena S.p.A., the Italian company that discovered ortataxel, and agreed to make an upfront payment, subject to certain conditions, plus regulatory and sales milestones, and royalties on future net sales. In October 2007, we paid Indena approximately $2.8 million in upfront license fees.

SPECTRUM PHARMACEUTICALS, INC.

Notes to Condensed Consolidated Financial Statements

September 30, 2007
(Unaudited)

4. Commitments and Contingencies

Facility and Equipment Leases

As of September 30, 2007, we were obligated under a facility lease and several operating equipment leases.

Minimum lease requirements for each of the next five years and thereafter, under the property and equipment operating leases, are as follows:

Year ending December 31:	Lease Commitments Amounts In Thousands
2007 (Remainder of Year)	$ 121
2008	$ 494
2009	$ 253
2010	$ 5
2011	$ —
Thereafter	$ —
	$ 873

Licensing Agreements

Almost all of our drug product candidates are being developed pursuant to license agreements that provide us with rights to certain territories to, among other things, develop, sublicense, and sell the drugs. We have out-licensed development and commercialization rights to Satraplatin, one of our drug product candidates, to GPC Biotech in exchange for upfront and milestone payments and royalties on sales of product. We are required to use commercially reasonable efforts to develop the drugs, are generally responsible for all development, patent filing and maintenance costs, sales, marketing and liability insurance costs, and are generally contingently obligated to make milestone payments to the licensors if we successfully reach development and regulatory milestones specified in the agreements. In addition, we are obligated to pay royalties and, in some cases, milestone payments based on net sales, if any, after marketing approval is obtained from regulatory authorities. Par Pharmaceutical Companies, Inc. is responsible for marketing our generic sumatriptan injection product and we will share the profits.

The potential contingent development and regulatory milestone obligations under all our licensing agreements are generally tied to progress through the FDA approval process, which approval significantly depends on positive clinical trial results. The following list is typical of milestone events: conclusion of Phase 2 or commencement of Phase 3 clinical trials; filing of new drug applications in each of the United States, Europe and Japan; and approvals from each of the regulatory agencies in those jurisdictions.

Given the uncertainty of the drug development process, we are unable to predict with any certainty when any of the milestones will occur, if at all. Accordingly, the milestone payments represent contingent obligations that will be recorded as expense when the milestone is achieved. Our potential contingent cash development and regulatory milestone obligations aggregate approximately $72 million as of September 30, 2007, assuming such milestones are achieved. We may achieve certain milestones over the next twelve months, thereby obligating us to issue up to 250,000 shares of our common stock and to pay up to approximately $6 million in cash, including the approximately $2.8 million paid to Indena in October 2007.

Service Agreements

In connection with the research and development of our drug products, we have entered into contracts with numerous third party service providers, such as clinical trial centers, clinical research organizations, data monitoring centers, and with drug formulation, development and testing laboratories. The financial terms of these agreements are varied and generally obligate us to pay in stages, depending on achievement of certain events specified in the agreements, such as contract execution, reservation of service or production capacity, actual performance of service,

or the successful accrual and dosing of patients. As of each period end, we accrue for all non-cancelable installment amounts that we are likely to become obligated to pay.

Employment Agreements

We have entered into employment agreements with two of our named executive officers, Dr. Shrotriya, President and Chief Executive Officer, and Dr. Lenaz, Chief Scientific Officer, expiring December 31, 2008 and July 1, 2008, respectively. The employment agreements automatically renew for a one-year term unless either party gives written notice of such party's intent not to renew the agreement at least 90 days prior to the commencement of the next year. The employment agreements require each officer to devote his full working time and effort to the business and affairs of the Company during the term of the agreement. The employment agreements provide for a minimum annual base salary with annual increases, periodic bonuses and option grants as determined by the Compensation Committee of the Board of Directors. They also provide for severance payments and accelerated vesting of options, upon termination of employment under certain circumstances.

Litigation

At September 30, 2007, we were in dispute with GPC Biotech. In December 2006, we filed a demand for arbitration to address our exclusion from participating in nearly $70 million in sublicense income received by GPC Biotech AG, and to address other non-monetary material violations of our license agreement with GPC, and GPC answered and counterclaimed and demanded a royalty-free license among other requests. The arbitration hearing was conducted in Boston, Massachusetts, between July 6 and July 13, 2007, and final arguments were presented on August 21.

On November 5, the arbitration panel issued a ruling whereby it dismissed all claims of each party against the other. The panel's ruling is binding according to the terms of the license agreement between us and GPC.

We are party to various other legal proceedings arising from the ordinary course of business. Although the ultimate resolution of these various proceedings cannot be determined at this time, we do not believe that such proceedings, individually or in the aggregate, will have a material adverse effect on our future consolidated results of operations, cash flows or financial condition.

5. Stockholders' Equity

Common Stock

On May 11, 2007, we sold 5,134,100 shares of our common stock at a purchase price of $6.25 per share for net cash proceeds of approximately $30 million, after placement agent fees and other offering costs of approximately $2,100,000. No warrants were issued in connection with this offering.

Common Stock Reserved for Future Issuance

As of September 30, 2007, approximately 16 million shares of common stock were issuable upon conversion or exercise of rights granted under prior financing arrangements and stock options and warrants, as follows:

Conversion of Series E preferred shares	340,000
Exercise of stock options	5,922,760
Exercise of warrants	9,703,831
Total shares of common stock reserved for future issuances	15,966,591

In the event that all the foregoing options and warrants were exercised, we would receive up to approximately $98 million from the issuance of shares of our common stock.

SPECTRUM PHARMACEUTICALS, INC.

Notes to Condensed Consolidated Financial Statements

September 30, 2007
(Unaudited)

Stock-Based Compensation

As of September 30, 2007, approximately 2.5 million incentive award shares were available for grant under our stock-based incentive award plan. Stock-based awards generally vest over periods of up to four years and have a ten-year life.

Presented below is a summary of activity, for all of our stock-based incentive award plans, during the nine-month period ended September 30, 2007:

Stock Options:

During the nine-month period ended September 30, 2007, the Compensation Committee granted stock options at exercise prices equal to or greater than the quoted price of our common stock as of the grant dates. The weighted average grant date fair value of stock options granted during the nine-month period ended September 30, 2007 was estimated at approximately $3.74, using the Black-Scholes option pricing model with the following assumptions: dividend yield of 0%; expected volatility (based on the historical volatility of our common stock) of 68.1%; risk free interest rate of 4.74%; and an expected life of five years.

	Common Stock Options	Weighted Average Exercise Price	Weighted Average Remaining Term (In Years)	Aggregate Intrinsic Value (In Thousands)
Outstanding at beginning of year	4,640,252	$ 5.86		
Granted	1,378,200	$ 6.18		
Expired	(2,454)	$23.77		
Forfeited	(11,800)	$ 5.38		
Exercised	(81,438)	$ 1.48		
Outstanding, at the end of period	5,922,760	$ 5.99	**7.58**	**$1,275**
Vested and expected to vest, at end of period	5,693,930	$ 5.99	**7.54**	**$1,272**
Exercisable, at the end of period	3,634,460	$ 6.00	**6.86**	**$1,249**

The aggregate intrinsic value in the table above represents the total difference between the Company's closing common stock price of $4.22 on September 30, 2007 and the exercise price, multiplied by the number of all in-the-money options, that would have been received by the option holders had all option holders exercised their options on September 30, 2007. This amount changes based on the fair market value of the Company's common stock.

During the nine-month period ended September 30, 2007, the stock-based charge in connection with the expensing of stock options was $3.2 million. As of September 30, 2007, there was $8.5 million of unrecognized stock-based compensation cost related to stock options which is expected to be recognized over a weighted average period of 2.37 years.

SPECTRUM PHARMACEUTICALS, INC.

Notes to Condensed Consolidated Financial Statements

September 30, 2007
(Unaudited)

Restricted Stock:

	Restricted Stock Awards	Weighted Average Grant date Fair Value
Nonvested at beginning of period	146,250	$4.25
Granted	265,000	$5.56
Vested	(133,750)	$5.22
Nonvested at the end of period	277,500	$5.03

The fair value of restricted stock awards is the grant date closing market price of our stock, and is charged to expense over the period of vesting. These awards are subject to forfeiture to the extent that the recipient's service is terminated prior to the shares becoming vested.

During the nine-month period ended September 30, 2007, the stock-based charge in connection with the expensing of restricted stock awards was $708,000. As of September 30, 2007, there was $257,000 of unrecognized stock-based compensation cost related to nonvested restricted stock awards, which is expected to be recognized over a weighted average period of 1.26 years.

401(k) Plan Matching Contribution:

During the nine-month period ended September 30, 2007, we issued 31,095 shares of common stock as the Company's match of approximately $175,000 on the 401(k) contributions of its employees during the fourth quarter of 2006, and the nine-month period ended September 30, 2007.

Warrants Activity

We have issued warrants to purchase shares of our common stock to investors as part of financing transactions, or in connection with services rendered by placement agents and consultants. Our outstanding warrants expire on varying dates through September 2013. Below is a summary of warrant activity during the nine-month period ended September 30, 2007:

	Common Stock Warrants	Weighted Average Exercise Price
Outstanding at beginning of period	9,917,077	$ 6.71
Granted	—	—
Repurchased	—	—
Exercised	(161,145)	$ 3.22
Forfeited	—	—
Expired	(52,102)	$ 57.85
Outstanding, at the end of period	9,703,831	$ 6.49
Exercisable, at the end of period	9,583,831	$ 6.51

SPECTRUM PHARMACEUTICALS, INC.

ITEM 2. Management's Discussion and Analysis of Financial Condition and Results of Operations

Note Regarding Forward-Looking Statements

This Quarterly Report on Form 10-Q contains certain forward-looking statements within the meaning of Section 27A of the Securities Act of 1933, as amended, and Section 21E of the Securities Exchange Act of 1934, as amended, in reliance upon the safe harbor provisions of the Private Securities Litigation Reform Act of 1995. Forward-looking statements include statements regarding our future product development activities and costs, the revenue potential (licensing, royalty and sales) of our product candidates, the safety and efficacy of our drug products, the regulatory success of our products, the timing and likelihood of achieving regulatory development milestones and product revenues, the sufficiency of our capital resources, and other statements containing forward-looking words, such as, "believes," "may," "could," "will," "expects," "intends," "estimates," "anticipates," "plans," "seeks," or "continues." Such forward-looking statements are based on the beliefs of the Company's management as well as assumptions made by and information currently available to the Company's management. Readers should not put undue reliance on these forward-looking statements. Forward-looking statements are inherently subject to risks and uncertainties, some of which cannot be predicted or quantified; therefore, our actual results may differ materially from those described in any forward-looking statements. Factors that might cause such a difference include, but are not limited to, those discussed below, including under "Risk Factors" as well as those discussed in our periodic reports filed with the Securities and Exchange Commission including our Annual Report on Form 10-K. These factors include, but are not limited to:

- our ability to successfully develop, obtain regulatory approvals for and market our products;
- our ability to generate and maintain sufficient cash resources to fund our business;
- our ability to enter into strategic alliances with partners for manufacturing, development and commercialization;
- efforts of our development partners;
- the ability of our manufacturing partners to meet our timelines;
- our ability to identify new product candidates;
- the timing and/or results of pending or future clinical trials;
- competition in the marketplace for our generic drugs;
- actions by the FDA and other regulatory agencies;
- demand and market acceptance for our approved products; and
- the effect of changing economic conditions.

We do not plan to update any such forward-looking statements and expressly disclaim any duty to update the information contained in this report except as required by law.

You should read the following discussion of the financial condition and results of our operations in conjunction with the condensed consolidated financial statements and the notes to those financial statements included in Item I of Part 1 of this report.

Overview

We are a biopharmaceutical company that acquires and advances a diversified portfolio of drug candidates, with a focus on oncology, urology and other unmet medical needs for which there are currently few other treatment options.

In general, we direct and pay for all aspects of the drug development process, and consequently incur the risks and rewards of drug development, which is an inherently uncertain process. To mitigate such risks, we enter into alliances where we believe that our partners can provide strategic advantage in the development, manufacturing or distribution of our drugs. In such situations, the alliance partners may share in the risks and rewards of the drug development and commercialization.

Business Outlook

Our primary business focus continues to be to acquire, develop and commercialize a portfolio of marketable prescription drug products with a mix of near-term and long-term revenue potential. The following is an update for some of our projects:

- *Satraplatin:* On October 30, 2007, our licensee, GPC Biotech AG, announced that the Phase 3 SPARC trial evaluating satraplatin for the treatment of hormone-refractory prostate cancer did not meet its primary efficacy endpoint. GPC has stated publicly that it is evaluating its future development plans for satraplatin.

  Pharmion Corporation, GPC's sublicense for Europe and certain other countries, has publicly stated that it plans to review the data from the trial and work closely with the European Medicines Agency, or EMEA, to determine the next steps for the Marketing Authorization Application that was submitted to the EMEA in June 2007.

- *ISO-Vorin™ (LFA):* In July 2007, we filed with the FDA an amendment to the NDA to address certain chemistry and manufacturing questions raised by the FDA during the review of the NDA. The FDA target date for action is in January 2008. We also plan to file an NDA amendment for the oral formulation. If we receive approval from the FDA for the use after the administration of high-dose methotrexate in treating osteogenic sarcoma, we plan to file a supplemental application for the treatment of advanced metastatic colorectal cancer in combination with 5-fluorouracil.

- *EOquin®:* In 2007, we have initiated two Phase 3 clinical studies in the United States for EOquin in non-invasive bladder cancer, and have been, and will continue to enroll patients in these trials. We have enrolled more than 170 patients into the two trials. In early 2008, we anticipate expanding one of the clinical studies to sites in Canada.

- *Ozarelix:* In January 2007, we initiated a Phase 2b study of ozarelix for the treatment of benign prostatic hypertrophy, or BPH, following a European study in 144 patients in BPH. This current study is being undertaken to help design the protocol for the registrational study in the U.S. On April 30, 2007, we completed enrollment of the trial. While we wait for the data, we are concurrently working on the design of the protocol for the registrational study which is expected to initiate in early 2008.

- *Ortataxel:* In July 2007, we entered into a worldwide license agreement for ortataxel, a third-generation taxane classified as a new chemical entity that has demonstrated clinical activity against taxane-refractory tumors. We acquired these rights from Indena S.p.A., the Italian company that discovered ortataxel, and have made an upfront payment, and are obligated to pay regulatory and sales milestones, and royalties on future net sales. Ortataxel belongs to a new generation of taxanes with the potential to be active against tumors resistant to Bristol-Myers Squibb's Taxol® (paclitaxel) and Sanofi-Aventis' Taxotere® (docetaxel). We plan to initiate a phase 2 study in non-small cell lung cancer in 2008 and to also develop and test our own oral formulation for better bioavailability.

- *SPI-1620:* In July 2007, we filed an IND application with the FDA for the use of SPI-1620 in patients with recurrent or progressive carcinoma. SPI-1620 is being developed as an adjunct to chemotherapy. In August 2007, the FDA cleared our IND paving the way to begin a Phase 1 open label, dose-escalating study assessing the safety, tolerability, pharmacokinetics and pharmocodynamic in patients with recurrent or progressive carcinoma. We anticipate initiating this study before the end of the year.

- *Sumatriptan injection:* In November 2006, we reached an agreement with GSK to settle the patent litigation relating to sumatriptan injection. The terms of the agreement provide that we may exclusively distribute authorized generic versions of certain sumatriptan injection products in the United States with an expected launch during GSK's sumatriptan pediatric exclusivity period, which begins on August 6, 2008, but with the

launch occurring not later than November 6, 2008. Par Pharmaceutical Companies, our partner for the sale and distribution of sumatriptan injection, will market the drug on our behalf.

- We expect to continue to evaluate additional promising drug product candidates for acquisition or license.

Financial Condition

Liquidity and Capital Resources

Our current business operations do not generate sufficient operating cash to finance the clinical development of our drug product candidates. Our cumulative losses, since inception in 1987 through September 30, 2007, have exceeded $220 million. We expect to continue to incur significant additional losses as we implement our growth strategy of developing marketable drug products for at least the next several years, unless they are offset, if at all, by the out-license or product sales of any of our drugs.

We believe that the approximately $66 million in cash, cash equivalents and marketable securities that we had on hand as of September 30, 2007 will allow us to fund our current planned operations for at least the next twelve months. Our long-term strategy is to generate profits from the sale and licensing of our drug products. In the next several years, we expect to supplement our cash position with: sales of ISO-Vorin, if approved by FDA; licensing revenues from out-licensing our other drug products; and profits from the sale by Par of the authorized generic versions of certain sumatriptan injection products.

However, if we are unable to generate the revenues necessary to finance our operations long-term, we may have to seek additional capital through the sale of our equity, which we may issue at any time, as appropriate. Our operations have historically been financed by the issuance of capital stock. In May 2007, we received net proceeds of approximately $30 million from the sale of 5,134,100 common shares in an offering pursuant to a shelf registration statement. In addition, we could receive a significant amount of cash from the exercise of outstanding warrants and options, if the price of our common stock appreciates. It is generally difficult to fund pharmaceutical research and development via borrowings due to the significant expenses involved, lack of revenues sufficient to service debt and the significant inherent uncertainty as to results of research and the timing of those results.

As described elsewhere in this report, as well as the risk factors in our 2006 Annual Report on Form 10-K, our drug development efforts are subject to the considerable uncertainty inherent in any new drug development. Due to the uncertainties involved in progressing through clinical trials, and the time and cost involved in obtaining regulatory approval and in establishing collaborative arrangements, among other factors, we cannot reasonably estimate the timing and ultimate aggregate cost of developing each of our drug product candidates. We are similarly unable to reasonably estimate when, if ever, we will realize material net cash inflows from sales of our drug products. Accordingly, the following discussion of our current assessment of the need for cash to fund our operations may prove too optimistic and our assessment of expenditures may prove inadequate.

Our expenditures for research and development consist of direct product specific costs (including upfront license fees, milestone payments, active pharmaceutical ingredients, clinical trials, patent related legal costs, and product liability insurance) and non-product specific, or indirect, costs. During the nine-month period ended September 30, 2007, our total research and development expenditure, excluding stock-based charges of approximately $3.1 million, was approximately $19 million, including approximately $13 million in direct costs. The principal components of such direct expenses were direct costs related to ozarelix — approximately $4.4 million, EOquin — approximately $4.9 million, and satraplatin milestones — $1 million.

While we are currently focused on advancing each of our product development programs, we anticipate that we will make determinations as to which programs, if any, to pursue and how much funding to direct to each program on an ongoing basis in response to the scientific and clinical success of each product candidate, as well as an ongoing assessment as to the product candidate’s commercial potential.

In addition to our present portfolio of drug product candidates, we continually evaluate proprietary products for acquisition. If we are successful in acquiring rights to additional products, we may pay up-front licensing fees in cash, and our research and development expenditures would likely increase.

Under our various existing licensing agreements, we are contingently obligated to make milestone payments. In connection with the development of certain in-licensed drug products, we may achieve certain of these milestones over the next twelve months. Upon successful achievement of these milestones, we will become obligated to issue

up to 250,000 shares of our common stock and pay up to approximately $6 million in cash, including the approximately $2.8 million paid to Indena in October 2007.

Net Cash used in Operating Activities

During the nine-month period ended September 30, 2007, net cash used in operations was approximately $15.4 million. Our anticipated net use of cash for operations in the fiscal year ending December 31, 2007, excluding the cost of in-licensing additional drugs, if any, is expected to range between approximately $25 and $30 million. This estimate is subject to considerable uncertainty and depends on the following key factors: continued positive results from our preclinical and clinical studies; the outcome of discussions with the FDA regarding our planned clinical trials; and the initiation of clinical trials and patient enrollment as anticipated. Further, while we do not receive any funding from third parties for research and development that we conduct, co-development agreements with other companies for any of our drug product candidates may reduce our expenses.

Net Cash Used for Investing Activities

While cash preservation is our primary investment goal, in order to maximize the interest yield on our investments, we place our cash in a variety of investments pending its use in our business. Net cash used for investing activities was approximately $12.8 million during the nine-month period ended September 30, 2007, and resulted from investment in marketable securities, of the approximately $30 million net proceeds from the May 2007 financing, offset by the conversion of marketable securities to cash for use in operations, and capital expenditures of $334,000 to support operations.

Net Cash provided by and used for Financing Activities

Net cash provided by financing activities totaled approximately $30.7 million for the nine-month period ended September 30, 2007. Approximately $30 million derived from the sale of 5,134,100 shares of common stock, and approximately $639,000 derived from the exercise of outstanding warrants for 161,145 shares of our common stock, and the exercise of stock options for 81,438 shares of our common stock.

Results of Operations

Results of Operations for the three-month period ended September 30, 2007 compared to the three-month period ended September 30, 2006

For each of the three-month periods ended September 30, 2007 and 2006, we incurred a net loss of approximately $7.4 million. The principal components of the year to year changes in line items are discussed below.

During the three-month period ended September 30, 2007, we recognized approximately $3.3 million in licensing milestone and related revenues, pursuant to our agreement with GPC Biotech. The milestones were related to the filing and acceptance of a Marketing Authorization Application by Pharmion with the EMEA. During the three-month period ended September 30, 2006 we had approximately $92,000 of product sales.

Research and development expenses increased approximately $1.0 million, from approximately $5.8 million in the three-month period ended September 30, 2006 to approximately $6.8 million in the three-month period ended September 30, 2007, due to the expanded scope of our clinical development activities, including an increase in the number of personnel, related to the two Phase 3 trials for EOquin®, which initiated during 2007.

General and administrative expenses increased by approximately $0.9 million, from approximately $1.5 million in the three-month period ended September 30, 2006 to approximately $2.4 million in the three-month period ended September 30, 2007, primarily due to increased legal expenses resulting from the arbitration we initiated against GPC Biotech, described elsewhere in this report.

Stock-based charges increased by approximately $1.7 million, from approximately $0.7 million in the three-month period ended September 30, 2006 to approximately $2.4 million in the three-month period ended September

30, 2007. $520,000 of the increase represents the fair market value of the 125,000 shares payable to Targent, LLC, pursuant to achievement of a milestone in the three-month period ended September 30, 2007. The balance of the increase, $1.2 million, represents an increase in the expensing of equity grants in accordance with SFAS 123(R).

Other income primarily consisted of net interest income of approximately $0.7 million for each of the three-month periods ended September 30, 2007 and September 30, 2006.

Results of Operations for the nine-month period ended September 30, 2007 compared to the nine-month period ended September 30, 2006

For the nine-month period ended September 30, 2007, we incurred a net loss of approximately $21.5 million compared to a net loss of approximately $22.2 million in the nine-month period ended September 30, 2006. The principal components of the year to year changes in line items are discussed below.

During the nine-month period ended September 30, 2007, we recognized approximately $7.6 million in licensing milestone and related revenues, pursuant to our agreement with GPC Biotech. The $7.2 million in milestone payments related to the acceptance by the FDA of an NDA filing by GPC Biotech, and the filing and acceptance of a Marketing Authorization Application with the EMEA. Approximately $0.4 million of the recorded revenues represent amounts received from GPC Biotech under our agreement for commissions on drug products used by GPC Biotech in clinical trials and for commercial launch. During the nine-month period ended September 30, 2006, we had $92,000 of product sales.

Research and development expenses increased approximately $5.4 million from approximately $13.6 million in the nine-month period ended September 30, 2006 to approximately $19 million in the nine-month period ended September 30, 2007, due primarily to the expanded scope of our clinical development activities, including an increase in the number of personnel related to the two Phase 3 trials for EOquin®, which initiated during 2007. Approximately $1.0 million of the increase is attributable to the payment of milestones upon the filing and acceptance of the NDA for satraplatin.

General and administrative expenses increased by approximately $3.4 million, from approximately $4.4 million in the nine-month period ended September 30, 2006 to approximately $7.8 million in the nine-month period ended September 30, 2007, primarily due to increased legal expenses resulting from the arbitration we initiated against GPC Biotech, described elsewhere in this report.

Stock-based charges decreased by approximately $1.7 million, from approximately $6.3 million in the nine-month period ended September 30, 2006 to approximately $4.6 million in the nine-month period ended September 30, 2007, primarily due to the charge in 2006 of approximately $3.3 million relating to the issuance of common stock to Targent, LLC. in connection with the acquisition of its oncology assets and the issuance of common stock to Altair Nanotechnologies, Inc. in connection with the payment of a milestone under our license agreement for RenaZorb™ and for transfer of technology related to formulation improvements to RenaZorb™ developed by Altair, offset by a charge in 2007 of $520,000 representing the fair market value of the 125,000 shares payable to Targent pursuant to achievement of a milestone in the nine-month period ended September 30, 2007 and an increase of approximately $1.2 million in the expensing of equity grants in accordance with SFAS 123(R).

Other income primarily consisted of net interest income of approximately $2.0 million for each of the nine-month periods ended September 30, 2007 and September 30, 2006.

SPECTRUM PHARMACEUTICALS, INC.

Off-Balance Sheet Arrangements

None.

Contractual and Commercial Obligations

The following table summarizes our contractual and other commitments, including obligations under facility and equipment leases, as of September 30, 2007 (in thousands):

	Total	Less than 1 Year	1-3 Years	4-5 Years	After 5 Years
Contractual Obligations (1)					
Capital Lease Obligations (2)	$ —	$ —	$ —	$ —	$ —
Operating Lease Obligations (3)	873	489	384	—	—
Purchase Obligations (4)	11,943	8,437	3,506	—	—
Contingent Milestone Obligations (5)	72,488	6,738	5,545	26,415	33,790
Total	$85,304	$15,664	$9,435	$26,415	$33,790

(1) The table of contractual and commercial obligations excludes contingent payments that we may become obligated to pay upon the occurrence of future events whose outcome is not readily predictable.

(2) As of September 30, 2007, we had no capital lease obligations.

(3) The operating lease obligations are primarily the facility lease for our corporate office, which extends through June 2009.

(4) Purchase Obligations represent the amount of open purchase orders and contractual commitments to vendors, for products and services that have not been delivered, or rendered, as of September 30, 2007.

(5) Milestone Obligations are payable contingent upon successfully reaching certain development and regulatory milestones. While the amounts included in the table above represent all of our potential cash development and regulatory milestone obligations as of September 30, 2007, given the unpredictability of the drug development process, and the impossibility of predicting the success of current and future clinical trials, the timelines estimated above do not represent a forecast of when payment milestones will actually be reached, if at all. Rather, they assume that all development and regulatory milestones under all of our license agreements are successfully met and represent our best estimates of the timelines. If the milestones are met, we believe the increase in the potential value of the related drug product will likely significantly exceed the amount of the milestone obligation.

Critical Accounting Policies and Estimates

Our discussion and analysis of our financial condition and results of operations are based upon our consolidated financial statements, which have been prepared in accordance with accounting principles generally accepted in the United States. The preparation of these financial statements requires us to make estimates and judgments that affect the reported amounts of assets, liabilities, revenues and expenses, and related disclosure of contingent assets and liabilities. The estimation process requires assumptions to be made about future events and conditions, and is consequently inherently subjective and uncertain. Actual results could differ materially from our estimates. On an on-going basis, we evaluate our estimates, including cash requirements, by assessing: planned research and development activities and general and administrative requirements; required clinical trial activity; market need for our drug candidates; and other major business assumptions.

SPECTRUM PHARMACEUTICALS, INC.

The SEC defines critical accounting policies as those that are, in management's view, most important to the portrayal of our financial condition and results of operations and most demanding of our judgment. We consider the following policies to be critical to an understanding of our consolidated financial statements and the uncertainties associated with the complex judgments made by us that could impact our results of operations, financial position and cash flows.

Cash, Cash Equivalents and Marketable Securities

Cash, cash equivalents and marketable securities primarily consist of bank checking deposits, short-term treasury securities, institutional money market funds, corporate debt and equity, municipal obligations, including market auction debt securities, government agency notes, and certificates of deposit. We classify highly liquid short-term investments, with insignificant interest rate risk and maturities of 90 days or less at the time of acquisition, as cash and cash equivalents. Investments that do not meet the above definition of cash equivalents are classified as either "held-to-maturity" or "available-for-sale" marketable securities, in accordance with the provisions of Financial Accounting Standards Board, or FASB, Statement, or SFAS, No. 115, "*Accounting for Certain Investments in Debt and Equity Securities*." Investments that we intend to hold for more than one year are classified as long-term investments.

Patents and Licenses

We own or license all the intellectual property that forms the basis of our business model. We expense all licensing and patent application costs as they are incurred.

Revenue Recognition

We follow the provisions as set forth by current accounting rules, which primarily include Staff Accounting Bulletin (SAB) 104, "*Revenue Recognition*," and Emerging Issues Task Force (EITF) No. 00-21, "*Accounting for Revenue Arrangements with Multiple Deliverables*." Generally, revenue is recognized when evidence of an arrangement exists, delivery has occurred or services have been rendered, the price is fixed and determinable, and collectibility is reasonably assured.

Up-front fees representing non-refundable payments received upon the execution of licensing or other agreements are recognized as revenue upon execution of the agreements where we have no significant future performance obligations and collectibility of the fees is reasonably assured. Milestone payments, which are generally based on developmental or regulatory events, are recognized as revenue when the milestones are achieved, collectibility is reasonably assured, and we have no significant future performance obligations in connection with the milestone. If we have collected fees or milestone payments but have significant future performance obligations related to the development of the drug product, we record deferred revenue and recognize it over the period of our future obligations.

Revenue from sales of product is recognized upon shipment of product when title and risk of loss have transferred to the customer and provisions for estimates, including promotional adjustments, price adjustments, returns, and other potential adjustments are reasonably determinable. Such revenue is recorded, net of such estimated provisions, at the minimum amount of the customer's obligation to us. We state the related accounts receivable at net realizable value, with any allowance for doubtful accounts charged to general operating expenses.

Research and Development

Research and development expenses are comprised of the following types of costs incurred in performing research and development activities: personnel expenses; facility costs; contract services; license fees and milestone payments; costs of clinical trials; laboratory supplies and drug products; and allocations of corporate costs. We expense all research and development activity costs in the period incurred. We review and accrue clinical study expenses based on factors such as estimates of work performed, patient enrollment, completion of patient studies and other events. Accrued clinical study costs are subject to revisions as trials progress to completion. Revisions are charged to expense in the period in which the facts that give rise to the revision become known.

Accounting for Stock-Based Employee Compensation

Effective January 1, 2006, we adopted SFAS No. 123(R), *"Share-Based Payment,"* using the modified prospective transition method, and, accordingly, we did not restate the consolidated statements of operations for periods prior to January 1, 2006. This pronouncement amended SFAS No. 123, "*Accounting for Stock-Based Compensation*," and superseded Accounting Principles Board (APB) Opinion No. 25, "*Accounting for Stock Issued to Employees*." Under SFAS No. 123(R), we measure compensation cost for all stock-based awards at fair value on the date of grant and recognize compensation expense in our consolidated statements of operations over the service period that the awards are expected to vest. As permitted under SFAS No. 123(R), we have elected to recognize compensation cost for all options with graded vesting on a straight-line basis over the vesting period of the entire option.

In estimating the fair value of stock-based compensation, we use the quoted market price of our common stock for stock awards and the Black-Scholes Option Pricing Model for stock options and warrants. We estimate future volatility based on past volatility of our common stock, and we estimate the expected length of options based on several criteria, including the vesting period of the grant and the expected volatility.

New Accounting Pronouncements

In July 2006, the FASB issued FASB Interpretation No. 48, *"Accounting for Uncertainty in Income Taxes, an interpretation of FASB Statement No. 109"* (FIN 48). FIN 48 clarifies the accounting for uncertainty in income taxes by prescribing the recognition threshold a tax position is required to meet before being recognized in the financial statements. It also provides guidance on derecognition, classification, interest and penalties, accounting in interim periods, disclosure, and transition. FIN 48 was effective for fiscal years beginning after December 15, 2006. The adoption of FIN 48 did not have a material impact on our financial statements.

In September 2006, FASB Statement No. 157 Fair Value Measurement, or SFAS 157, was issued. This Statement defines fair value, establishes a framework for measuring fair value in generally accepted accounting principles, or GAAP, and expands disclosures about fair value measurements. The Statement is effective January 1, 2008 for the company. We do not expect the implementation of SFAS 157 to have a material impact on our financial statements.

In February 2007, FASB Statement No. 159, The Fair Value Option for Financial Assets and Financial Liabilities, including an amendment of FASB Statement No. 115, or SFAS 159, was issued. This Statement permits us to choose to measure many financial instruments and certain other items at fair value. It also establishes presentation and disclosure requirements. This Statement is effective January 1, 2008 for the company. We are currently evaluating the impact, if any, this standard will have on our financial statements.

In June 2007, EITF 07-3 Accounting for Nonrefundable Advance Payments for Goods or Services Received for Use in Future Research and Development Activities, or EITF 07-3, was issued. EITF 07-3 provides that nonrefundable advance payments made for goods or services to be used in future research and development activities should be deferred and capitalized until the related goods or services are delivered or are performed, when the amounts would be recognized as an expense. This standard is effective for new contracts entered into after January 1, 2008. We are currently evaluating the potential impact, if any, this standard will have on our financial statements.

ITEM 3. Quantitative and Qualitative Disclosures About Market Risk

We are exposed to certain market risks associated with interest rate fluctuations and credit risk on our cash equivalents and marketable securities, which investments are entered into for purposes other than trading. While the primary objective of our investment activities is to preserve principal, we seek to maximize yields without significantly increasing risk. We do not utilize hedging contracts or similar instruments.

Our primary exposures relate to (1) interest rate risk on our investment portfolio, and (2) credit risk of the companies' bonds in which we invest. We manage interest rate risk on our investment portfolio by matching scheduled investment maturities with our cash requirements.

Our investments as of September 30, 2007 are primarily in floating rate securities, short-term government securities and money market accounts. Because of our ability to redeem these investments at par with short notice, changes in interest rates would have an immaterial effect on the fair value of these investments. If a 10% change in interest rates were to have occurred on September 30, 2007, any decline in the fair value of our investments would not be material. In addition, we are exposed to certain market risks associated with credit ratings of corporations whose corporate bonds we may purchase from time to time. If these companies were to experience a significant detrimental change in their credit ratings, the fair market value of such corporate bonds may significantly decrease. If these companies were to default on these corporate bonds, we may lose part or our entire principal. We believe that we effectively manage this market risk by diversifying our investments and selecting securities that generally have third party insurance coverage in the event of default by the issuer.

In addition, we are exposed to foreign currency exchange rate fluctuations relating to payments we make to vendors, suppliers and license partners using foreign currencies. In particular, we have foreign expenses associated with our ongoing clinical studies in Europe, where some of our obligations are incurred in Euros. We mitigate such risk by maintaining a limited portion of our cash in Euros. Although fluctuations in exchange rates affect on our payment obligations, they have not materially affected on our financial condition or results of operations as of or for the nine-month period ended September 30, 2007.

ITEM 4. Controls and Procedures

We have established disclosure controls and procedures (as such terms are defined in Rules 13a-15(e) and 15d-15(e)) under the Securities Exchange Act of 1934, as amended, or the Exchange Act), that are designed to ensure that information required to be disclosed in our Exchange Act reports is recorded, processed, summarized and reported within the time periods specified in the SEC's rules and forms, and that such information is accumulated and communicated to our management, including our Chief Executive Officer (our principal executive officer) and Vice President Finance (our principal financial officer), as appropriate, to allow for timely decisions regarding required disclosure. In designing and evaluating the disclosure controls and procedures, our management is required to apply its judgment in evaluating the cost-benefit relationship of possible controls and procedures. Our disclosure controls and procedures are designed to provide a reasonable level of assurance of reaching our desired disclosure control objectives.

As required by Rule 13a-15(b) under the Exchange Act, we carried out an evaluation, under the supervision and with the participation of our management, including our Principal Executive Officer and our Principal Financial Officer, of the effectiveness of our disclosure controls and procedures as of September 30, 2007, the end of the period covered by this report, or the Evaluation Date. Based on the foregoing, our Principal Executive Officer and Principal Financial Officer concluded that our disclosure controls and procedures were effective as of the Evaluation Date.

There has been no change in our internal control over financial reporting during our most recent fiscal quarter that has materially affected, or is reasonably likely to materially affect, our internal control over financial reporting.

SPECTRUM PHARMACEUTICALS, INC.

PART II — OTHER INFORMATION

ITEM 1. Legal Proceedings

Arbitration with GPC Biotech

In December 2006, we filed a demand for arbitration to address our exclusion from participating in nearly $70 million in sublicense income received by GPC Biotech AG, and to address other non-monetary material violations of our license agreement with GPC, and GPC answered and counterclaimed and demanded a royalty-free license among other requests. The arbitration hearing was conducted in Boston, Massachusetts, between July 6 and July 13, 2007, and final arguments were presented on August 21. On November 5, the arbitration panel issued a ruling whereby it dismissed all claims of each party against the other. The panel's ruling is binding according to the terms of the license agreement between us and GPC.

Additional information regarding this arbitration can be found in our Annual Report on Form 10-K filed with the Securities and Exchange Commission on March 14, 2007, and our Quarterly Reports on Form 10-Q filed on May 2, 2007 and August 9, 2007.

Other

We are involved in various other legal proceedings arising from the ordinary course of business.

ITEM IA. Risk Factors

There have been no material changes in our assessment of risk factors affecting our business since those presented in our Annual Report on Form 10-K, Item 1A, for the fiscal year December 31, 2006, and in our Quarterly Report on Form 10-Q, Item 1A, for the quarter ended March 31, 2007, as filed with the SEC.

ITEM 2. Unregistered Sales of Equity Securities and Use of Proceeds

On October 15, 2007, as required by an asset purchase agreement with Targent, Inc. ("Targent"), we issued 125,000 shares of our common stock as directed by Targent. We acquired the oncology assets of Targent in March 2006, and our asset purchase agreement with Targent requires us to issue shares as directed by Targent upon the achievement of certain milestones. The first such milestone was achieved this quarter. We received no cash proceeds in connection with this issuance. We believe the issuance of the shares was exempt from registration under the Securities Act of 1933, as amended (the "Securities Act"), pursuant to Section 4(2) of the Securities Act. We made no solicitation in connection with the issuance of the shares; we obtained representations from Targent regarding its status as an accredited investor; and Targent had access to adequate information about us in order to make an informed investment decision. No underwriting discounts or commissions were paid in conjunction with the issuance.

ITEM 3. Defaults Upon Senior Securities

None

ITEM 4. Submission of Matters to a Vote of Security Holders

Information regarding our Annual Meeting of Stockholders on July 20, 2007, was provided in Part II, Item 4, of our quarterly report on Form 10-Q filed with the Securities and Exchange Commission on August 9, 2007.

ITEM 5. Other Information (not previously reported in a Form 8-K)

None

ITEM 6. Exhibits

Exhibit No.	Description
10.1	2003 Amended and Restated Incentive Award Plan. (Filed as Exhibit 10.3 to Form 10-Q, as filed with the Securities and Exchange Commission on August 9, 2007, and incorporated herein by reference.)
10.2 *	Summary of Director Compensation. (Filed as Exhibit 10.4 to Form 10-Q, as filed with the Securities and Exchange Commission on August 9, 2007, and incorporated herein by reference.)

SPECTRUM PHARMACEUTICALS, INC.

Exhibit No.	Description
10.3 + #	First Amendment to License Agreement Dated August 28, 2001 between Johnson Matthey PLC and Registrant dated September 30, 2002. (Filed as Exhibit 10.8 to Form 10-Q, as filed with the Securities and Exchange Commission on November 13, 2002.)
10.4 + #	License Agreement by and between the Registrant and Indena, S.p.A. dated as of July 17, 2007.
31.1+	Certification of Principal Executive Officer, pursuant to Rule 13a-14 promulgated under the Exchange Act, as created by Section 302 of the Sarbanes-Oxley Act of 2002.
31.2+	Certification of Principal Financial Officer, pursuant to Rule 13a-14 promulgated under the Exchange Act, as created by Section 302 of the Sarbanes-Oxley Act of 2002.
32.1+	Certification of Principal Executive Officer, pursuant to 18 U.S.C. Section 1350, as created by Section 906 of the Sarbanes-Oxley Act of 2002.
32.2+	Certification of Principal Financial Officer, pursuant to 18 U.S.C. Section 1350, as created by Section 906 of the Sarbanes-Oxley Act of 2002.

* Indicates a management contract or compensatory plan or arrangement.

\+ Filed herewith

\# Confidential portions omitted and filed separately with the U.S. Securities and Exchange Commission pursuant to Rule 24b-2 promulgated under the Securities Exchange Act of 1934, as amended.

SPECTRUM PHARMACEUTICALS, INC.

SIGNATURES

Pursuant to the requirements of the Securities Exchange Act of 1934, the Registrant has duly caused this report to be signed on its behalf by the undersigned thereunto duly authorized.

SPECTRUM PHARMACEUTICALS, INC.

Date: November 9, 2007

By: /s/ Shyam K. Kumaria
Shyam K. Kumaria, Vice President, Finance
(Authorized Signatory and Principal Financial and Accounting Officer)

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\+ Filed herewith

\# Confidential portions omitted and filed separately with the U.S. Securities and Exchange Commission pursuant to Rule 24b-2 promulgated under the Securities Exchange Act of 1934, as amended.

Pursuant to 17 CFR 240.24b-2, confidential information has been omitted in places marked "[Intentionally Redacted]" and has been filed separately with the Securities and Exchange Commission pursuant to a Confidential Treatment Application filed with the Commission.

EXHIBIT 10.3

FIRST AMENDMENT TO LICENCE AGREEMENT
DATED AUGUST 28, 2001 BETWEEN
JOHNSON MATTHEY PLC
AND
NEOTHERAPEUTICS, INC.

This First Amendment to License Agreement ("FIRST AMENDMENT") is entered into and effective this 30th day of September 2002 by and between Johnson Matthey PLC, a company organised under the laws of England and Wales whose registered office is at 2-4 Cockspur Street, Trafalgar Square, London, SW1Y 5BQ, England, acting for itself and for its AFFILIATES including particularly Johnson Matthey, Inc (collectively, "LICENSOR"), and NeoTherapeutics, Inc., a corporation organized under the laws of the State of California, United States of America whose principal place of business is at 157 Technology Drive, Irvine, California 92618, United States of America with reference to the following facts and on the following terms and conditions.

RECITALS

(A) Effective August 28, 2001, LICENSOR and LICENSEE entered into the License Agreement (the "LICENSE") pursuant to which LICENSOR granted a license for the use of technical information relating to the use of platinum complex JM216 in the treatment of tumor cells as well as for the use of the PATENT RIGHTS (as defined in the LICENSE). All defined terms in this FIRST AMENDMENT (as set forth in capital letters) shall have the same meaning as set forth in the LICENSE.

(B) The parties now wish to amend and modify the LICENSE on the terms and conditions as set forth in this FIRST AMENDMENT.

Now therefore, for good and valuable consideration, the parties agree as follows:

(1) ARTICLE I

Paragraph 16 of Article I of the LICENSE shall be amended to read as follows:

TERM: the term commencing on the EFFECTIVE DATE and terminating on a country-by-country basis upon the expiry of the last to expire of the patents granted in each such country which have expiration dates specified on Schedule A. The date of expiration of a patent described in this Section shall include any extension granted to LICENSOR by virtue of any continuation, continuations-in-part and divisional applications, including reissues and reexamination applications and patents and reexamination certificates, patent term extensions, Supplemental Protection Certificates or like term extensions issuing to LICENSOR in any country.

(2) ARTICLE II

Paragraph 1 of Article II of the LICENSE shall be amended to read as follows:

1. Subject to Article II.3 below, the LICENSOR agrees to grant and hereby grants to the LICENSEE an exclusive worldwide royalty-bearing revocable right and licence, with rights to sublicence, under the PATENT RIGHTS to use PLATINUM COMPLEXES, the LICENSOR'S INFORMATION and the LICENSOR'S ONGOING INFORMATION to make, have made, use, offer to sell, and have sold PRODUCTS for use within the FIELD.

Paragraph 2 of Article II of the LICENSE shall be amended to read as follows:

2. The LICENSEE shall be entitled to sub-license any THIRD PARTY under rights granted under Article II.1 hereof provided that the LICENSEE shall remain responsible for all acts and omissions of such sub-licensee as though they were by the LICENSEE. In particular, the LICENSEE shall be responsible to the LICENSOR for payments due in respect of sales by sub-licensees as though they were sales by LICENSEE. The terms of any sub-license agreement shall provide that upon termination of this Agreement, any

sub-licensee shall attorn to and accept the LICENSOR in place of the LICENSEE such that any sub-license shall be deemed an agreement between the LICENSOR and sub-licensee.

(3) ARTICLE III

Paragraph 1 of Article III of the LICENSE shall be amended to read as follows:

1. The LICENSEE, its AFFILIATES and sub-licensees shall diligently perform research and development on the use of JM 216 and other PLATINUM COMPLEXES within the FIELD and on the formulation of PRODUCTS. The LICENSEE, its AFFILIATE and sub-licensees shall exercise in the performance of such research technical skill and competence of a high calibre.

(4) ARTICLE IV

Article IV of the LICENSE shall be amended to read as follows:

1. The LICENSEE, its AFFILIATES and sub-licensees shall use its best efforts to test, evaluate and develop PRODUCTS so as to meet the objectives detailed hereunder:

Objective

1 Submission of NDA to US FDA (hereinafter called the ‘First MILESTONE’)

2 Acceptance of NDA by US FDA (hereinafter called the ‘Second MILESTONE’)

3 Receipt of US FDA approval of NDA (hereinafter called the ‘Third MILESTONE’)

4 Approval in the first European Union state of a new drug application (hereinafter called the ‘Fourth MILESTONE’)

5 Approval by US FDA of JM216 for the first indication other than the indication approved in Objective 2. (hereinafter called the ‘Fifth MILESTONE’)

6 Approval in the first European Union state of JM216 for the first indication other than the indication approved in Objective 3. (hereinafter called the `Sixth MILESTONE’)

(5) ARTICLE V

Paragraphs 1 through 5, inclusive of Article V of the LICENSE shall be amended to read as follows:

1. The LICENSOR acknowledges receipt of US$100,000 which was paid by LICENSOR on the EFFECTIVE DATE;

2. The LICENSOR acknowledges receipt of US$150,000 as required by Article V.2 of the LICENSE.

3. Within 30 (thirty) days of the date of the attainment of each MILESTONE by the LICENSEE, an AFFILIATE or sub-licensee, the LICENSEE shall pay to the LICENSOR the following sums:

(i) the First MILESTONE:	Issuance of shares of LICENSEE’s restricted common stock in accordance with Section 9 of this First Amendment
(ii) the Second MILESTONE	US$500,000
(iii) the Third MILESTONE:	[Intentionally Redacted]
(iv) the Fourth MILESTONE:	[Intentionally Redacted]
(v) the Fifth MILESTONE:	[Intentionally Redacted]
(vi) the Sixth MILESTONE:	[Intentionally Redacted]

In no event will LICENSEE be liable for more than one payment upon the occurrence of each MILESTONE.

4. The LICENSEE shall during the TERM of this Agreement pay to the LICENSOR a royalty calculated at the rate set forth below of the NET SALES VALUE of all PRODUCTS sold or otherwise supplied for use whether within the FIELD or outside the FIELD for money or money's worth by LICENSEE or any AFFILIATE or sublicensee thereof; provided, however, that in any country in the TERRITORY where a GENERIC PRODUCT is sold in competition with the PRODUCT, the royalty payable to LICENSOR with respect to NET SALES of such PRODUCTS in such country shall be reduced to 0%, commencing with the calendar quarter during which any such GENERIC PRODUCT first becomes available in competition with the PRODUCT in such country.

Royalty Rate NET SALES during calendar year

[Intentionally Redacted]

5. Payments due under Article V.4 shall be made within 45 days of the end of each calendar quarter in respect of royalties accruing on PRODUCTS invoiced in that calendar quarter. Paragraphs 7 and 8 of Article V of the LICENSE shall be amended to read as follows:

7. The LICENSEE agrees during for a period of three (3) years following the accrual of any royalty it will keep and maintain accurate records and books of account containing all data necessary for determination of royalties payable under this Agreement, including records and books of account relating to sales of PRODUCTS by sub-licensees, which records and books of account of LICENSEE shall upon reasonable notice by LICENSOR be open at all reasonable times during reasonable business hours for inspection by an independent accountant appointed by LICENSOR for the purpose of verifying the accuracy of the LICENSEE's reports hereunder. Such accountant shall be entitled to take copies solely of LICENSEE's records pertaining to such reports as LICENSOR's

expense. The LICENSEE shall ensure that its sub-licensees (if any) also keep true and accurate records and books of account containing all data necessary for the determination of royalties payable in respect of their activities and shall ensure that such records and books of account shall upon reasonable notice by the LICENSOR be open for inspection at all reasonable times during business hours for inspection by such independent accountant no less than once per year for purposes of verifying the accuracy of the LICENSEE'S reports hereunder.

8. The LICENSEE shall submit to the LICENSOR within 45 days of the end of each calendar quarter a statement setting forth with respect to the operations of the LICENSEE hereunder, as well as with regard to each sub-licensee during that period, the quantity of PRODUCTS made and sold and the NET SALES VALUE of all PRODUCTS sold together with payments due.

(6) ARTICLE VII

Paragraph 6 of Article VII of the LICENSE shall be amended by inserting the following after the first sentence:

LICENSOR further represents and warrants that it is not aware of any patents, whether granted to LICENSOR, an AFFILIATE, or any THIRD PARTY, which would be infringed by: (i) the making, using and selling of any PRODUCT; (ii) or utilization of any PLATINUM COMPLEX by LICENSEE in accordance with the license granted by this AGREEMENT; or (iii) the metabolites of JM216. To the best of LICENSOR's knowledge and belief, the practice of the PATENT RIGHTS and the exercise of the rights granted LICENSEE under Article II.1 do not infringe upon or conflict with any patent, copyright or other proprietary right of any THIRD PARTY.

(7) ARTICLE IX

The first sentence of Paragraph 1 of Article IX of the LICENSE shall be amended by to read as follows:

1. During the continuance of this Agreement the LICENSEE, its AFFILIATES, and its sub-licensees shall:

(8) ARTICLE XI.

Paragraph 3 of Article XI shall be amended to read as follows

3. Intentionally deleted.

Subparagraph 8.3 of Article XI shall be amended to read as follows:

8.3 Upon any termination of this Agreement, sublicenses granted by the LICENSEE shall be automatically assigned to the LICENSOR which shall thereafter receive all benefits and have all obligations under the sublicenses as in place and stead of the LICENSEE.

(9) ISSUANCE OF LICENSEE SHARES TO LICENSOR; INVESTMENT REPRESENTATIONS; VOTING TRUST; PIGGYBACK REGISTRATION RIGHTS

[Intentionally Redacted]

(10) GENERAL PROVISIONS

(a) This FIRST AMENDMENT may be executed in two or more counterparts, including facsimile signatures, each of which will be deemed an original, but all of which together will constitute one and the same instrument.

(b) This FIRST AMENDMENT and the AGREEMENT constitute the complete and integrated agreement of the parties with respect to the subject matter hereof and

thereof. Except as provided in this FIRST AMENDMENT, the AGREEMENT will remain in full force and effect and unchanged in all other respects.

(c) LICENSOR represents that it is not aware of any default by LICENSEE under the Agreement.

The parties have caused this FIRST AMENDMENT to be executed by their respective authorized representatives effective as of the date first set forth above.

LICENSOR Johnson Matthey PLC	LICENSEE NeoTherapeutics, Inc.
By: /s/ Ian Wishart	By: /s/ Rajesh Shrotriya
Its: Group Patents and Licensing Controller	Its: Chairman, CEO and President

Pursuant to 17 CTR 240.24b-2, confidential information has been omitted in places marked "[***]" and has been filed separately with the Securities and Exchange Commission pursuant to a Confidential Treatment Application filed with the Commission.

EXHIBIT 10.4

LICENSE AGREEMENT

by and between

INDENA SPA

and

SPECTRUM PHARMACEUTICALS, INC.

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LICENSE AGREEMENT

This License Agreement (this **"Agreement"**) is entered into as of July 17, 2007 (the **"Effective Date"**), by and between **SPECTRUM PHARMACEUTICALS, INC.** (**"Spectrum"**), a Delaware corporation having offices at 157 Technology Drive, Irvine, CA 92618 and **INDENA SPA** (**"Indena"**), an Italian company having offices at Viale Ortles 12, 20139 Milano, Italy. Indena and Spectrum may each be referred to herein individually as a **"Party"** and collectively as the **"Parties."**

RECITALS

A. WHEREAS, Indena owns the rights to a compound known as IDN 5109 used in treating cancer in humans and has acquired and developed certain know-how concerning such compound.

B. WHEREAS, IDN 5109 is the subject of patents in the United States, the European Union and Japan.

C. WHEREAS, Spectrum is engaged in the development and marketing, sale and licensing of pharmaceutical products and desires to have access to the IDN 5109 and Indena's know how relating to IDN 5109.

D. WHEREAS, the Parties desire to enter into a license agreement whereby Spectrum shall obtain the exclusive right to develop and commercialize IDN 5109 as the active ingredient in products for all uses worldwide.

NOW, THEREFORE, in consideration of the mutual covenants and conditions set forth herein, Indena and Spectrum hereby agree as follows:

AGREEMENT

1. DEFINITIONS. In addition to terms defined elsewhere in this Agreement, whenever used herein the following capitalized terms shall have the meaning set forth below.

1.1 Affiliate. The term "Affiliate" shall mean any entity which directly or indirectly controls, is controlled by, or is under common control with Spectrum or Indena, as applicable. The term "control" as used in this definition means having (i) more than fifty percent (50%) ownership of the assets, profit interest or outstanding voting securities or (ii) the power to direct or cause the direction of the management and the policies of an entity, whether by contract or otherwise.

1.2 cGMP. The term “cGMP” means all applicable standards relating to manufacturing practices for fine chemicals, intermediates, bulk products or finished pharmaceutical products including (i) ICH Q7a, U.S. cGMP 21CFR Parts 210 & 211, The Rules Governing Medicinal Products in the European Community, Volume IV Good Manufacturing Practice for Medicinal Products, and the principles detailed in the Japanese Pharmaceutical Affairs Law and Japanese Ministerial Ordinance 136, as each may be amended from time to time and (ii) statutes, rules, regulations or guidance documents (including but not limited to advisory opinions, compliance policy guides and guidelines) promulgated by any Regulatory Authority having jurisdiction over the manufacture of the Licensed Compound and the Products.

1.3 Confidential Information. The term “Confidential Information” shall mean all know-how, trade secrets and other proprietary or confidential information of a disclosing Party or held by the disclosing Party, which may be disclosed from one Party to the other Party at any time and from time to time during the term of this Agreement. “Confidential Information” shall include the terms of this Agreement as well as any proprietary or confidential information that is jointly owned by the Parties. Information shall not be considered Confidential Information to the extent such information:

(a) is known by the receiving Party at the time of its receipt, and not through a prior disclosure by the disclosing Party, as documented by business records;

(b) is properly in the public domain;

(c) is subsequently disclosed to the receiving Party by a Third Party who may lawfully do so and is not under an obligation of confidentiality to the disclosing Party; or

(d) is developed by the receiving party independently of Confidential Information received from the disclosing Party, as documented by research and development records.

Nothing in this definition shall preclude a Party from use or disclosure of any proprietary or Confidential Information owned by that Party where the other Party has no rights of ownership.

1.4 Controlled. The term “Controlled” shall mean possessing the ability to grant a license or sublicense without violating (i) any applicable law or governmental regulation or (ii) the terms of an agreement with a Third Party that has an effective date which predates the Effective Date hereof.

1.5 DMF. The term “DMF” shall mean the documentation submitted to a Regulatory Authority that is used to provide confidential detailed information about facilities, processes, or articles used in the manufacturing, processing, packaging, and storing of API for pharmaceutical use.

1.6 EMEA. The term “EMEA” shall mean the European Agency for the Evaluation of Medicinal Products (European Medicines Agency), any successor agency thereto or any equivalent replacement agency having substantially the same functions.

1.7 Event of Default. The term “Event of Default” shall have the meaning set forth in Section 10.3.1 of this Agreement.

1.8 FDA. The term “FDA” shall mean the United States Food and Drug Administration, or any successor agency thereto.

1.9 First Commercial Sale. The term “First Commercial Sale” shall mean, with respect to any Product, the first sale for end use or consumption of such Product in a country after all required approvals, including marketing and pricing approvals, have been granted by the governing Regulatory Authority of such country.

1.10 GAAP. The term “GAAP” shall mean generally accepted accounting principles in the United States, in each case as consistently applied by Spectrum or its Affiliates in their respective financial statements, audited if applicable.

1.11 IDN 5109. The term IDN 5109 shall mean the compound described in Exhibit A hereto.

1.12 Improvements. The term “Improvements” shall mean all inventions, discoveries, enhancements, improvements or modifications, whether or not patented or patentable, related to the Licensed Compound, a Product or the Technology, including but not limited to the manufacture, structure, formulation, conjugation, preparation, dosage, administration or packaging of the Licensed Compound, a Product or the Technology.

1.13 IND. The term “IND” shall mean (i) an Investigational New Drug application as defined in the United States Food, Drug & Cosmetic Act and applicable regulations promulgated thereunder, as amended from time to time or (ii) an equivalent application or filing with the applicable Regulatory Authority in any country other than the United States allowing the commencement of human clinical trials.

1.14 Joint Inventions. The term “Joint Inventions” shall have the meaning set forth in Section 4.1 of this Agreement.

1.15 Joint Patent. The term “Joint Patent” shall mean any Patent filed with respect to a Joint Invention.

1.16 Know-How. The term “Know-How” shall mean any discoveries, methods, processes, techniques, data and technical information that relate to the Licensed Compound, Patent Rights or the

Regulatory Filings, now or in the future owned or Controlled by Indena, whether or not: (i) the same is eligible for protection under the patent laws of the United States or elsewhere; (ii) enforceable as a trade secret; or (iii) the copying of which would be enjoined or restrained by a court as constituting unfair competition.

1.17 License. The term “License” shall have the meaning set forth in Section 2.1.

1.18 Licensed Compound or “API”. The terms “Licensed Compound” or “API” shall mean the compound known as IDN 5109 (also known as Ortataxel) and any polymorph, analog or derivative thereof.

1.19 Licensed Field. The term “Licensed Field” shall mean all uses (human or otherwise), including all therapeutic, prophylactic, palliative and diagnostic uses.

1.20 MAA. The term “MAA” shall mean a Marketing Authorization Application or similar application filed with the EMEA after completion of human clinical trials to obtain marketing approval for a Product in the European Union.

1.21 MHLW. The term “MHLW” shall mean the Ministry of Health, Labour and Welfare in Japan or any successor agency thereto or any equivalent replacement agency having substantially the same functions.

1.22 Milestone Payments. The term “Milestone Payments” shall mean the payments from Spectrum to Indena under Section 3.1.

1.23 NDA. The term “NDA” shall mean a New Drug Application, as defined in the United States Food, Drug & Cosmetic Act and applicable regulations promulgated thereunder, as amended from time to time, to obtain approval from the FDA for commercial sale of a Product, or an equivalent application or filing with the applicable Regulatory Authority in any country other than the United States.

1.24 Net Sales. The term “Net Sales” shall mean the amount received by Spectrum, its Affiliates or its sublicensees on account of sales of a Product to Third Parties in the Territory, less the following deductions to the extent actually allowed or specifically allocated to the Product by the selling party using GAAP and not separately invoiced: (i) sales and excise taxes and duties paid or allowed by the selling party and any other governmental charges imposed upon the production, importation, use or sale of such Product; (ii) customary trade, quantity and cash discounts allowed on the Product; (iii) allowances or credits to customers on account of rejection or return of Product or on account of retroactive price reductions affecting such Product; (iv) freight and insurance costs; (v) rebates, chargebacks and other amounts paid on sale or dispensing of the Product; (vi) sales commissions paid to

distributors and/or selling agents; (vii) the booked cost of devices or systems used for delivering a Product into the patient where the Product when sold is a combination of the active pharmaceutical ingredient and the device or system; and (viii) amounts not actually received due to bad debt or returned checks. For the avoidance of doubt, for each Product the Net Sales shall be calculated only once for the first sale of such Product by Spectrum, its Affiliate or its sublicensee, as the case may be, to a Third Party which is neither an Affiliate nor sublicensee of Spectrum. A sale of Products by Spectrum, its Affiliate or its sublicensee to a wholesaler shall be regarded as the first sale of the Product for the purpose of calculating Net Sales. Net Sales shall not include the amount received on account of sales of a Product or of sales of a Product in a particular country for which the Term of this Agreement has expired.

1.25 Patent. The term “Patent” shall mean any and all unexpired patents, patent applications, provisional patent applications and any patent issuing therefrom worldwide, together with any extensions, registrations, confirmations, reissues, continuations, divisions, continuations-in-part, reexamination certificates, confirmations, registrations, revalidations, additions, supplementary protection certificates, substitutions or renewals thereof and any patents anywhere in the world, claiming the priority date of any of the foregoing.

1.26 Patent Rights. The term “Patent Rights” shall mean: the Patents set forth on Exhibit B, all rights (including all U.S. and foreign Patents) arising out of or resulting from each such Patent, and any other U.S. and foreign Patents, now or in the future owned or Controlled by Indena having claims covering or directed to the Licensed Compound or the Know-How. The term “Class A Patents Rights” shall include any and all Patent Rights claiming a Licensed Compound. The term “Class B Patent Rights” shall include any and all Patent Rights claiming the process to make a Licensed Compound.

1.27 Product. The term “Product” shall mean any finished formulation containing the Licensed Compound as an active ingredient.

1.28 Regulatory Approval. The term “Regulatory Approval” shall mean the approval, as amended or modified from time to time, from a Regulatory Authority approving the development, manufacture, sale or price, as applicable, of Products in a given country.

1.29 Regulatory Authority. The term “Regulatory Authority” shall mean the principal governmental organization or agency that has the right to approve the development, manufacture, sale or, if applicable, the price of Products in a given country, including the FDA, the EMEA and the MHLW.

1.30 Regulatory Filings. The term “Regulatory Filings” shall mean all filings with Regulatory Authorities that relate to the Licensed Compound or a Product, including Regulatory Approvals.

1.31 Royalty Term. The term “Royalty Term” shall have the meaning set forth in Section 3.2.2.

1.32 Technology. The term “Technology” shall mean the Patent Rights, Know-How and Regulatory Filings, together with Indena’s interest in any Joint Inventions and any Improvements owned or Controlled by Indena.

1.33 Term. The term “Term” shall have the meaning set forth in Section 10.1.

1.34 Territory. The term “Territory” shall mean all of the countries in the world (including their territories and possessions).

1.35 Third Party. The term “Third Party” shall mean any person or entity other than a Party hereto or an Affiliate.

1.36 Valid Claim. The term “Valid Claim” shall mean a claim in any unexpired, issued patent within the Patent Rights which has not been held invalid and/or unenforceable in a decision by a court or other body of competent jurisdiction from which there is no appeal or, if appealable, from which no appeal has been taken.

2. LICENSE.

2.1 License. Indena hereby grants to Spectrum an exclusive (even as to Indena, except as provided in Section 2.4), right and license under Indena’s rights in and to the Technology to research, develop, make, have made, use, offer for sale, sell, have sold, distribute, import, and export the Licensed Compound and/or the Products in the Licensed Field in the Territory (the “**License**”).

2.2 Sublicenses. Spectrum shall have the right, but not the obligation, to grant sublicenses under the License to its Affiliates and Third Parties. Each sublicense shall be consistent with the terms of this Agreement. Spectrum shall remain responsible for the performance of its sublicensees. Spectrum shall notify Indena of each sublicense granted hereunder.

2.3 Technology and Material Transfer. On the Effective Date, Indena shall disclose, and as applicable, provide copies of, all Know-How to Spectrum.

2.4 Exceptions to Exclusivity. Notwithstanding Section 2.1, Indena retains: (i) the right under the Technology to manufacture and sell the Licensed Compound and/or the Products exclusively to Spectrum or Spectrum’s designee in accordance with this Agreement; and (ii) the limited right to use and license the Patent Rights and Know-How for the manufacture and sale of compounds which do not contain the Licensed Compound and which are not in competition with the Licensed Compound. Indena shall keep Spectrum informed of its development efforts with regard to such compounds.

2.5 Regulatory Filings. As soon as practicable after the Effective Date, Indena shall assign and transfer ownership, or have Bayer Corporation ("Bayer"), i.e. Indena's former licensee whose license has been terminated to assign and transfer ownership, to Spectrum of any and all Regulatory Filings. Spectrum shall own all of the Regulatory Filings in perpetuity provided that this Agreement is not terminated by Spectrum pursuant to Section 10.2 or by Indena pursuant to Sections 10.3 or 10.4, in which case, upon request by Indena, Spectrum shall assign and transfer back to Indena ownership to all regulatory filings assigned and transferred by Indena (or Bayer) to Spectrum, on a Product-by-Product and/or country-by-country basis. Spectrum shall have the right to reference any and all of the data submitted in support of the Regulatory Filings. This right of reference shall survive expiration or termination of this Agreement for any reason other than for the same reasons set forth in the preceding sentence. As soon as practicable after the Effective Date, Indena shall provide copies to Spectrum of all Regulatory Filings, including all correspondence with appropriate Regulatory Authorities. The upfront payment indicated in Section 3.1 below shall be paid by Spectrum to Indena promptly upon receiving written confirmation that Indena has performed its obligations under this Section 2.5 relating to the transfer of ownership of any and all Regulatory Filings and the delivery of copies of all Regulatory Filings.

3. FINANCIAL TERMS AND CONDITIONS.

3.1 Upfront and Milestone Payments. (a) In consideration of the License and the obligations assumed by Indena hereunder, Indena shall be entitled to receive from Spectrum the following amounts:

(a) [***] Euro (€ [***]) for the license under Class A Patent Rights and the right to refer to Indena's DMF;

(b) [***] Euro (€ [***]) for: (i) the license under Class B Patent Rights; (ii) the right to use any and all toxicological, pharmacological and clinical data developed by Indena and/or Bayer relating to the Licensed Compound; and (iii) the transfer of the IND for the Licensed Compound from Indena or Bayer to Spectrum;

and thus in total the sum of [***] Euros (€ [***]) which shall become due and payable by Spectrum in installments upon achievement of the following milestones:

	Payment (Euros)
Upfront	
As per Section 2.5	(i) €1,000,000 pursuant to Section 3.1(a); and
	(ii) €1,000,000 pursuant to Section 3.1(b)

Milestones		**Payment (Euros)**
[***] months after the date both of the following have been achieved: (i) [***] (consistent with the terms of [***] of this Agreement) [***], in [***] reasonable opinion, [***]:		€ [***] pursuant to Section 3.1(b)
At the time the 10th patient is dosed in a Phase 3 clinical trial:	(i)	€ [***] pursuant to Section 3.1(a); and
	(ii)	€ [***] pursuant to Section 3.1(b)
Acceptance of the NDA filing by the FDA in the United States:		€ [***] pursuant to Section 3.1(b)
Approval of the NDA by FDA in the United States:	(i)	€ [***] pursuant to Section 3.1(a); and
	(ii)	€ [***] pursuant to Section 3.1(b)
Acceptance of the MAA filing by the EMEA:	(i)	€ [***] pursuant to Section 3.1(a); and
	(ii)	€ [***] pursuant to Section 3.1(b)
Approval of the MAA filing by the EMEA:	(i)	€ [***] pursuant to Section 3.1(a); and
	(ii)	€ [***] pursuant to Section 3.1(b)
Acceptance of the NDA filing by the MHLW in Japan:	(i)	€ [***] pursuant to Section 3.1(a); and
	(ii)	€ [***] pursuant to Section 3.1(b)
Approval of the NDA by the MHLW in Japan:	(i)	€ [***] pursuant to Section 3.1(a); and
	(ii)	€ [***] pursuant to Section 3.1(b)

	Payment (Euros)
Annual Net Sales exceed € [***]:	(i) € [***] pursuant to Section 3.1(a); and
	(ii) € [***] pursuant to Section 3.1(b)
Annual Net Sales exceed € [***]:	(i) € [***] pursuant to Section 3.1(a); and
	(ii) € [***] pursuant to Section 3.1(b)

Spectrum shall pay Indena the above payments within thirty (30) days of achieving the milestone (or thirty (30) days after the Effective Date with regard to the upfront payment). Each of the foregoing payments shall be paid only one time. Sections 3.1 (a) and (b) are not meant in any way to limit the License granted by Indena to Spectrum pursuant to Section 2.1

3.2 Product Royalties.

3.2.1 Patent Royalties During the Royalty Term, Spectrum shall pay Indena a royalty rate as set forth in the chart below on the aggregate annual Net Sales of each Product sold by Spectrum, its Affiliates and any sublicensees during each calendar year.

Annual Net Sales	Royalty Rate
€ [***]	[***]%
More than € [***] but less than or equal to € [***]	[***]%
More than € [***]	[***]%

3.2.2 Royalty Term The "**Royalty Term**" shall begin on the First Commercial Sale of a particular Product in a particular country and expire on the earlier of (i) the expiration of the last Valid Claim covering such Product in that country, as determined on a Product-by-Product basis and a country-by-country basis or (ii) the regulatory approval of a generic version of a Product in that country, as determined on a Product-by-Product basis and a country-by-country basis.

3.2.3 Royalty Offsets In the event that royalty payments are owed by Spectrum to Third Parties with respect to licenses necessary to use, develop, manufacture or import the Licensed

Compound, the royalties owed to Indena under Section 3.2.1 shall be reduced by [***] Percent ([***]) of the amount of the royalty payments actually paid by Spectrum to such Third Parties provided that such reductions shall not reduce the royalty paid to Indena in such country below [***] Percent ([***]%).

In the event that royalty payments are owed by Spectrum to Third Parties with respect to licenses necessary to use, develop, manufacture, import or sell a finished formulation of the Licensed Compound, the royalties owed to Indena under Section 3.2.1 shall be reduced by [***] Percent ([***]) of the amount of the royalty payments actually paid by Spectrum to such Third Parties provided that such reductions shall not reduce the royalty paid to Indena in such country by more than [***] Percent ([***]%) in the aggregate.

3.2.4 Quarterly Royalty Payments**3.2.5** Royalties owed to Indena pursuant to this Article 3 shall be payable by Spectrum within ninety (90) days after the end of each calendar quarter (i.e., ninety (90) days after March 31, June 30, September 30 and December 31) based upon the Net Sales of each Product during such quarter. Any underpayment or overpayment of the quarterly royalty payments shall be reconciled and added or deducted to the royalty payment due in the calendar quarter in which such underpayment or overpayment is discovered.

3.2.5 Reports Spectrum shall furnish to Indena at the same time as each royalty payment is made by Spectrum, a written report of Net Sales of the Products on a Product-by-Product basis and the royalty due and payable thereon, for the quarterly period upon which the royalty payment is based. Such reports shall be derived from Spectrum's consolidated financial statements.

3.3 Payments. All payments will be made in immediately available funds in Euros by bank wire transfer to such bank account designated in writing by Indena from time to time.

3.4 Records. Spectrum shall keep full, complete and proper records and accounts of all sales of Products by Spectrum and its Affiliates in accordance with GAAP. All such records, statements, reports and accounts referred to in this Section 3.4 shall be retained for a period of three (3) years after the end of the period to which they apply.

3.5 Income or Other Tax Withholding. If laws, rules or regulations require withholding of income or other taxes imposed upon payments set forth in this Article 3, Spectrum may make such withholding payments as required and subtract such withholding payments from the payments set forth in this Article 3. Spectrum shall submit appropriate proof of payment of the withholding rates to Indena within a reasonable period of time. Spectrum shall use efforts consistent with its usual business practices to ensure that any withholding taxes imposed are reduced as far as possible under the provisions of the current or any future double taxation treaties or agreements between foreign countries, and the Parties

shall cooperate with each other with respect thereto, with the appropriate Party under the circumstances providing the documentation required under such treaty or agreement to claim benefits thereunder.

3.6 Audit. If Indena disagrees with a royalty report provided by Spectrum, with reasonable justification for such disagreement, Indena, at its own expense, shall have the right, upon reasonable prior notice during regular business hours, to meet with Spectrum's independent auditor to inspect and discuss the books and accounts of Spectrum or its Affiliates, related to the payment and calculation of royalties arising under this Agreement. After this inspection, if Indena still disagrees with the report provided by Spectrum, with reasonable justification for such disagreement, Indena, at its own expense, shall have the right, upon reasonable prior notice during regular business hours, to appoint independent auditors reasonably acceptable to Spectrum and have them during normal business hours, inspect and audit the books and accounts of Spectrum or its Affiliates, related to the payment and calculation of royalties arising under this Agreement. Spectrum shall cooperate and cause Spectrum's Affiliates, to cooperate with such auditors. The auditors performing the audit shall disclose to Indena only information relating to the accuracy of records kept and the payments made, and shall be under a duty to keep confidential any other information obtained from such records. If any such audit establishes that Spectrum has underpaid or overpaid the amount due, Spectrum shall promptly pay any remaining amounts due as established by such audit or Indena shall promptly refund any over payment. If the underpayment is more than [***] percent ([***]%) of the aggregate Net Sales for all countries during any calendar year, Spectrum shall reimburse Indena for its out-of-pocket expense of such audit, together with interest at the rate specified in Section 3.7 below for late payments on any such overdue payment from the date due until paid.

3.7 Late Payments. Any payments due to Indena under this Agreement that are not paid on the due date shall accrue interest at the rate of [***] Euro [***].

4. OWNERSHIP AND PATENT MATTERS.

4.1 Ownership. As between the parties, all Technology provided hereunder by Indena shall be owned by Indena. Improvements made by an employee, agent or consultant of Spectrum, solely or jointly with a Third Party, shall be owned by Spectrum. Any Improvements, that are made jointly by employees, agents or consultants of Spectrum and employees, agents or consultants of Indena ("**Joint Inventions**") shall be jointly owned by Spectrum and Indena and treated as joint inventions under U.S. laws applicable to joint inventions. Improvements made by an employee, agent or consultant of Indena, solely or jointly with a Third Party, shall be owned by Indena. Indena hereby grants to Spectrum, effective after the Agreement expires pursuant to Section 10.1 or Spectrum terminates the Agreement pursuant to Section 10.3 or 10.4, a perpetual, royalty-free right and license to all Improvements owned or Controlled by Indena and all information, know-how and other data owned or Controlled by Indena pertaining to all

Improvements or the Joint Inventions. For the avoidance of doubt, the previous sentences shall in no way be read to modify Sections 2.1 and 5.2 regarding Spectrum's exclusive (even as to Indena) license to the Technology. Spectrum shall own any trademarks associated with the Products.

4.2 Prosecution and Maintenance of Patent Rights.

4.2.1 Patent Prosecution and Maintenance Spectrum, at its own expense, shall direct and control the preparation, filing, prosecution and maintenance of all United States and foreign Patents within the Patent Rights and all Joint Patents, including any interferences and oppositions. Notwithstanding the foregoing, Indena shall be responsible, at its own expense, for the re-issue of United States Patent Number 6,906,101 in all countries of the Territory, as applicable. Indena shall keep Spectrum informed of the re-issue process for this patent.

4.2.2 Participation and Assistance If requested by Indena, Spectrum shall consult with Indena with regard to the preparation, filing, prosecution and/or maintenance of the Patents within the Patent Rights and any Joint Patents. Notwithstanding the preceding sentence, however, Spectrum shall in all events have final decision-making authority as relates to the preparation, filing, prosecution and/or maintenance of the Patents within the Patent Rights and any Joint Patents, and the scope of claims contained therein. Indena shall cooperate fully with Spectrum, at Spectrum's request, in all matters relating to the preparation, filing, prosecution and/or maintenance of the Patents within the Patent Rights and any Joint Patents, including signing any necessary or appropriate documents, providing written and testimonial evidence, and doing such other acts as Spectrum may reasonably require.

4.2.3 Patent Abandonment In the event Spectrum elects not to prosecute or to discontinue or abandon the prosecution and/or maintenance of any patent or patent application within the Patent Rights, any such patent or patent application shall at that time be excluded from the definition of Patent Rights and from the scope of the licenses granted under this Agreement. Spectrum shall give Indena at least sixty (60) days' prior written notice of its election to discontinue or abandon any such patent or patent application within the Patent Rights during which time Indena may elect, in its sole discretion, to prosecute, file, continue and maintain such patent or patent application at its sole cost and expense and for its sole benefit by delivery of written notice to Spectrum. If Indena does not notify Spectrum in writing during such sixty (60) day period that it is exercising such rights, the patent or patent application shall be deemed abandoned and neither Indena nor Spectrum shall have any further responsibility for any such abandoned patent applications or patents. However, if Indena does not elect to prosecute, file, continue and maintain such patent or patent application, Spectrum may later elect to continue to prosecute and maintain such patent or patent application, in which case, the patent or patent application shall remain within the Patent Rights and License hereunder.

4.2.4 Execution of Documents Each Party shall promptly execute or have executed by its employees, agents and consultants all documents necessary to vest ownership of inventions and related intellectual property rights relating to Joint Patents in Indena and Spectrum and to enable Spectrum to file, prosecute and maintain the Patents within the Patent Rights and Joint Patents. If Spectrum is unable, after reasonable effort, to secure the signature of Indena or any employee, agent or independent contractor of Indena on any document needed to apply for, prosecute or defend any patent or other intellectual property right or protection relating to the Patent Rights or the Joint Patents, Indena hereby designates and appoints Spectrum and its duly authorized officers and agents as its agent and attorney in fact to execute, verify and file applications, and to do all other lawfully permitted acts necessary to protect Spectrum's rights in Joint Patents and to enable Spectrum to file, prosecute and maintain Patent Rights and Joint Patents with the same legal force and effect as if executed by Indena.

4.3 Infringement Actions.

4.3.1 Prosecution of Infringement

(a) The Parties shall promptly notify one another in writing of any and all actual or threatened infringements by Third Parties of any Patents within the Technology that relate to a Product in the Licensed Field that is known to them, and in any event within thirty (30) days of learning of such infringement.

(b) With respect to actual or threatened infringements of Patents within the Technology with respect to the Products, Spectrum shall have the first right, but not the obligation, to file suit or take other action to prevent such infringements of any such Patents. To the extent Spectrum takes such action, Spectrum shall control any such action and may enter into settlements, stipulated judgments or other arrangements respecting such infringement, at its own expense; provided, however, that such proposed settlements, judgments or arrangements shall be subject to Indena's consent, not to be unreasonably withheld. In the event that Spectrum takes such action, Spectrum shall indemnify, defend and hold Indena harmless from any costs, expenses and liabilities respecting the action for such claimed infringement. Indena shall permit an action to be brought by Spectrum in Indena's name if required by law. Indena agrees to provide all assistance that Spectrum may reasonably require in any litigation, including providing written evidence, deposition and trial testimony, for which Spectrum shall pay to Indena a reasonable and customary hourly rate of compensation. Spectrum shall keep Indena informed of developments in any such action, including, to the extent permissible by law, the status of any settlement negotiations and the terms of any offer related thereto. Indena shall have the right at its own expense to be represented by counsel in any such action. Any damages or other recovery from an infringement action undertaken by Spectrum pursuant to this Section 4.3.1(b) shall [***].

(c) Spectrum shall promptly notify Indena in writing of its intention with regard to any such infringement. In the event that Spectrum elects not to take action against an actual or threatened infringement, Indena shall have the right to take action against such infringement, in which case Indena shall (i) pay any and all costs and expenses incurred in such action, (ii) indemnify, defend and hold Spectrum harmless from any costs, expenses or liability respecting all such action, and (iii) retain any and all recovery from such action. Spectrum agrees to provide all assistance that Indena may reasonably require in any litigation, including providing written evidence, deposition and trial testimony, for which Indena shall pay to Spectrum a reasonable hourly rate of compensation.

4.3.2 Defense of Infringement Claims

(a) If a Third Party makes or threatens against Spectrum, its Affiliates or sublicensees any claim of infringement of a Patent right based upon the use of, or arising as a result of the exercise of the rights and licenses granted hereunder to the Technology (each an "**Alleged Infringement**"), Spectrum shall have the right to respond to and defend any and all such Alleged Infringements at its own cost and expense, and in its sole discretion. Indena agrees to provide any necessary assistance that Spectrum may reasonably require in any such defense action for which Spectrum shall pay to Indena a reasonable hourly rate of compensation. Indena shall have the right, at its own expense, to retain counsel of its choice to represent it in any such defense action.

(b) Spectrum shall promptly notify Indena in writing and provide a copy of (i) any claim of Alleged Infringement filed with a court or governmental authority or (ii) any written notice of an Alleged Infringement from an attorney or law firm. Within a reasonable period of time in advance of any responsive deadline required by law or otherwise set forth in the claim or notice of Alleged Infringement, Spectrum shall notify Indena in writing as to whether or not Spectrum intends to respond to such Alleged Infringement. In the event that Spectrum does not intend to respond to any such claim or notice or, notwithstanding Section 4.3.2(a), and notifies Indena in accordance with this Section, Indena shall have the right, in its sole discretion, to respond to such Alleged Infringement, in which case Indena shall pay any and all future costs and expenses incurred by Spectrum in such action, and shall indemnify, defend and hold Spectrum harmless from any future costs, expenses or liability respecting all such actions undertaken by Indena.

5. OBLIGATIONS RELATED TO SUPPLY, DEVELOPMENT, MARKETING AND COMMERCIALIZATION.

5.1 Spectrum's Diligence Obligations. Spectrum, its Affiliates and/or sublicensees, as applicable, shall use commercially reasonable efforts to (i) complete, file and pursue Regulatory Approval for one or more Products in the Territory and (ii) promote and market the Product or Products in the Territory. Such development, marketing and commercialization shall be pursued at such party's sole cost and expense. Spectrum, its Affiliates and/or sublicensees, as applicable, shall have sole responsibility for making all decisions regarding the development, marketing and commercialization of the Products.

5.2 Research and Development. Indena shall not conduct or sponsor any research or development with respect to the Licensed Compound without the prior written consent of Spectrum.

5.3 Governmental Approvals. Spectrum, its Affiliates and/or sublicensees, as applicable, shall be solely responsible for obtaining all necessary approvals from Regulatory Authorities for the use, development, production, distribution, sale and import or export of any Products, at such parties expense, including preclinical and clinical trials and Regulatory Filings. Spectrum, its Affiliates and/or sublicensees, as applicable, shall have sole responsibility for any warning labels, packaging and instructions as to the use of Products. Spectrum, its Affiliates and/or sublicensees shall own all Regulatory Filings made with the applicable Regulatory Authorities with respect to the Products and all regulatory approvals.

5.4 Supply of API. Subject to the provisions set out below in this Section 5.4, Indena shall [***] supply and Spectrum shall purchase [***] from Indena [***] Spectrum's, its Affiliates' and/or sublicensees', [***] API [***] the Product at a price of € [***] per gram subject to adjustment for the reasons specified in this Section 5.4. The Parties shall in good faith negotiate the terms of a supply agreement and a quality agreement for [***] supply of the API. The provisions of such agreements shall be consistent with the provisions set forth in this Section 5.4 and the term of such agreements shall survive the termination or expiration of this Agreement, subject to standard termination provisions, including a unilateral right to terminate by Spectrum.

Each shipment of API shall be accompanied by a Certificate of Analysis and Compliance in a form mutually agreed by the Parties, signed by Indena's designated quality manager, that sets forth the analytical test results against the specifications for a lot of API and that certifies that such lot was produced and tested in compliance with the specifications, cGMPs, and all applicable Regulatory Approvals. [***].

If Spectrum, its Affiliates and/or sublicensees, as applicable, engage a Third Party to manufacture the API, upon written request by Spectrum, Indena will provide technical assistance to the manufacturer engaged by Spectrum, its Affiliates and/or sublicensees, as applicable. The [***] of technical assistance shall be provided at [***] (other than for [***] from an Indena facility at Spectrum's request) and any additional technical assistance shall be provided at € [***].

If Spectrum, its Affiliates and/or sublicensees, as applicable, receive a bona fide offer from a qualified Third Party to supply API at a price lower than € [***] per gram and upon terms comparable to those applicable to current supplies by Indena, then the Parties shall take the steps provided for in the supply agreement between the Parties.

Upon request by Spectrum, Indena shall supply to Spectrum, to a location Spectrum designates, an amount of API, as reasonably determined by Spectrum, necessary for Spectrum to conduct Phase 2 clinical trials.

6. INDEMNITY.

6.1 Spectrum Indemnification. Spectrum (the "**Indemnifying Party**" under this Section 6.1) hereby agrees to indemnify, defend and hold Indena, its Affiliates, and its directors, employees and agents (the "**Indemnified Party(ies)**" under this Section 6.1) harmless from and against any and all suits, claims, actions, demands, liabilities, expenses and/or loss, including reasonable legal expenses and attorneys' fees (collectively, "**Losses**"), to which one or more Indemnified Parties may become subject as a result of any (a) claim, demand, action or other proceeding for personal injury, wrongful death or product defect by any Third Party relating to the research, development, manufacture, use or sale of Products by Indemnifying Party and/or its Affiliates and/or their respective employees or agents, except to the extent that such Losses result from the gross negligence, wrongful intentional acts or willful omissions of Indemnified Party(ies), (b) claim, demand, action or other proceeding by any Third Party to the extent such Losses result from Spectrum's material breach of any, obligation, representation, warranty or covenant contained in this Agreement or (c) any failure by Spectrum or its Affiliates or its sublicensees to comply with applicable law. In no event shall Spectrum be liable for any lost opportunities, profits or special, incidental, consequential or indirect damages of the Indemnified Party(ies) under this Section 6.1, except, however, as the result of any breach by Spectrum of the covenants in Article 8 below.

6.2 Indena Indemnification. Indena (the "**Indemnifying Party**" under this Section 6.2) hereby agrees to indemnify, defend and hold Spectrum and its Affiliates and their directors, officers, employees, and agents (the "**Indemnified Party(ies)**" under this Section 6.2) harmless from and against any Losses

to which one or more Indemnified Parties may become subject as a result of any (a) claim, demand, action or other proceeding by any Third Party to the extent such Losses result from Indena's breach of any material obligation, representation, warranty or covenant contained in this Agreement or (b) failure by Indena to comply with applicable law. In no event shall Indena be liable for any lost opportunities, profits or special, incidental, consequential or indirect damages of the Indemnified Party(ies) under this Section 6.2., except, however, as the result of any breach by Indena of any of the covenants in Article 8 below.

6.3 Indemnity Procedure.

(a) The Indemnified Party(ies) agrees to give the Indemnifying Party(ies) written notice, as soon as is practicable, but in any event within thirty (30) days if possible, of any claim, suit, loss or the discovery of facts upon which such Indemnified Party(ies) intends to base a request for indemnification under Section 6.1 or Section 6.2 (collectively, a "**Claim**").

(b) The Indemnified Party(ies) shall furnish promptly to the Indemnifying Party(ies) copies of all papers and official documents received in respect of any Claim. The Indemnified Party(ies) shall cooperate with the Indemnifying Party(ies), at the Indemnifying Party(ies)'s expense, in providing witnesses and records necessary in the defense against any Claim.

(c) With respect to any Claim relating solely to the payment of money damages that will not (i) result in the Indemnified Party(ies)'s becoming subject to injunctive or other relief, (ii) require an admission of guilt or other responsibility or liability, or (iii) otherwise adversely affect the business interests or rights of the Indemnified Party(ies) in any manner, and as to which the Indemnifying Party(ies) shall have acknowledged in writing the obligation to indemnify the Indemnified Party(ies) hereunder, the Indemnifying Party(ies) shall have the sole right to defend, settle, or otherwise dispose of such claim, on such terms as the Indemnifying Party(ies), in its sole discretion (subject to the limitations of this Section), shall deem appropriate.

(d) With respect to all other Claims the Indemnifying Party(ies) shall obtain the written consent of the Indemnified Party(ies), which shall not be unreasonably withheld, prior to ceasing to defend, settling, or otherwise disposing thereof.

(e) The Indemnifying Party(ies) shall not be liable for any settlement or other disposition of a Claim by the Indemnified Party(ies) that is reached without the written consent of the Indemnifying Party(ies).

(f) Except as provided above, the costs and expenses, including fees and disbursements of counsel, incurred by any Indemnified Party(ies) in connection with any claim shall be

paid by the Indemnifying Party(ies), without prejudice to the Indemnifying Party(ies)'s right to contest the Indemnified Party(ies)'s right to indemnification and subject to refund in the event the Indemnifying Party(ies) is ultimately held not to be obligated to indemnify the Indemnified Party(ies).

(g) The Indemnified Party(ies) shall always have the right to retain counsel and participate in the defense, negotiation or settlement of any Claim at its/their own cost and expense.

7. REPRESENTATIONS AND WARRANTIES.

7.1 By Indena.

Indena hereby represents and warrants that as of the Effective Date:

(a) It is a financially solvent company duly organized, validly existing and in good standing under the laws of its jurisdiction of formation.

(b) This Agreement is a legal and valid obligation of Indena, binding upon Indena and enforceable against Indena in accordance with the terms of this Agreement, except as such enforceability may be affected by laws affecting creditors' rights generally and general equitable principles. The execution, delivery and performance of this Agreement by Indena does not conflict with any agreement, instrument or understanding, oral or written, to which Indena is a party or by which Indena may be bound, or violate any law or regulation of any court, governmental body or administrative or other agency having authority over Indena. All consents, approvals and authorizations from all governmental authorities or other Third Parties required to be obtained by Indena in connection with the execution, delivery and performance of this Agreement have been obtained.

(c) (A) it has all necessary right and authority to execute, deliver and perform all of its obligations under this Agreement, which actions have been duly and validly authorized and approved by all necessary corporate action of Indena; (B) it has the right to grant the licenses and other rights granted herein; (C) it has not previously granted any right, license or interest in or to the Technology, or any portion thereof, inconsistent with the rights granted to Spectrum herein; and (D) to the best of its knowledge, there are no material adverse proceedings, claims or actions pending or threatened relating to the Technology which would materially interfere with Indena's performance of its obligations or power to make the grants and covenants hereunder, or Spectrum's unfettered use of the Technology.

(d) Indena is the owner of all right, title and interest in and to all of the Technology. The Technology is free and clear of any and all encumbrances, covenants, conditions and restrictions or, other adverse claims or interests of any kind or nature, including but not limited to, financial and technical, and Indena has not received any oral or written notice or claim challenging its complete

and exclusive rights to the Technology or suggesting that any other person has any claim of legal or beneficial ownership with respect thereto, and there is no agreement, decree, arbitral award or other provision or contingency in effect in which Indena has granted licenses in the Technology or in which Indena is obligated to grant licenses in the Technology.

(e) To Indena's best knowledge, it owns or possesses sufficient rights to use all of the Technology necessary to develop, make, have made, use, sell, offer for sale, have sold, import and export and commercialize the Licensed Compound in the Licensed Field in the Territory.

(f) The license agreement with Bayer has been terminated in its entirety and Bayer has no rights in any way to the Technology.

(g) It has provided copies to Spectrum of all Know-How, as applicable, and all Regulatory Filings, including all correspondence with appropriate Regulatory Authorities.

(h) No litigation is now pending and no notice or other claim has been received by Indena, (A) alleging that Indena has engaged in any activity or conduct that infringes upon, violates or constitutes the unauthorized use of any Patents of any Third Party, or (B) challenging the ownership, use, validity or enforceability of any of the Patents Rights. In addition, Indena is not aware of any unasserted claim or demand which it believes can be enforced by a Third Party against any the Patent Rights.

(i) The Technology was not obtained by Indena in violation of any contractual or fiduciary obligation to which Indena or any of its respective employees are or were bound, or by the misappropriation of the trade secrets of any Third Party.

(j) To the best of Indena's knowledge and belief, all of the data and information that Indena has provided to Spectrum prior to the Effective Date relating to the Technology, and to IDN 5109 in general, are reasonably accurate, and Indena has not omitted therefrom any material data or information in Indena's possession or control reasonably in advance of the Effective Date concerning the same.

(k) The Patent Rights are in full force and effect and are in compliance with all legal requirements regarding the filing, examination, and maintenance fees. Indena has not taken any action or, failed to take any action (including a failure to disclose material prior art in connection with the prosecution of any patent), or used or enforced or, failed to use or enforce any of the Patents Rights in a manner that would result in the abandonment or unenforceability of any of the Patents Rights.

(l) No Patent Rights have been or are now involved in any interference, reissue, reexamination or opposing proceeding in any jurisdiction within the Territory. To Indena's best

knowledge, no such action has been threatened. There is no patent of any person that claims the same subject matter as the Patent Rights, and Indena is not aware of any prior art that invalidates any claim within the Patent Rights.

(m) To Indena's best knowledge, the use of the Patents Rights to develop, make, have made, use, sell, offer for sale, have sold, import and export and commercialize the Licensed Compound in the Licensed Field in the Territory, would not infringe upon, violate or constitute the unauthorized use of any rights owned or controlled by any Third Party, including any Patent of any Third Party.

(n) To Indena's best knowledge, no Third Party is misappropriating, infringing, diluting or violating any of the Patent Rights, and no claims for any of the foregoing have been brought against any Third Party by Indena. Indena has taken reasonable steps in accordance with normal industry practice to protect its Patent Rights.

(o) The chemical structure described in Exhibit A is the correct chemical structure of IDN 5109.

7.2 By Spectrum.

Spectrum hereby represents and warrants that as of the Effective Date:

(a) (A) it is a financially solvent corporation duly organized, validly existing and in good standing under the laws of the State of Delaware; (B) it has the full right, authority and power to enter into this Agreement and to perform its obligations hereunder, which actions have been duly and validly authorized and approved by all necessary corporate action of Spectrum; (C) the execution, delivery and performance of this Agreement have been duly authorized by all necessary corporate action on the part of Spectrum; and (D) to the best of its knowledge there are no material adverse proceedings, claims or actions pending or threatened against it which would materially interfere with the performance of its obligations hereunder.

(b) This Agreement is a legal and valid obligation of Spectrum, binding upon Spectrum and enforceable against Spectrum in accordance with the terms of this Agreement, except as such enforceability may be affected by laws affecting creditors' rights generally and general equitable principles. The execution, delivery and performance of this Agreement by Spectrum does not conflict with any agreement, instrument or understanding, oral or written, to which Spectrum is a party or by which Spectrum may be bound, or violate any law or regulation of any court, governmental body or administrative or other agency having authority over Spectrum. All consents, approvals and authorizations from all governmental authorities or other Third Parties required to be obtained by

Spectrum in connection with the execution, delivery and performance of this Agreement have been obtained.

8. ADDITIONAL COVENANTS.

8.1 Preservation of Title. Indena shall use its best efforts to preserve and maintain its ownership and title to all Technology licensed hereunder.

8.2 No Conflicts. Neither Party shall grant any right, license or interest in or to the Technology, or any portion thereof, inconsistent with the rights granted to Spectrum herein. Without the other Party's prior written consent, neither Party shall enter into any agreement that creates additional obligations upon the other Party or limits the exercise of the other Party's rights hereunder or diminishes the other Party's rights hereunder.

9. CONFIDENTIALITY AND PUBLICATION.

9.1 Treatment of Confidential Information. The Parties agree that during the term of this Agreement, and for a period of seven (7) years after this Agreement terminates or expires, a Party receiving Confidential Information of the other Party will (i) maintain in confidence such Confidential Information to the same extent such Party maintains the confidentiality of its own Confidential Information, (ii) not disclose such Confidential Information to any Third Party without the prior written consent of the disclosing Party and (iii) not use such Confidential Information for any purpose other than the exercise of a Party's rights or performance of a Party's obligations under this Agreement; provided however, that the provisions of this Section 9.1 shall not prevent a Party from disclosing Confidential Information if such disclosure:

(a) is made to its employees, directors, accountants, attorneys, contractors or consultants who reasonably require such disclosure on a need to know basis and who are bound to it by obligations of confidentiality and non-use no less stringent than the obligations between Spectrum and Indena hereunder;

(b) is made to collaborators for the purpose of performing the obligations or exercising the rights of a Party hereunder and who are bound to that Party by obligations of confidentiality and non-use no less stringent than the obligations between Spectrum and Indena hereunder;

(c) is in response to a valid order of an United States court or otherwise required by law or regulation, provided however that receiving Party shall first have given notice to the disclosing Party and shall have made a reasonable effort to obtain a protective order by: (i) seeking protection of Confidential Information not relevant to the court's inquiry from a general disclosure (e.g., without

limitation, requesting limited and in-camera review by such court and/or seeking that such information be treated under seal); (ii) seeking to redact any Confidential Information; and (iii) in any event requiring that, to the extent ordered to be disclosed, that such disclosure of Confidential Information be used only for the purposes for which the order was issued; or

(d) is necessary to: (i) file or prosecute Patents in accordance with this Agreement; (ii) submit regulatory filings with respect to Products in accordance with this Agreement; (iii) prosecute or defend litigation; (iv) make required governmental securities filings and other such similar and required disclosures by law, subject to appropriate redactions and requests for confidential treatment as permitted by law; (v) make disclosures required by the principal stock exchange on which the Party's stock is traded, subject to appropriate redactions and requests for confidential treatment as permitted by law and the rules of such exchange; (vi) conduct pre-clinical or clinical trials of Products in accordance with this Agreement, provided any Affiliates or Third Parties conducting pre-clinical trials agree to be bound by terms of confidentiality and non-use at least equivalent in scope to those set forth in this Section 9.1 and any Affiliates or Third Parties conducting clinical trials agree to be bound by terms of confidentiality and non-use that are customarily obtained in connection with such clinical trials; or (viii) enable Affiliates or *bona fide* potential or actual sublicensees to evaluate and/or exercise their rights under a sublicense that would be or has been issued in accordance with this Agreement, provided such Affiliates and Third Parties agree to be bound by similar terms of confidentiality and non-use at least equivalent in scope to those set forth in this Section 9.1.

9.2 Public Statements.

9.2.1 Publications Indena or Spectrum, as the case may be, may publish or present information derived from the performance of this Agreement, provided that: the publishing Party first provides the non-publishing Party with a copy of a proposed manuscript for comment and input at least twenty (20) days prior to any submission to the publisher and a copy of an abstract for comment and input at least ten (10) days before submission to the Third Party organization. In addition, at the non-publishing Party's request, the publishing party will further delay the presentation or publication for an additional ten (10) days so as to allow the non-publishing party time to file for patent protection or other intellectual property protection. If a publication by Spectrum results from work relating to the Technology, Spectrum agrees to acknowledge Indena and give credit to Indena's scientists, as scientifically appropriate, based on any contribution they may have made to the work. Likewise, if a publication by Indena results from work performed by Spectrum, Indena agrees to acknowledge Spectrum and give credit to Spectrum' scientists, as scientifically appropriate, based on any contribution they may have made to the work.

9.2.2 Other Public Statements Except as provided in Section 9.2.1, or as otherwise required by law or the rules of the principal stock exchange on which the Party's stock is traded, no Party

shall originate any public statement, news release or other written public announcement, whether in the public press, stockholders' reports, or otherwise, relating to this Agreement or to any sublicense hereunder, or to the performance hereunder or any such agreements, or use a Party's name for any purpose, including in connection with the advertising or sale of Products, without the prior written approval of the other Party, such consent not to be unreasonably withheld. The Parties each agree to respond to each such request within five (5) business days of receipt of a request (unless a shorter period of time is necessary to comply with law). Notwithstanding anything to the contrary in this Agreement, each party shall be permitted to publicly disclose (i) the existence of this Agreement, (ii) that Indena and Spectrum are the parties to this Agreement, and (iii) the Technology covered by this Agreement. In the case of unintentional public disclosure concerning this Agreement, any Product or any other subject matter hereof, the disclosing Party shall promptly inform the other Party of such disclosure and the other Party shall be entitled to make a public announcement regarding the subject matter of the disclosure. The other Party shall notify the disclosing Party of their intention to make such an announcement. Following a Party's consent to or approval of the public announcement of any information pursuant to this Section 9.2.2, both Parties shall be entitled to make subsequent public announcements of such information without renewed compliance with this Section 9.2.2, unless the scope and/or duration of such consent or approval is expressly limited. Upon conclusion of this Agreement, the Parties will publish a press release on their future cooperation.

10. TERM, DEFAULT AND TERMINATION.

10.1 Term of Agreement. The term of this Agreement shall commence on the Effective Date and, unless terminated early in accordance with the provisions of this Agreement, shall continue on a Product-by-Product and country-by-country basis until the expiration of the obligation to pay royalties under Section 3.2 above applicable to such Product in such country (the "**Term**"). This Agreement shall expire in its entirety after the date that Spectrum no longer owes any royalties to Indena under Section 3.2.

10.2 Unilateral Termination – Spectrum. Spectrum shall have the unilateral right to terminate this Agreement, in its entirety or on a Product-by-Product and/or country-by-country basis, at any time for any reason.

10.3 Default.

10.3.1 The following event shall constitute an "**Event of Default**" hereunder: a material breach of a material provision of this Agreement by a Party, and the failure of the Party in breach to cure such material breach within ninety (90) days after receipt of notice from the other Party specifying in reasonable detail the nature of such breach (the "**Termination Notice**"). For purposes of this Agreement,

it is not a “material breach” of this Agreement by Spectrum if the development of a Product is delayed due to the following: (i) reasonable scientific, medical or technical reasons; (ii) circumstances that are beyond the control of Spectrum; or (iii) the fault of Indena. In addition, in the event of a Dispute (as defined in Section 11.1) between the Parties as to whether a payment is owed hereunder, then such Dispute shall be resolved in accordance with Article 11 and the applicable cure period shall be tolled (even if such period has already expired) during the pendency of such resolution.

10.3.2 Upon the occurrence of any Event of Default by a Party, the non-defaulting Party may deliver to the defaulting Party a Termination Notice and without need of a further notice, such termination to be effective ninety (90) days after the date of receipt of the Termination Notice, unless the Party in breach cures the breach to the reasonable satisfaction of the terminating Party during said ninety (90) days period. Such termination rights shall be in addition to and not in substitution for any other remedies that may be available to the non-defaulting Party. Termination pursuant to this Section 10.3.2 shall not be treated as an election of remedies and shall not relieve the defaulting Party from liability and damages to the other Party for breach of this Agreement. Waiver by either Party of a single breach or a succession of breaches shall not deprive such Party of any right to terminate this Agreement arising by reason of any subsequent breach.

10.4 Insolvency. In addition to the termination rights provided for in this Section, each Party shall have the right to terminate this Agreement, immediately by giving written notice of termination to the other Party, if the other Party files a voluntary petition, or if an involuntary petition is granted in respect of the other Party and appeal proceedings are not commenced within a period of fifteen (15) days from the date of such petition under the bankruptcy provisions of applicable law, or the other Party is declared insolvent, undergoes voluntary or involuntary dissolution, or makes an assignment for the benefit of its creditors, or fails or is unable to pay its debts as they come due, or suffers the appointment of a receiver or trustee over all, or substantially all, of its assets or properties. All rights and licenses granted under or pursuant to this Agreement by Indena are, for the purposes of Section 365(n) of the U.S. Bankruptcy Code, licenses of rights to “intellectual property” as defined under Section 101 of the U.S. Bankruptcy Code. The Parties agree that Spectrum shall retain and may fully exercise all of its rights and elections under the U.S. Bankruptcy Code.

10.5 Effects of Expiration or Termination

(a) Rights Upon Expiration. Following the expiration of this Agreement with respect to a Product in a country in the Territory pursuant to Section 10.1, Spectrum shall have and retain a perpetual, royalty-free, fully paid up License for such Product in such country, however, Spectrum’s obligations under this Agreement with respect to such Product in such country in the Territory shall terminate. Following the expiration of the term of this Agreement in its entirety pursuant to Section 10.1,

Spectrum shall have and retain a perpetual, royalty-free, fully paid up License for the Licensed Compound in all countries in the Territory, however, Spectrum's obligations under this Agreement shall terminate. In addition, Spectrum shall retain all rights and interest in all materials, inventions, discoveries and know-how (whether or not patentable or patented) solely generated by Spectrum in the course of performing research and development activities under the licenses granted in this Agreement. Other than rights intended to survive expiration, or as otherwise provided under Section 10.5(e), neither Party shall have any further rights or obligations upon the expiration of this Agreement in its entirety.

(b) Rights Upon Termination by Indena Under Sections 10.3 or 10.4 or by Spectrum Under Section 10.2. Upon any termination of this Agreement by Indena under Section 10.3 or 10.4 or by Spectrum under Section 10.2, all rights and licenses granted by Indena to Spectrum shall terminate and revert to Indena and, subject to clause (e) below, Spectrum's obligations under this Agreement shall terminate. The foregoing provisions shall also apply to the partial termination of this Agreement by Spectrum on a Product-by-Product and/or country-by-country basis in accordance with Section 10.2, provided, however, that in such event only those rights that solely pertain to the Product and/or country being terminated would revert back to Indena and Spectrum's obligations under this Agreement only with respect to such Product in such country shall terminate. In addition, Spectrum shall provide to Indena all CMC data, preclinical testing and stability data and results and clinical trial data and results relating to the development of Products and a technology transfer package for all processes, formulations, and protocols for the manufacture of Products. If Spectrum has licensed any technology from Third Parties relating to the Technology or any Product, Spectrum shall use commercially reasonable efforts to transfer such rights to Indena at no cost to Indena. Notwithstanding the foregoing, Spectrum shall retain its right, title and interest under Section 4.1 in any Improvements made solely by Spectrum and in any Joint Inventions and hereby grants to Indena effective upon termination of this Agreement by Spectrum pursuant to Section 10.2 a non-exclusive, perpetual, royalty-free right and license to any Improvements made solely by Spectrum and to any Joint Inventions.

(c) Rights Upon Termination by Spectrum under Sections 10.3 or 10.4. Upon any termination of this Agreement by Spectrum under Sections 10.3 or 10.4, the license rights granted by Indena to Spectrum contained in this Agreement shall continue in full force and effect, provided however, that, subject to clause (e) below, Spectrum's obligations under this Agreement shall terminate. Notwithstanding the foregoing, Indena shall retain its right, title and interest under Section 4.1 in any Joint Inventions and in any Improvements made by Indena solely or jointly with a Third Party.

(d) Payments. Not later than ninety (90) days after the expiration or termination date of this Agreement in its entirety, each Party shall pay to the other Party any amounts that are then due and payable, including any final period royalty report and payment.

(e) Accrued Rights; Surviving Obligations. Termination (partially or completely) or expiration of this Agreement for any reason shall be without prejudice to any rights which shall have accrued to the benefit of either Party prior to such termination or expiration, and shall not relieve either Party from its obligations which are expressly indicated to survive expiration or termination of this Agreement, including those under Articles 1, 6, 9, 11 and 12 and Sections 4.1, 4.2, 5.4, 10.5 and 10.6 which shall survive any expiration or termination of this Agreement. Spectrum shall have no liability for financial obligations that accrue after the date of termination or expiration of this Agreement, including but not limited to the milestone payments payable pursuant to Section 3.1. For the avoidance of doubt, if Spectrum terminates this Agreement pursuant to Section 10.2 [***].

10.6 Work-in-Progress. Notwithstanding anything in this Agreement to the contrary, upon any such early termination of the license granted hereunder in accordance with this Agreement, Spectrum shall be entitled to finish any work-in-progress and to sell any completed inventory of a Product which remain on hand as of the date of the termination, so long as Spectrum pays to Indena the royalties applicable to said subsequent sales in accordance with the terms and conditions as set forth in this Agreement, provided that no such sales shall be permitted after the expiration of [***] after the date of termination.

11. DISPUTE RESOLUTION.

11.1 Arbitration. Without prejudice to the provisions of Section 11.4 below, any claim, dispute, or controversy of any nature arising out of or relating to this Agreement, including any action or claim based on tort, contract or statute, or concerning the interpretation, effect, termination, validity, performance and/or breach of this Agreement (each, a "**Dispute**") between the Parties shall be finally settled by binding arbitration conducted in the English language in accordance with the Rules of the International Chamber of Commerce ("**ICC**"). The arbitration shall be held in Paris, France, if the demand for arbitration is filed by Spectrum, and New York, New York, if the demand for arbitration is filed by Indena, and shall be conducted by three (3) arbitrators who are knowledgeable in the subject matter at issue in the dispute. One (1) arbitrator will be selected by Indena, one (1) arbitrator will be selected by Spectrum, and the third arbitrator will be selected by mutual agreement of the two (2) arbitrators selected by the Parties, provided that if a Party fails to select an arbitrator within thirty (30) days of the request for arbitration, the arbitrator that was to be selected by such Party shall be appointed in accordance with the rules of the ICC. The arbitrators may proceed to an award, notwithstanding the failure of either Party to participate in the proceedings. The arbitrators shall issue a written award and statement of decision describing the essential findings and conclusions on which the award is based, including the calculation of any damages awarded. The arbitrators shall be authorized to award compensatory damages, but shall NOT be authorized to (i) award non-economic or punitive damages (except to the extent expressly permitted by this Agreement), or (ii) reform, modify or materially change this Agreement or any other agreements contemplated hereunder; provided, however, that the damage limitations described in part (i) of this sentence will not apply if such damages are statutorily imposed. The arbitrators also shall be authorized to grant any temporary, preliminary or permanent equitable remedy or relief that the arbitrators deem just and equitable and within the scope of this Agreement, including an injunction or order for specific performance. The award of the arbitrators shall be the sole and exclusive remedy of the Parties. Judgment on the award rendered by the arbitrators may be enforced in any court having competent jurisdiction thereof, subject only to revocation on grounds of fraud or clear bias on the part of the arbitrators.

11.2 Administration. Each Party shall bear its own attorneys' fees, costs, and disbursements arising out of the arbitration, and shall pay an equal share of the fees and costs of the arbitrators; provided, however, that the arbitrators shall be authorized to determine whether a Party is the prevailing party, and if so, to award to that prevailing party reimbursement for its reasonable attorneys' fees, costs and disbursements (including, for example, expert witness fees and expenses, photocopy charges and travel expenses), and/or the fees and costs of the arbitrators. Absent the filing of an application to correct or vacate the arbitration award (if permitted by ICC rules), each Party shall fully perform and satisfy the arbitration award within fifteen (15) days of the service of the award.

11.3 Waivers. By agreeing to the binding arbitration provision in Section 11.1, the Parties understand that they are waiving certain rights and protections which may otherwise be available if a Dispute between the Parties were determined by litigation in court, including the right to seek or obtain certain types of damages precluded by this provision, the right to a jury trial, certain rights of appeal, and a right to invoke formal rules of procedure and evidence.

11.4 Non-Arbitrable Disputes. Section 11.1 shall not apply to any dispute, controversy or claim that concerns (A) the validity, enforceability or infringement of a Patent, trademark or copyright; or (B) any antitrust, anti-monopoly or competition law or regulation, whether or not statutory. All such disputes, controversies or claims, and all judicial actions brought in order to enforce the instituting Party's rights hereunder through specific performance, injunction or similar equitable relief, shall be brought before any court having jurisdiction.

12. GENERAL PROVISIONS.

12.1 Further Assurances. At any time or from time to time on and after the Effective Date, each Party, at the request of the other Party, shall (i) deliver to the other Party such records, data or other documents consistent with the provisions of this Agreement, (ii) execute, and deliver or cause to be delivered, all such assignments, consents, documents or further instruments of transfer or license, and (iii) take or cause to be taken all such other actions, as the other Party may reasonably deem necessary or desirable in order for such other Party to obtain the full benefits of this Agreement and the transactions contemplated hereby.

12.2 Independent Contractors. The relationship between Indena and Spectrum is that of principal to principal. Indena and Spectrum are not joint venturers, partners, principal and agent, master and servant, employer or employee, and have no other relationship other than independent contracting Parties. Indena and Spectrum shall have no power to bind or obligate each other in any manner, other than as is expressly set forth in this Agreement.

12.3 Entire Agreement; Modification. This Agreement sets forth the entire agreement and understanding between the Parties as to the subject matter hereof. There shall be no amendments or modifications to this Agreement, except by a written document which is signed by both Parties.

12.4 Force Majeure. Neither Party shall be liable for any delay or failure of performance to the extent such delay or failure is caused by circumstances beyond its reasonable control and that by the exercise of due diligence it is unable to prevent, provided that the Party claiming excuse uses its commercially reasonable efforts to overcome the same.

12.5 Limitation of Liability. EXCEPT FOR LIABILITY FOR BREACH OF CONFIDENTIALITY OR FOR INFRINGEMENT OR MISAPPROPRIATION, NEITHER PARTY SHALL BE LIABLE TO THE OTHER FOR INDIRECT, INCIDENTAL, CONSEQUENTIAL, SPECIAL OR EXEMPLARY DAMAGES, INCLUDING BUT NOT LIMITED TO LOST PROFITS (EXCEPT, HOWEVER, ANY LOST PROFITS OF SPECTRUM AS THE RESULT OF ANY BREACH BY INDENA OF ANY OF THE REPRESENTATIONS IN SECTION 7.1 AND/OR THE COVENANTS IN ARTICLE 8), ARISING FROM OR RELATING TO ANY BREACH OF THIS AGREEMENT, REGARDLESS OF ANY NOTICE OF THE POSSIBILITY OF SUCH DAMAGES.

12.6 Assignment. Except for sublicensing rights as set forth in Section 2.2, this Agreement nor any rights granted hereunder may be assigned or transferred by either Party without the prior written consent of the non-assigning Party. Notwithstanding the foregoing, either Party may assign this Agreement to (i) an Affiliate or (ii) a Third Party in connection with the transfer or sale of all or substantially all of the business of such Party to which this agreement relates whether by a merger, consolidation, sale of stock, acquisition, sale of assets or otherwise. Subject to the limitations on assignment herein, this Agreement shall be binding upon and inure to the benefit of any successors in interest and permitted assigns of Indena and Spectrum. Any such successor or permitted assignee shall expressly assume in writing the performance of all terms and conditions of this Agreement to be performed by the assigning Party.

12.7 Governing Law. This Agreement shall be construed and enforced in accordance with the laws of the State of California, without regard to the conflicts of laws principles thereof.

12.8 Headings. The headings for each article and section in this Agreement have been inserted for convenience of reference only and are not intended to limit or expand on the meaning of the language contained in the particular article or section.

12.9 Interpretation. The following provisions apply to this entire Agreement unless a particular provision clearly specifies otherwise:

(a) All references to monetary amounts are to the Euro, the official currency of the Eurozone.

(b) The use of words in the singular or plural, or with a particular gender, shall not limit the scope or exclude the application of any provision of this Agreement to such person or persons or circumstances as the context otherwise permits.

(c) The words “include” and “including” have the inclusive meaning “including without limitation” and “including but not limited to.”

(d) The word “day” shall mean a calendar day and the words “business day” shall mean a day other than a Saturday, a Sunday, or any day that is a public holiday for employees of the U.S. Federal government (as established by 5 U.S.C. 6103 or any statute that supersedes it).

(e) Time periods within or following which any payment is to be made or act is to be done shall be calculated by excluding the day on which the period commences and including the day on which the period ends and by extending the period to the next business day following if the last day of the period is not a business day in the jurisdiction of the Party to make such payment or do such act.

(f) Any reference to this Agreement or any other agreement, document or filing shall refer to that item as amended from time to time.

(g) Any reference to an Article, Section, Exhibit or Schedule shall be to the applicable Article, Section, Exhibit or Schedule to this Agreement and not to or of any other document.

12.10 Severability. Should any one or more of the provisions of this Agreement be held invalid or unenforceable by a court of competent jurisdiction, it shall be considered severed from this Agreement and shall not serve to invalidate the remaining provisions thereof. The Parties shall make a good faith effort to replace any invalid or unenforceable provision with a valid and enforceable one such that the objectives contemplated by them when entering this Agreement may be realized.

12.11 No Waiver. Any delay in enforcing a Party’s rights under this Agreement or any waiver as to a particular default or other matter shall not constitute a waiver of such Party’s rights to the future enforcement of its rights under this Agreement, excepting only as to an express written and signed waiver as to a particular matter for a particular period of time.

12.12 Notices. Any notices required by this Agreement shall be in writing, shall specifically refer to this Agreement and shall be sent by registered or certified airmail, postage prepaid, or by e-mail or telefax, confirmed by registered mail, or by telex or cable, charges prepaid, or by overnight courier,

charges prepaid, and shall be delivered to the respective addresses set forth below unless subsequently changed by written notice to the other Party:

For Indena:	Indena SpA Viale Ortles, 12 20139 Milano, Italy Facsimile: (+39) 02 57496236 E-Mail: [***] Attention: Gian Paolo Forni
For Spectrum:	Spectrum Pharmaceuticals, Inc. 157 Technology Drive Irvine, CA 92618 Facsimile: (949) 788-6706 E-Mail: [***] Attention: Rajesh C. Shrotriya, M.D.

Notice shall be deemed delivered upon the earlier of (i) when actually received, (ii) the date notice is sent via e-mail, telefax, telex or cable, and confirmed by written receipt or (iii) the day immediately following delivery to overnight courier, except that notices received on Sundays or holidays will be deemed received the following business day.

12.13 Compliance with Laws. Nothing contained in this Agreement shall require or permit Indena or Spectrum to do any act inconsistent with the requirements of any Italian or United States law, regulation or executive order as the same may be in effect from time to time.

12.14 Counterparts. This Agreement may be executed simultaneously in one or more counterparts, each of which shall be deemed an original, but all of which together shall constitute one and the same instrument.

IN WITNESS WHEREOF, the Parties have executed this Agreement by their duly authorized representatives as of the date first set forth above.

INDENA SPA	**SPECTRUM PHARMACEUTICALS, INC.**
By: /s/ Dario Bonacorsi	By: /s/ Rajesh C. Shrotriya, M.D.
Name: Dario Bonacorsi	Name: Rajesh C. Shrotriya, M.D.
Title: President and CEO	Title: Chairman, CEO and President

EXHIBIT A

IDN 5109

[***]

EXHIBIT B

LIST OF PATENTS

[***]

[Exhibit B, 11 pages, has been omitted in its entirety and filed separately with the Securities and Exchange Commission. Confidential treatment has been requested with respect to the omitted pages.]

EXHIBIT 31.1

Certification of Principal Executive Officer
Pursuant to Section 302 of the Sarbanes-Oxley Act of 2002

I, Rajesh C. Shrotriya, certify that:

1. I have reviewed this quarterly report on Form 10-Q of Spectrum Pharmaceuticals, Inc.;

2. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;

3. Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this report;

4. The registrant's other certifying officer and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) and internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f)) for the registrant and have:

(a) Designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;

(b) Designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;

(c) Evaluated the effectiveness of the registrant's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and

(d) Disclosed in this report any change in the registrant's internal control over financial reporting that occurred during the registrant's most recent fiscal quarter that has materially affected, or is reasonably likely to materially affect, the registrant's internal control over financial reporting; and

5. The registrant's other certifying officer and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the registrant's auditors and the audit committee of the registrant's board of directors (or persons performing the equivalent functions):

(a) All significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the registrant's ability to record, process, summarize and report financial information; and

(b) Any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant's internal control over financial reporting.

Date: November 9, 2007

/s/ RAJESH C. SHROTRIYA
Rajesh C. Shrotriya
Chairman, Chief Executive Officer and President

EXHIBIT 31.2

Certification of Principal Financial Officer
Pursuant to Section 302 of the Sarbanes-Oxley Act of 2002

I, Shyam K. Kumaria, certify that:

1. I have reviewed this quarterly report on Form 10-Q of Spectrum Pharmaceuticals, Inc.;

2. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;

3. Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this report;

4. The registrant's other certifying officer and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) and internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f)) for the registrant and have:

(a) Designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;

(b) Designed such internal controls over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;

(c) Evaluated the effectiveness of the registrant's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and

(d) Disclosed in this report any change in the registrant's internal control over financial reporting that occurred during the registrant's most recent fiscal quarter that has materially affected, or is reasonably likely to materially affect, the registrant's internal control over financial reporting; and

5. The registrant's other certifying officer and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the registrant's auditors and the audit committee of the registrant's board of directors (or persons performing the equivalent functions):

(a) All significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the registrant's ability to record, process, summarize and report financial information; and

(b) Any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant's internal control over financial reporting.

Date: November 9, 2007

/s/ SHYAM K. KUMARIA
Shyam K. Kumaria
Vice President, Finance

EXHIBIT 32.1

Certification of Principal Executive Officer

Pursuant to 18 U.S.C. § 1350, as created by Section 906 of the Sarbanes-Oxley Act of 2002, the undersigned officer of Spectrum Pharmaceuticals, Inc. (the "Company") hereby certifies, to such officer's knowledge, that:

(i) the accompanying Quarterly Report on Form 10-Q of the Company for the quarterly period ended September 30, 2007 (the "Report") fully complies with the requirements of Section 13(a) or Section 15(d), as applicable, of the Securities Exchange Act of 1934, as amended; and

(ii) the information contained in the Report fairly presents, in all material respects, the financial condition and results of operations of the Company.

Dated: November 9, 2007

/s/ RAJESH C. SHROTRIYA
Rajesh C. Shrotriya
Chairman, Chief Executive Officer and President

EXHIBIT 32.2

Certification of Principal Financial Officer

Pursuant to 18 U.S.C. § 1350, as created by Section 906 of the Sarbanes-Oxley Act of 2002, the undersigned officer of Spectrum Pharmaceuticals, Inc. (the "Company") hereby certifies, to such officer's knowledge, that:

(i) the accompanying Quarterly Report on Form 10-Q of the Company for the quarterly period ended September 30, 2007 (the "Report") fully complies with the requirements of Section 13(a) or Section 15(d), as applicable, of the Securities Exchange Act of 1934, as amended; and

(ii) the information contained in the Report fairly presents, in all material respects, the financial condition and results of operations of the Company.

Dated: November 9, 2007

/s/ SHYAM K. KUMARIA
Shyam K. Kumaria
Vice President, Finance