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

FORM 10-Q

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

For the quarterly period ended March 31, 2022

☐ **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: 001-35006

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.)**
11500 South Eastern Avenue	**Suite 220**	**Henderson**	**Nevada**	**89052**
(Address of principal executive offices)				**(Zip Code)**

(702) 835-6300

(Registrant's telephone number, including area code)

Securities registered pursuant to Section 12(b) of the Act:

Title of each class	Trading Symbol(s)	Name of each exchange on which registered
Common Stock, $0.001 par value	SPPI	The NASDAQ Global Select Market

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 ☐

Indicate by check mark whether the registrant has submitted electronically every Interactive Data File required to be submitted pursuant to Rule 405 of Regulation S-T (§232.405 of this chapter) during the preceding 12 months (or for such shorter period that the Registrant was required to submit such files). Yes ☒ No ☐

Indicate by check mark whether the registrant is a large accelerated filer, an accelerated filer, a non-accelerated filer, a smaller reporting company, or an emerging growth company. See the definitions of "large accelerated filer," "accelerated filer," "smaller reporting company," and "emerging growth company" in Rule 12b-2 of the Exchange Act.

Large accelerated filer	☐	Accelerated filer	☐
Non-accelerated filer	☒	Smaller reporting company	☒
		Emerging growth company	☐

If an emerging growth company, indicate by check mark if the registrant has elected not to use the extended transition period for complying with any new or revised financial accounting standards provided pursuant to Section 13(a) of the Exchange Act. ☐

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

As of May 9, 2022, 180,087,219 shares of the registrant's common stock were outstanding.

Spectrum Pharmaceuticals, Inc.
Quarterly Report on Form 10-Q
For the Three Months Ended March 31, 2022

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Items 2 through 5 of Part II have been omitted because they are not applicable with respect to the current reporting period.

Part I: Financial Information

Item 1: Financial Statements

SPECTRUM PHARMACEUTICALS, INC.
CONDENSED CONSOLIDATED BALANCE SHEETS
(In thousands, except share and par value amounts)
(Unaudited)

	March 31, 2022	December 31, 2021
ASSETS		
Current assets:		
Cash and cash equivalents	$ 78,679	$ 88,539
Marketable securities	10,535	12,108
Other receivables	639	1,028
Prepaid expenses and other current assets	3,328	2,277
Total current assets	93,181	103,952
Property and equipment, net	418	455
Facility and equipment under lease	2,107	2,505
Other assets	4,348	4,636
Total assets	$ 100,054	$ 111,548
LIABILITIES AND STOCKHOLDERS' EQUITY		
Current liabilities:		
Accounts payable and other accrued liabilities	$ 32,575	$ 41,258
Accrued payroll and benefits	6,633	11,971
Total current liabilities	39,208	53,229
Other long-term liabilities	5,590	10,766
Total liabilities	44,798	63,995
Commitments and contingencies (*Note 6*)		
Stockholders' equity:		
Preferred stock, $0.001 par value; 5,000,000 shares authorized; no shares issued and outstanding	—	—
Common stock, $0.001 par value; 300,000,000 shares authorized; 178,827,485 and 164,502,013 issued and outstanding at March 31, 2022 and December 31, 2021, respectively	179	165
Additional paid-in capital	1,117,350	1,094,353
Accumulated other comprehensive loss	(2,908)	(3,042)
Accumulated deficit	(1,059,365)	(1,043,923)
Total stockholders' equity	55,256	47,553
Total liabilities and stockholders' equity	$ 100,054	$ 111,548

See accompanying notes to these unaudited condensed consolidated financial statements.

SPECTRUM PHARMACEUTICALS, INC.
CONDENSED CONSOLIDATED STATEMENTS OF OPERATIONS
(In thousands, except share and per share amounts)
(Unaudited)

	Three Months Ended March 31,	
	2022	**2021**
Operating costs and expenses:		
Selling, general and administrative	$ 9,870	$ 14,315
Research and development	4,193	19,371
Total operating costs and expenses	14,063	33,686
Loss from continuing operations before other income (expense) and income taxes	(14,063)	(33,686)
Other income (expense):		
Interest income, net	11	84
Other expense, net	(1,334)	(2,081)
Total other expense	(1,323)	(1,997)
Loss from continuing operations before income taxes	(15,386)	(35,683)
Benefit for income taxes from continuing operations	(16)	7
Loss from continuing operations	(15,402)	(35,676)
Loss from discontinued operations, net of income taxes	(40)	(21)
Net loss	$ (15,442)	$ (35,697)
Basic and diluted loss per share:		
Loss from continuing operations	$ (0.09)	$ (0.25)
Loss from discontinued operations	$ 0.00	$ 0.00
Net loss per share, basic and diluted	$ (0.09)	$ (0.25)
Weighted average shares outstanding, basic and diluted	169,735,019	145,371,657

See accompanying notes to these unaudited condensed consolidated financial statements.

SPECTRUM PHARMACEUTICALS, INC.
CONDENSED CONSOLIDATED STATEMENTS OF COMPREHENSIVE LOSS
(In thousands)
(Unaudited)

	Three Months Ended March 31,	
	2022	**2021**
Net loss	$ (15,442)	$ (35,697)
Other comprehensive income (loss):		
Unrealized loss on available-for-sale securities, net of tax	—	(1,118)
Foreign currency translation adjustments	134	(560)
Other comprehensive income (loss)	134	(1,678)
Total comprehensive loss	$ (15,308)	$ (37,375)

See accompanying notes to these unaudited condensed consolidated financial statements.

SPECTRUM PHARMACEUTICALS, INC.
CONDENSED CONSOLIDATED STATEMENTS OF STOCKHOLDERS' EQUITY
(In thousands, except share data)
(Unaudited)

	Common Stock		Additional Paid-In Capital	Accumulated Other Comprehensive Loss	Accumulated Deficit	Total Stockholders' Equity
	Shares	Amount				
Balance as of December 31, 2021	164,502,013	$ 165	$ 1,094,353	$ (3,042)	$ (1,043,923)	$ 47,553
Net loss	—	—	—	—	(15,442)	(15,442)
Other comprehensive income, net	—	—	—	134	—	134
Recognition of stock-based compensation expense	—	—	3,011	—	—	3,011
Restricted stock award grants, net of forfeitures	1,675,472	2	(2)	—	—	—
Issuance of common shares to Hanmi Pharmaceutical Co., Ltd.	12,500,000	12	19,988	—	—	20,000
Issuance of common stock upon vesting of performance units	150,000	—	—	—	—	—
Balance as of March 31, 2022	178,827,485	$ 179	$ 1,117,350	$ (2,908)	$ (1,059,365)	$ 55,256

	Common Stock		Additional Paid-In Capital	Accumulated Other Comprehensive Loss	Accumulated Deficit	Total Stockholders' Equity
	Shares	Amount				
Balance as of December 31, 2020	146,083,110	$ 146	$ 1,021,221	$ (1,829)	$ (885,295)	$ 134,243
Net loss	—	—	—	—	(35,697)	(35,697)
Other comprehensive loss, net	—	—	—	(1,678)	—	(1,678)
Recognition of stock-based compensation expense	—	—	4,212	—	—	4,212
Issuance of common shares under an at-the-market sales agreement	5,678,893	6	21,351	—	—	21,357
Restricted stock award grants, net of forfeitures	1,966,333	2	—	—	—	2
Balance as of March 31, 2021	153,728,336	$ 154	$ 1,046,784	$ (3,507)	$ (920,992)	$ 122,439

See accompanying notes to these unaudited condensed consolidated financial statements.

SPECTRUM PHARMACEUTICALS, INC.
CONDENSED CONSOLIDATED STATEMENTS OF CASH FLOWS
(In thousands)
(Unaudited)

	Three Months Ended March 31,	
	2022	**2021**
Cash Flows From Operating Activities:		
Loss from continuing operations	$ (15,402)	$ (35,676)
Loss from discontinued operations, net of income taxes	(40)	(21)
Net loss	(15,442)	(35,697)
Adjustments to reconcile net loss to net cash used in operating activities:		
Depreciation and amortization	73	65
Stock-based compensation	3,011	4,212
Non-cash lease expense	358	401
Other non-cash items	462	68
Loss on disposal of assets	3	—
Realized gain on sale of equity holdings	(645)	(2,856)
Unrealized loss on equity holdings	1,538	4,999
Changes in operating assets and liabilities:		
Other receivables	387	(324)
Prepaid expenses and other current assets	(1,051)	670
Other assets	288	(36)
Accounts payable and other accrued liabilities	(9,944)	(1,681)
Accrued payroll and benefits	(5,338)	(4,408)
Other long-term liabilities	(3,996)	96
Net cash used in operating activities	(30,296)	(34,491)
Cash Flows From Investing Activities:		
Proceeds from maturities of investments	805	49,823
Proceeds from sale of equity holdings	287	2,858
Purchases of investments	(625)	(15,964)
Purchases of property and equipment, net	(39)	(73)
Net cash provided by investing activities	428	36,644
Cash Flows From Financing Activities:		
Issuance of common shares to Hanmi Pharmaceutical Co., Ltd.	20,000	—
Proceeds from sale of common stock under an at-the-market sales agreement, net	—	21,357
Net cash provided by financing activities	20,000	21,357
Effect of exchange rates on cash and cash equivalents	8	2
Net (decrease) increase in cash and cash equivalents	(9,860)	23,512
Cash and cash equivalents—beginning of period	88,539	46,009
Cash and cash equivalents—end of period	$ 78,679	$ 69,521
Supplemental disclosure of cash flow information:		
Cash paid for facility and equipment under operating leases	$ 584	$ 620
Cash paid for income taxes	$ —	$ 4
Noncash investing activities:		
Additions of property and equipment that remain in accounts payable and other accrued liabilities	$ —	$ 27

See accompanying notes to these unaudited condensed consolidated financial statements.

Spectrum Pharmaceuticals, Inc.
Notes to Condensed Consolidated Financial Statements
(all tabular amounts presented in thousands, except share, per share, interest rate, and number of years)
(Unaudited)

Note 1. Description of Business, Basis of Presentation, And Operating Segment

(a) Description of Business

Spectrum Pharmaceuticals, Inc. ("Spectrum", the "Company", "we", "our", or "us") is a biopharmaceutical company, with a strategy of acquiring, developing, and commercializing novel and targeted oncology therapies. Our in-house development organization includes clinical development, regulatory, quality and data management.

We have two drugs in late-stage development:

- Eflapegrastim, a novel long-acting granulocyte colony-stimulating factor ("G-CSF") for the treatment of chemotherapy-induced neutropenia. On August 6, 2021, the Company announced the receipt of a complete response letter ("CRL"), that cited manufacturing deficiencies related both to the drug substance and drug product manufacturers. The Company believes it has completed the remediation of these deficiencies and resubmitted the Biologics License Application ("BLA") on March 11, 2022. On April 11, 2022, the Company announced that it had received notice that the BLA had been accepted and received a PDUFA date of September 9, 2022; and
- Poziotinib, a novel irreversible tyrosine kinase inhibitor under investigation for non-small cell lung cancer ("NSCLC") tumors with various mutations. On December 6, 2021, the Company announced it submitted its New Drug Application ("NDA") for poziotinib to the FDA for use in patients with previously treated locally advanced or metastatic NSCLC with HER2 exon 20 insertion mutations. The NDA submission is based on the positive results of Cohort 2 from the ZENITH20 clinical trial, which assessed the safety and efficacy of poziotinib. The product has received Fast Track designation and there is currently no treatment specifically approved by the FDA for this indication. On February 11, 2022, the Company announced that it had received notice that the NDA had been accepted and received a PDUFA action date of November 24, 2022.

Our business strategy is the development of late-stage assets through commercialization and the sourcing of additional assets that are synergistic with our existing portfolio (through purchase acquisitions, in-licensing transactions, or co-development and marketing arrangements).

(b) Basis of Presentation

Interim Financial Statements

The interim financial data for the three months ended March 31, 2022 and 2021 is unaudited and is not necessarily indicative of our operating results for a full year. In the opinion of our management, the interim data includes normal and recurring adjustments necessary for a fair presentation of our financial results for the three months ended March 31, 2022 and 2021. Certain information and footnote disclosures normally included in annual financial statements prepared in accordance with U.S. generally accepted accounting principles ("GAAP") have been condensed or omitted pursuant to the Securities and Exchange Commission ("SEC") rules and regulations relating to interim financial statements. Certain prior period amounts have been reclassified for consistency with the current year presentation. The accompanying Condensed Consolidated Financial Statements should be read in conjunction with our audited Consolidated Financial Statements and Notes thereto included within our Annual Report on Form 10-K for the fiscal year ended December 31, 2021 (filed with the SEC on March 17, 2022).

Discontinued Operations - Sale of our Commercial Product Portfolio

In March 2019, we completed the Commercial Product Portfolio Transaction (see Note 7) to Acrotech Biopharma LLC ("Acrotech") (the "Commercial Product Portfolio Transaction"). In accordance with applicable GAAP (*ASC 205-20, Presentation of Financial Statements*), the revenue-deriving activities and allocable expenses of our sold commercial operation,

connected to the Commercial Product Portfolio, are separately classified as "discontinued" for all periods presented within the accompanying Consolidated Statements of Operations.

Principles of Consolidation

The accompanying Condensed Consolidated Financial Statements have been prepared in accordance with GAAP and with the rules and regulations of the SEC. These financial statements include the financial position, results of operations, and cash flows of Spectrum and its subsidiaries, all of which are wholly-owned. All inter-company accounts and transactions among these legal entities have been eliminated in consolidation. Substantially all of the accumulated other comprehensive loss is comprised of foreign currency translation adjustments at March 31, 2022.

Liquidity and Capital Resources

The Company expects to incur future net losses as it continues to fund the advancement and commercialization of its product candidates. Based upon our current projections, including our intention to continue to place a disciplined focus on streamlining our business operations, we believe that our $89.2 million in aggregate cash, cash equivalents and marketable securities as of March 31, 2022, will be sufficient to fund our current and planned operations for at least the next twelve months. However, should our costs and expenses prove to be greater than we currently anticipate, or should we change our current business plan in a manner that increases or accelerates our anticipated costs and expenses, we may require additional liquidity earlier than expected. To the extent it becomes necessary to raise additional cash in the future, we will seek to raise it through the public or private sale of debt or equity securities, out-licensing arrangements, funding from joint-venture or strategic partners, debt financing or short-term loans, or a combination of the foregoing. However, we do not currently have any binding commitments for additional financing. Accordingly, we cannot provide any assurance that we will be able to obtain this additional liquidity on terms favorable to us or our current stockholders, or at all. Our liquidity and our ability to fund our capital requirements going forward are dependent, in part, on market and economic factors that are beyond our control. The Company may never achieve profitability or generate positive cash flows, and unless and until it does, the Company will continue to need to raise additional capital.

(c) Operating Segment

We operate one reportable operating segment that is focused exclusively on developing (and eventually marketing) oncology and hematology drug products. For the three months ended March 31, 2022 and 2021, all of our operating costs and expenses were solely attributable to these activities (and as applicable, classified as "discontinued" within the accompanying Condensed Consolidated Statements of Operations).

Note 2. Summary of Significant Accounting Policies And Use of Estimates

The preparation of financial statements in conformity with GAAP requires our management to make informed estimates and assumptions that affect our reported amounts of assets, liabilities, revenues, and expenses. These amounts may materially differ from the amounts ultimately realized and reported due to the inherent uncertainty of any estimate or assumption. On an on-going basis, our management evaluates (as applicable) its most critical estimates and assumptions, including those related to: (i) the realization of our tax assets and estimates of our tax liabilities; (ii) the fair value of our investments; (iii) the valuation of our stock options and the periodic expense recognition of stock-based compensation; and (iv) the potential outcome of our ongoing or threatened litigation.

Our accounting policies and estimates that most significantly impact the presented amounts within these Condensed Consolidated Financial Statements are further described below:

(i) Cash and Cash Equivalents

Cash and cash equivalents consist of bank deposits and highly liquid investments with maturities of three months or less from the purchase date.

(ii) Marketable Securities

Marketable securities consist of our holdings in equity securities (including mutual funds), bank CDs, government-related debt securities, and corporate debt securities. For equity securities and mutual funds, any realized gains (losses) or unrealized

gains (losses) are recognized in “other income (expense), net” within the Condensed Consolidated Statements of Operations. Debt securities and bank CDs are classified as “available-for-sale” investments and (1) realized gains (losses) are recognized in “other income (expense), net” within the Condensed Consolidated Statements of Operations and (2) unrealized gains (losses) are recognized as a component of “accumulated other comprehensive loss” within the Condensed Consolidated Statements of Stockholders’ Equity.

(iii) Property and Equipment, Net

Our property and equipment, net, is stated at historical cost, and is depreciated on a straight-line basis over an estimated useful life that corresponds with its designated asset category. We evaluate the recoverability of long-lived assets (which includes property and equipment) whenever events or changes in circumstances in our business indicate that the asset’s carrying amount may not be recoverable. Recoverability is measured by a comparison of the carrying amount to the net undiscounted cash flows expected to be generated by the asset group. An impairment loss would be recorded for the excess of net carrying value over the fair value of the asset impaired. The fair value is estimated based on expected discounted future cash flows or other methods such as orderly liquidation value based on assumptions of asset class and observed market data. An orderly liquidation value is the amount that could be realized upon liquidation, given a sufficient amount of time to find a purchaser for a sale of assets in their existing condition and location, as of a specific date, and assuming the sale is to market participants who can utilize such assets in their highest and best use. The orderly liquidation values are applied against the carrying values of the assets and the impairment loss is measured as the difference between the liquidation value and the carrying value of the assets.

(iv) Stock-Based Compensation

Stock-based compensation expense for equity awards granted to our employees and members of our Board of Directors is recognized on a straight-line basis over each award’s vesting period. Recognized compensation expense is net of an estimated forfeiture rate, representing the percentage of awards that are expected to be forfeited prior to vesting, though is ultimately adjusted for actual forfeitures. We use the Black-Scholes option pricing model to determine the fair value of stock options and stock appreciation rights (as of the date of grant) that have service conditions for vesting. We use the Monte Carlo valuation model to value equity awards (as of the date of grant) that have combined market conditions and service conditions for vesting.

The recognition of stock-based compensation expense and the initial calculation of stock option fair value requires uncertain assumptions, including (a) the pre-vesting forfeiture rate of the award, (b) the expected term that the stock option will remain outstanding, (c) our stock price volatility over the expected term (and that of our designated peer group with respect to certain market-based awards), and (d) the prevailing risk-free interest rate for the period matching the expected term.

With regard to (a)-(d) above: we estimate forfeiture rates based on our employees’ overall forfeiture history, which we believe will be representative of future results. We estimate the expected term of stock options granted based on our employees’ historical exercise patterns, which we believe will be representative of their future behavior. We estimate the volatility of our common stock on the date of grant based on the historical volatility of our common stock for a look-back period that corresponds with the expected term. We estimate the risk-free interest rate based upon the U.S. Department of the Treasury yields in effect at award grant, for a period equaling the expected term of the stock option.

(v) Basic and Diluted Net Loss per Share

We calculate basic and diluted net loss per share using the weighted average number of common shares outstanding during the periods presented. In periods of a net loss, basic and diluted loss per share are the same. For the diluted earnings per share calculation, we adjust the weighted average number of common shares outstanding to include only stock options, warrants, and other common stock equivalents outstanding during the period to the extent that they are dilutive.

There were 11.5 million shares and 12.6 million shares of outstanding securities (including stock options, restricted stock units, stock appreciation rights, and performance awards) as of March 31, 2022 and 2021, respectively, that were excluded from the calculation of diluted net loss per share because their inclusion would have been anti-dilutive.

(vi) Income Taxes

Deferred tax assets and liabilities are recorded based on the estimated future tax effects of temporary differences between the tax basis of assets and liabilities and amounts reported in the financial statements, as well as operating losses and tax credit

carry forwards using enacted tax rates and laws that are expected to be in effect when the differences are expected to reverse. Realization of deferred tax assets is dependent upon future earnings, the timing and amount of which are uncertain.

We apply an estimated annual effective tax rate ("ETR") approach for calculating a tax provision for interim periods. Our ETR differs from the U.S. federal statutory tax rate primarily as a result of nondeductible expenses and the impact of a valuation allowance on our deferred tax assets, which we record because we believe that, based upon a weighting of positive and negative factors, it is more likely than not that these deferred tax assets will not be realized. If/when we were to determine that our deferred tax assets are realizable, an adjustment to the corresponding valuation allowance would increase our net income in the period that such determination was made.

In the event that we are assessed interest and/or penalties from taxing authorities that have not been previously accrued, such amounts would be included in "benefit for income taxes from continuing operations" within the accompanying Condensed Consolidated Statements of Operations for the period in which we received the notice.

(vii) Research and Development Expenses

Our research and development costs are expensed as incurred. Research and development costs consist primarily of salaries, benefits, and other staff-related costs including associated stock-based compensation, laboratory supplies, clinical trial and related clinical manufacturing costs, costs related to manufacturing preparations, fees paid to other entities that conduct certain research and development activities on our behalf and payments made pursuant to license agreements. Clinical trial and other development costs incurred by third parties are expensed as the contracted work is performed. We accrue for costs incurred as the services are being provided by monitoring the status of activities and the invoices received from our external service providers. We adjust our accruals as actual costs become known. Where contingent milestone payments are due to third parties under research and development or license agreements, the milestone payment obligations are expensed when the clinical or regulatory milestone results are achieved.

(viii) Fair Value Measurements

We determine measurement-date fair value based on the proceeds that would be received through the sale of the asset, or that we would pay to settle or transfer the liability, in an orderly transaction between market participants. We utilize valuation techniques that maximize the use of observable inputs and minimize the use of unobservable inputs to the extent possible. Fair value measurements are based on a three-tier hierarchy that prioritizes the inputs used to measure fair value. These tiers include the following:

Level 1: Quoted prices (unadjusted) in active markets for identical assets or liabilities that are publicly accessible at the measurement date.

Level 2: Observable prices that are based on inputs not quoted on active markets, but that are corroborated by market data. These inputs may include quoted prices for similar assets or liabilities or quoted market prices in markets that are not active to the general public.

Level 3: Unobservable inputs are used when little or no market data is available.

(ix) Recently Issued Accounting Standards

There are several new accounting pronouncements issued by the FASB, which we don't believe had or will have a material impact on our consolidated financial statements.

Notes to Condensed Consolidated Financial Statements
(all tabular amounts presented in thousands, except share, per share, interest rate, and number of years)
(Unaudited)

Note 3. Fair Value Measurements

The table below summarizes certain asset and liability fair values that are included within our accompanying Condensed Consolidated Balance Sheets, and their designations among the three fair value measurement categories:

	March 31, 2022 Fair Value Measurements			
	Level 1	Level 2	Level 3	Total
Assets:				
Money market funds	$ 56,326	$ —	$ —	$ 56,326
Equity securities	4,655	—	—	4,655
Mutual funds	5,880	9	—	5,889
Key employee life insurance, cash surrender value[1]	—	4,219	—	4,219
	$ 66,861	$ 4,228	$ —	$ 71,089
Liabilities:				
Deferred executive compensation liability[2]	$ —	$ 10,500	$ —	$ 10,500
	$ —	$ 10,500	$ —	$ 10,500

[1] Included within other assets on our Condensed Consolidated Balance Sheets, and the amount is based on the stated cash surrender value of life insurance policies of named current and former employees at each period-end.

[2] Included $6.3 million within accounts payable and other accrued liabilities and $4.2 million within other long-term liabilities on our Condensed Consolidated Balance Sheets.

	December 31, 2021 Fair Value Measurements			
	Level 1	Level 2	Level 3	Total
Assets:				
Equity securities	$ 5,718	$ —	$ —	$ 5,718
Money market funds	66,322	—	—	66,322
Mutual funds	6,390	9	—	6,399
Key employee life insurance, cash surrender value[1]	—	4,507	—	4,507
	$ 78,430	$ 4,516	$ —	$ 82,946
Liabilities:				
Deferred executive compensation liability[2]	$ —	$ 11,243	$ —	$ 11,243
	$ —	$ 11,243	$ —	$ 11,243

[1] Included within other assets on our Condensed Consolidated Balance Sheets, and the amount is based on the stated cash surrender value of life insurance policies of named current and former employees at each period-end.

[2] Included $2.0 million within accounts payable and other accrued liabilities and $9.2 million within other long-term liabilities on our Condensed Consolidated Balance Sheets.

We did not have any transfers between *"Level 1"* and *"Level 2"* measurement categories for any periods presented.

Our carrying amounts of financial instruments such as cash equivalents, accounts receivable, prepaid expenses, accounts payable, and other accrued liabilities approximate their fair values due to their short-term nature of settlement.

Note 4. Balance Sheet Account Detail

The composition of selected financial statement captions that comprise the accompanying Condensed Consolidated Balance Sheets are summarized below:

(a) Cash and Cash Equivalents and Marketable Securities

We maintain cash balances with select major financial institutions. The Federal Deposit Insurance Corporation (FDIC) and other third parties insure a fraction of these deposits. Accordingly, these cash deposits are not insured against the possibility

(all tabular amounts presented in thousands, except share, per share, interest rate, and number of years)

of a substantial or complete loss of principal and are inherently subject to the credit risk of the corresponding financial institution.

Our investment policy requires that purchased investments may only be in highly-rated and liquid financial instruments and limits our holdings of any single issuer (excluding any debt or equity securities that may be received from our strategic partners in connection with an out-license arrangement).

The carrying amount of our equity securities, money market funds, and bank CDs approximates their fair value (utilizing "Level 1" or "Level 2" inputs) because of our ability to immediately convert these instruments into cash with minimal expected change in value. There were no material unrealized losses on our investment securities at March 31, 2022 or December 31, 2021.

The following is a summary of our presented composition of "cash and cash equivalents" and "marketable securities":

	Historical or Amortized Cost	Fair Value	Cash and Cash Equivalents	Marketable Securities
March 31, 2022				
Money market funds	$ 56,326	$ 56,326	$ 56,326	$ —
Equity securities[(1)]	3,508	4,655	—	4,655
Mutual funds	5,400	5,880	—	5,880
Bank deposits	22,353	22,353	22,353	—
Total cash and cash equivalents and marketable securities	$ 87,587	$ 89,214	$ 78,679	$ 10,535
December 31, 2021				
Equity securities[(1)]	$ 3,512	$ 5,718	$ —	$ 5,718
Money market funds	66,322	66,322	66,322	—
Bank deposits	22,217	22,217	22,217	—
Mutual funds	5,218	6,390	—	6,390
Total cash and cash equivalents and marketable securities	$ 97,269	$ 100,647	$ 88,539	$ 12,108

[(1)]Our aggregate equity holdings consist of 4.7 million common shares of CASI Pharmaceuticals, Inc., a NASDAQ-listed biopharmaceutical company, with a fair market value of $3.8 million as of March 31, 2022. We completed the sale of 0.4 million shares of common stock and recognized a $0.3 million gain within "other expense, net" within the accompanying Condensed Consolidated Statements of Operations for the three months ended March 31, 2022. Additionally, we hold 0.7 million common shares of Unicycive Therapeutics, Inc., a NASDAQ-listed biopharmaceutical company, with a fair market value of $0.9 million as of March 31, 2022. We completed the sale of 0.2 million shares of common stock and recognized a $0.2 million gain within "other expense, net" within the accompanying Condensed Consolidated Statements of Operations for the three months ended March 31, 2022.

(b) Accounts Payable and Other Accrued Liabilities

"Accounts payable and other accrued liabilities" consists of the following:

	March 31, 2022	December 31, 2021
Trade accounts payable and other	$ 25,305	$ 33,408
Lease liability - current portion	1,001	1,282
Commercial Product Portfolio accruals (Note 7)	6,269	6,568
Accounts payable and other accrued liabilities	$ 32,575	$ 41,258

Amounts presented within "accounts payable and other accrued liabilities" in the accompanying Condensed Consolidated Balance Sheets for our categories of gross-to-net ("GTN") estimates related to the Commercial Product Portfolio accruals were as follows:

Notes to Condensed Consolidated Financial Statements
(all tabular amounts presented in thousands, except share, per share, interest rate, and number of years)
(Unaudited)

	Commercial/Medicaid Rebates and Government Chargebacks	Distribution, Data, Inventory and GPO Administrative Fees	Product Return Allowances	Total
Balance as of December 31, 2020	$ 2,601	$ 942	$ 4,299	$ 7,842
(Less): Payments and credits against GTN accruals	(1,159)	—	(115)	(1,274)
Balance as of December 31, 2021	$ 1,442	$ 942	$ 4,184	6,568
(Less): Payments and credits against GTN accruals	(35)	—	(264)	(299)
Balance as of March 31, 2022	$ 1,407	$ 942	$ 3,920	$ 6,269

Note 5. Stock-Based Compensation

In June 2018, we adopted the 2018 Long-Term Incentive Plan, the 2018 Long-Term Incentive Plan (the "2018 Plan") which provided for the issuance of restricted stock awards and units, incentive and nonqualified stock options, performance unit awards, stock appreciation rights, and other stock-based awards to employees, consultants and members of our Board of Directors.

We report our stock-based compensation expense (inclusive of our incentive stock plan and employee stock purchase plan) in the accompanying Condensed Consolidated Statements of Operations within "total operating costs and expenses" for the three months ended March 31, 2022 and 2021, as follows:

	Three Months Ended March 31,	
	2022	2021
Selling, general and administrative	$ 1,915	$ 2,798
Research and development	1,096	1,414
Total stock-based compensation	$ 3,011	$ 4,212

Restricted Stock Awards and Restricted Stock Units

Stock-based award grants to employees generally vest one-third on the first anniversary of the date of grant, and in equal annual installments thereafter over the remaining two years vesting period. In the event of a change in control, all award types with the exception of performance unit awards, will vest in full effective immediately prior to the consummation of the change in control. No restricted stock units were granted during the three months ended March 31, 2022.

We granted 2.1 million restricted stock awards with a weighted average grant date fair value of $1.20 during the three months ended March 31, 2022. At March 31, 2022 we had 5.1 million restricted stock awards outstanding with a weighted average grant date fair value of $2.39.

As of March 31, 2022, there was approximately $10.1 million of unrecognized compensation expense related to the unvested portions of restricted stock awards and restricted stock units. This expense is expected to be recognized over a weighted-average period of approximately 2.1 years.

Stock Options

Stock option grants to employees, consultants, and members of our Board of Directors generally should be exercised no later than 10 years from the date of grant.

We granted 0.02 million stock options with a weighted average exercise price of $1.35 during the three months ended March 31, 2022. At March 31, 2022 we had 8.0 million options outstanding with a weighted average exercise price of $6.07.

As of March 31, 2022, there was approximately $3.2 million of unrecognized compensation expense related to unvested stock options. This expense is expected to be recognized over a weighted-average period of approximately 2.0 years.

Note 6. Financial Commitments and Contingencies and Key License Agreements

(all tabular amounts presented in thousands, except share, per share, interest rate, and number of years)

(a) Facility and Equipment Leases

Overview

In the ordinary course of our business, we enter into leases with unaffiliated parties for the use of (i) office and research facilities and (ii) office equipment. Our current leases have remaining terms ranging from less than one year to four years and none include any residual value guarantees, restrictive covenants, term extensions, or early-termination options.

We lease our principal executive office in Henderson, Nevada under a non-cancelable operating lease expiring October 31, 2022. We also lease our research and development facility in Irvine, California under a non-cancelable operating lease expiring July 31, 2022, in addition to other administrative office leases. We also lease an office facility in Boston under a non-cancelable operating lease expiring December 31, 2024.

Our facility leases have minimum annual rents, payable monthly, and some carry fixed annual rent increases. Under some of these arrangements, real estate taxes, insurance, certain operating expenses, and common area maintenance are reimbursable to the lessor. These amounts are expensed as incurred, as they are variable in nature and therefore excluded from the measurement of our reported lease asset and liability discussed below. As of March 31, 2022 and 2021, we had no sublease arrangements with us as lessor, and no finance leases, as defined in ASU 2016-02, *Leases* ("Topic 842").

The reported asset and liability, respectively, represents (i) the economic benefit of our use of leased facilities and equipment and (ii) the present-value of our contractual minimum lease payments, applying our estimated incremental borrowing rate as of the lease commencement date (since an implicit interest rate is not readily determinable in any of our leases). The recorded asset and liability associated with each lease is amortized over the respective lease term using the effective interest rate method. During the three months ended March 31, 2022 and 2021, we recognized no additional ROU assets in exchange for lease liabilities.

We elected to not separate "lease components" from "non-lease components" in our measurement of minimum payments for our facility leases and office equipment leases. Additionally, we elected to not recognize a lease asset and liability for a term of 12 months or less.

Financial Reporting Captions

The below table summarizes the lease asset and liability accounts presented on our accompanying Condensed Consolidated Balance Sheets:

Operating Leases	Condensed Consolidated Balance Sheet Caption	March 31, 2022	December 31, 2021
Operating lease right-of-use assets - non-current	Facility and equipment under lease	$ 2,107	$ 2,505
Operating lease liabilities - current	Accounts payable and other accrued liabilities	1,001	1,282
Operating lease liabilities - non-current	Other long-term liabilities	1,296	1,452
Total operating lease liabilities		$ 2,297	$ 2,734

As of March 31, 2022 and December 31, 2021, our "facility and equipment under lease" consisted of office and research facilities of $1.7 million and $2.1 million, respectively, and office equipment of $0.4 million and $0.4 million, respectively.

Components of Lease Expense

We recognize lease expense on a straight-line basis over the term of our operating leases, as reported within "selling, general and administrative" expense on the accompanying Condensed Consolidated Statements of Operations. The components

(all tabular amounts presented in thousands, except share, per share, interest rate, and number of years)

of our aggregate lease expense is summarized below:

	Three Months Ended March 31,	
	2022	2021
Operating lease cost	$ 421	$ 466
Variable lease cost	99	125
Short-term lease cost	25	17
Total lease cost	$ 545	$ 608

Weighted Average Remaining Lease Term and Applied Discount Rate

	Weighted Average Remaining Lease Term	Weighted Average Discount Rate
Operating leases as of March 31, 2022	2.7 years	3.4%
Operating leases as of December 31, 2021	2.7 years	3.8%

Future Contractual Lease Payments

The below table summarizes our (i) minimum lease payments over the next five years, (ii) lease arrangement implied interest, and (iii) present value of future lease payments:

Operating Leases - future payments	March 31, 2022
2022 (remaining)	$ 883
2023	657
2024	669
2025	98
2026 and thereafter	73
Total future lease payments, undiscounted	$ 2,380
(Less): Implied interest	(83)
Present value of operating lease payments	$ 2,297

(b) In/Out Licensing Agreements and Co-Development Arrangements

Overview

The in-license agreements for our development-stage drug products provide us with territory-specific rights to their manufacture and distribution (including further sub-licensing/out-licensing rights). We are generally responsible for all related clinical development costs, patent filings and maintenance costs, marketing costs, and liability insurance costs. We also may enter into out-license agreements for territory-specific rights to these drug products which include one or more of: upfront license fees, royalties from our licensees' sales, and/or milestone payments from our licensees' sales or regulatory achievements. For certain drug products, we may enter into cost-sharing arrangements with licensees and licensors.

We are also obligated to make specified milestone payments to our licensors upon the achievement of certain regulatory and sales milestones, and to pay royalties based on our net sales of all in-licensed products. Depending on the milestone achievement type and whether the product has been approved, we will either (a) capitalize the value to "intangible assets" in the Consolidated Balance Sheets or (b) recognize the payment value within "research and development" or "cost of sales" on the Consolidated Statements of Operations. The liability relating to the payment due to the licensor will be recognized in the earliest period that we determine the respective milestone achievement is probable or occurs.

The most significant remaining agreements associated with our operations, along with the key financial terms and our corresponding accounting and reporting conventions for each, are as follows:

(i) Eflapegrastim: Co-Development and Commercialization Agreement with Hanmi

In October 2014, we exercised our option under a License Option and Research Collaboration Agreement dated January 2012 (as amended) with Hanmi for eflapegrastim, a drug based on Hanmi's proprietary LAPSCOVERY™ technology for the treatment of chemotherapy induced neutropenia. Under the terms of this agreement, as amended, we have primary financial responsibility for the eflapegrastim development plan and hold its worldwide rights (except for Korea, China, and Japan).

Effective January 1, 2022, we executed an amendment to this license agreement, whereby we are contractually obligated to pay Hanmi a flat mid-single digit royalty on our aggregate annual net sales of eflapegrastim. Hanmi has agreed to release the Company from a prior purchase obligation for eflapegrastim drug substance which resulted in a reduction in accrued liabilities of $11.2 million with a corresponding reduction in research and development expense. In addition, beginning in year three after the commercial launch, we are responsible for a supplemental mid-single digit royalty on aggregate annual net sales. This supplemental royalty will terminate once the aggregate payments made to Hanmi meet the milestone limit of $10 million, based on the supplemental royalty. There were no obligations to Hanmi for the three months ended March 31, 2022.

(ii) Poziotinib: In-License Agreement with Hanmi and Exclusive Patent and Technology License Agreement with MD Anderson

In February 2015, we executed an in-license agreement with Hanmi for poziotinib, a pan-HER inhibitor in Phase 2 clinical trials, (which has also shown single agent activity in the treatment of various cancer types during Phase 1 studies, including breast, gastric, colorectal, and lung cancers) and made an upfront payment to Hanmi for these distribution rights. Under the terms of this agreement, we received the exclusive global rights to commercialize poziotinib, except for Korea and China. Hanmi and its development partners are fully responsible for the completion of on-going Phase 2 trials in Korea. We are financially responsible for all other clinical studies.

Effective January 1, 2022, we executed an amendment to this in-license agreement, whereby the payments to Hanmi upon our achievement of various regulatory milestones now aggregate to $18 million, which includes eliminating the first approval milestone payment in return for a supplemental mid-single digit royalty on aggregate annual net sales beginning in year three after the commercial launch. This supplemental royalty will terminate once the aggregate payments made to Hanmi meet the milestone limit of $15 million, based on the supplemental royalty. There were no contractual obligations to Hanmi under the previous agreement for the three months ended March 31, 2022.

In April 2018, we executed an exclusive patent and technology agreement for the use of poziotinib in treating patients with EGFR and HER2 exon 20 mutations in cancer and HER2 exon 19 mutations in cancer with The University of Texas M.D. Anderson Cancer Center ("MD Anderson"). MD Anderson discovered poziotinib's use in treating these patient-types. We made an upfront payment to MD Anderson of $0.5 million upon the execution of this agreement.

We are contractually obligated to pay nominal fixed annual license maintenance fees to MD Anderson and pay additional fees upon our achievement of various regulatory and sales milestones. These regulatory milestones aggregate $6 million and the sales milestones aggregate $24 million. We are also contractually obligated to pay MD Anderson royalties in the low single-digits on our net sales of poziotinib.

(iii) In-License Agreement with ImmunGene for FIT Drug Delivery Platform

In April 2019, we executed an asset transfer, license, and sublicense agreement with ImmunGene, Inc. ("ImmunGene") for an exclusive license for the intellectual property related to (a) Anti-CD20-IFNα, an antibody-interferon fusion molecule directed against CD20 that is in Phase 1 development for treating relapsed or refractory non-Hodgkin's lymphoma, including diffuse large B-cell lymphoma patients, representing a considerable unmet medical need, and (b) an antibody-interferon fusion molecule directed against GRP94, a target for which currently there are no existing approved therapies that have the potential for treating both solid and hematologic malignancies. Both molecules are based on the Focused Interferon Therapeutics ("FIT") drug delivery platform.

In November 2021, we provided notice to terminate the asset transfer, license, and sublicense agreement with ImmunGene, Inc. Pursuant to the agreement, we will transfer the rights, title or interest with respect to the transferred product back to ImmunGene. There were no contractual obligations to ImmunGene for the three months ended March 31, 2022.

We are also contractually obligated to pay nominal fixed annual license maintenance fees to two licensors.

(iv) In-License Agreement with Therapyx

In December 2020, we executed an asset transfer and license agreement with Therapyx, Inc. (“Therapyx”) for an exclusive worldwide license for the intellectual property related to any pharmaceutical or biological product for use in human oncology containing, whether as its sole active or in combination with other active ingredients, an encapsulated IL-12, in any injectable dosage form or formulation.

We made an upfront payment of $0.8 million to Therapyx upon contract execution, which was recorded to “research and development” expense within our Consolidated Statements of Operations for the year ended December 31, 2020. We will make an additional payment of $2.2 million upon our acceptance of certain transferred materials from Therapyx. We will make further payments to Therapyx upon our achievement of various (i) regulatory milestones aggregating up to $30 million for the first approved IL-12 product, plus an additional $2.5 million milestone payment for each new indication approved for each product in the U.S., Europe, or Japan; and (ii) sales milestones aggregating up to $167.5 million based on worldwide annual net sales. We are contractually obligated to pay royalties in the mid-single digits on our net sales of all IL-12 products, potentially reduced by royalties due to third parties, the loss of IP protection within one or more countries, or the introduction of a competing product within one or more countries.

Depending on the nature of the milestone achievement type we will either (a) capitalize the payment value to “intangible assets” in the Consolidated Balance Sheets or (b) recognize the payment value within “research and development” or “cost of sales” within the Consolidated Statements of Operations. The corresponding liability for the payment due to this licensor will be recognized in the Consolidated Balance Sheets within “accounts payable and other accrued liabilities” in the earliest period that we determine the respective milestone achievement is probable or occurs.

(c) Service Agreements for Research and Development Activities

We have entered into various contracts with numerous third-party service providers for the execution of our research and development initiatives. These vendors include raw material suppliers, clinical trial sites, clinical research organizations, and data monitoring centers, among others. The financial terms of these agreements are varied and generally obligate us to pay in stages, depending on the achievement of certain events specified in the agreements - such as contract execution, progress of service completion, delivery of drug supply, and the dosing of patients in clinical studies.

We recognize these “research and development” expenses and corresponding “accounts payable and other accrued liabilities” in the accompanying financial statements based on estimates of our vendors’ progress of performed services, patient enrollments and dosing, completion of clinical studies, and other events. Should we decide to discontinue and/or slow-down the work on any project, the associated costs for those projects would typically be limited to the extent of the work completed, as we are generally able to terminate these contracts with adequate notice.

(d) Supply and Service Agreements Associated with Product Production

We have various product supply agreements and/or have issued vendor purchase orders that obligate us to agreed-upon raw material purchases from certain vendors. We also have certain drug production service agreements with select contract manufacturers that obligate us to service fees during the contractual period.

(e) Employment Agreements

We entered into revised employment agreements with each of our named executive officers (chief executive officer, chief operating officer, chief financial officer, chief legal officer, and chief medical officer) in April/June 2018 and June 2019, which supersede any prior change in control severance agreements with such individuals. These agreements provide for the payment of certain benefits to each executive upon his separation of employment under specified circumstances. These arrangements are designed to encourage each to act in the best interests of our stockholders at all times during the course of a change in control event or other significant transaction.

We previously entered into an employment agreement with our former Chief Executive Officer, Joseph Turgeon, under which cash compensation and benefits would become payable in the event of termination by us for any reason other than cause, his resignation for good reason, or upon a change in control of our Company. Effective December 31, 2021, Mr. Turgeon’s employment with the Company was terminated without cause in accordance with his employment agreement. We have accrued $2.6 million and $3.1 million for all contractual amounts due and unpaid to Mr. Turgeon as of March 31, 2022 and December 31, 2021, respectively, within "accrued payroll and benefits" on the accompanying Consolidated Balance Sheets.

(f) Deferred Compensation Plan

The Spectrum Pharmaceuticals, Inc. Deferred Compensation Plan (the "DC Plan") is administered by the Compensation Committee of our Board of Directors and is intended to comply with the requirements of Section 409A of the Internal Revenue Code of 1986, as amended.

The DC Plan is maintained to provide special deferred benefits for a select group of our employees (the "DC Participants"). DC Participants make annual elections to defer a portion of their eligible cash compensation which is then placed into their DC Plan accounts. We match a fixed percentage of these deferrals, and may make additional discretionary contributions. At March 31, 2022 and December 31, 2021, the aggregate value of this DC Plan liability was $10.5 million and $11.2 million, respectively, and is included within "accounts payable and other accrued liabilities" and "other long-term liabilities" in the accompanying Condensed Consolidated Balance Sheets.

(g) Litigation

We are involved from time-to-time with various legal matters arising in the ordinary course of business. These claims and legal proceedings are of a nature we believe are normal and incidental to a pharmaceutical business, and may include product liability, intellectual property, employment matters, and other general claims. We may also be subject to derivative lawsuits from time to time.

We make provisions for liabilities when it is both probable that a liability has been incurred and the amount of the loss can be reasonably estimated. Such provisions are assessed at least quarterly and adjusted to reflect the impact of any settlement negotiations, judicial and administrative rulings, advice of legal counsel, and other information and events pertaining to a particular case. Litigation is inherently unpredictable. Although the ultimate resolution of these various matters cannot be determined at this time, we do not believe that such matters, individually or in the aggregate, will have a material adverse effect on our consolidated results of operations, cash flows, or financial condition.

Bioverativ Patent Litigation

On May 28, 2021, Bioverativ Therapeutics Inc. ("Bioverativ") filed a complaint against us in the U.S. District Court for the District of Delaware, which alleges that our proposed manufacture, use and sale of eflapegrastim would, if approved, infringe claims of three patents owned by Bioverativ (the "Subject Patents"). Bioverativ sought an unspecified amount of damages and injunctive relief.

Pursuant to our agreements with Hanmi, we hold worldwide rights (except for Korea, China, and Japan) to develop and commercialize eflapegrastim. The agreements with Hanmi contain typical license terms including, without limitation, indemnification rights in favor of the Company with respect to any claims of infringement from a third party with respect to our use of a licensed technology, product or compound pursuant to such agreements.

Related to the *Bioverativ* litigation, on December 20, 2021, we were named as respondents in an International Trade Commission (ITC) action filed in the ITC. The complaint alleged importation into the United States, the sale for importation, and the sale within the United States after importation of certain monomer-dimer hybrid immunoconjugates in violation of section 337 of the Tariff Act of 1930 (19 U.S.C. 1337).

On February 18, 2022, Spectrum, Hanmi and Bioverativ entered into a license and settlement agreement which included a stipulation to dismiss the *Bioverativ* litigation and withdraw the ITC complaint. On February 18, 2022, the ITC action against us was withdrawn, and on March 2, 2022, the *Bioverativ* case was dismissed by the U.S. District Court.

Luo v. Spectrum Pharmaceuticals, Inc., et al. On August 31, 2021, a shareholder lawsuit was filed against us in the U.S. District Court for the District of Nevada, which alleges that we and certain of our executive officers made false or misleading statements and failed to disclose material facts about our business and the prospects of approval for our BLA to the FDA for eflapegrastim in violation of Section 10(b) (and Rule 10b-5 promulgated thereunder) and 20(a) of the Securities Exchange Act of 1934, as amended. On November 1, 2021, four individuals and one entity filed competing motions to be appointed lead plaintiff and for approval of counsel in this putative securities class action. The plaintiffs seek damages, interest, costs, attorneys' fees, and other unspecified equitable relief. We believe that these claims are without merit and intend to vigorously defend against these claims. On March 2, 2022, the Court entered an order partially granting and partially denying without prejudice a stipulated order eliminating defendants' obligation to answer the initial pleading pending an amended complaint and

addressing related briefing scheduling for an anticipated motion to dismiss. We still await the appointment of a lead plaintiff by the Court.

Csaba v. Turgeon, et. al, (filed December 15, 2021 , in the U.S. District Court District of Nevada); *Shumacher v. Turgeon, et. al*, (filed March 15, 2022 in the U.S. District Court District of Nevada); and *Johnson v. Turgeon, et. al*, (filed March 29, 2022 in the U.S. District Court District of Nevada). These putative stockholder derivative actions were filed against us (as a nominal defendant), certain of our executive officers, and certain of our past and present members of the board of directors. The stockholder derivative complaint alleges that certain of our executive officers are liable to Spectrum, pursuant to Section 10(b) and 21(d) of the Securities Exchange Act of 1934, as amended, for contribution and indemnification, if they are deemed (in the Luo class action), to have made false or misleading statements and failed to disclose material facts about our business and the prospects of approval for our BLA to the FDA for eflapegrastim. The complaint further alleges that certain of our executive officers and certain of our past and present directors breached their fiduciary duties, and certain of our present directors negligently violated Section 14(a) of the Exchange Act, by allegedly causing such false or misleading statements to be issued and/or failing to disclose material facts about our business and the prospects of approval for our BLA to the FDA for eflapegrastim. The allegations state that as a result of the violations, certain of our executive officers and past and present board members were unjustly enriched. The plaintiffs seek corporate reforms, damages, interest, costs, attorneys' fees, and other unspecified equitable relief.

The parties are in the process of seeking court approval for the consolidation of the derivative actions and staying the actions until there is an adverse decision on a motion to dismiss in the securities class action. We believe that these claims are without merit and intend to vigorously defend against these claims.

Note 7. Discontinued Operations

Overview

In March 2019 we completed the sale of our seven then-commercialized drugs (the "Commercial Product Portfolio") to Acrotech Biopharma LLC ("Acrotech") (the "Commercial Product Portfolio Transaction"). Upon closing we received $158.8 million in an upfront cash payment. We are also entitled to receive up to an aggregate of $140 million upon Acrotech's future achievement of certain regulatory milestones (totaling $40 million) and sales-based milestones (totaling $100 million) relating to the Commercial Product Portfolio.

Substantially all of the contractual rights and obligations associated with the Commercial Product Portfolio were transferred to Acrotech at the closing of the Commercial Product Portfolio Transaction. However, under the terms of this transaction we retained our trade "accounts receivable, net" and GTN liabilities included within "accounts payable and other accrued liabilities" associated with our product sales made on and prior to February 28, 2019. Accordingly, these Condensed Consolidated Financial Statements reflect the corresponding revenue-deriving activities and allocable expenses of this commercial business within "discontinued operations."

Condensed Consolidated Statements of Operations

The following table presents the various elements of "loss from discontinued operations, net of income taxes" as reported in the accompanying Condensed Consolidated Statements of Operations:

Notes to Condensed Consolidated Financial Statements
(all tabular amounts presented in thousands, except share, per share, interest rate, and number of years)
(Unaudited)

	Three Months Ended March 31,	
	2022	2021
Operating costs and expenses:		
Cost of sales (excluding amortization of intangible assets)	$ 2	$ —
Selling, general and administrative	—	—
Research and development	38	21
Total operating costs and expenses	40	21
Loss from discontinued operations before income taxes	(40)	(21)
Provision for income taxes from discontinued operations	—	—
Loss from discontinued operations, net of income taxes	$ (40)	$ (21)

Note 8. Stockholders' Equity

Sale of Common Stock Under ATM Agreement

On April 5, 2019, we entered into a collective at-the-market-issuance ("ATM") sales agreement with Cantor Fitzgerald & Co., H.C. Wainwright & Co., LLC and B. Riley FBR, Inc. (the "April 2019 ATM Agreement"), pursuant to which we may offer and sell shares of our common stock by any method deemed to be an "at the market" offering (the "ATM Offering"). From April 5, 2019 to March 2, 2020, the ATM Offering was conducted pursuant to a sales agreement prospectus filed with our automatic shelf registration statement on Form S-3ASR, filed with the SEC on April 5, 2019, which registered an aggregate offering price of $150 million under the April 2019 ATM Agreement. From May 8, 2020 to June 30, 2020, the ATM Offering was conducted pursuant to a sales agreement prospectus (the "Initial Sales Agreement Prospectus") filed with our shelf registration statement on Form S-3, filed with the SEC on March 20, 2020, as amended by Pre-Effective Amendment No. 1 thereto, and declared effective by the SEC on May 8, 2020 (the "Registration Statement"), which registered an aggregate offering price of up to $75 million under the April 2019 ATM Agreement. On July 29, 2020, we terminated the Initial Sales Agreement Prospectus, but left the April 2019 ATM Agreement in full force and effect. On November 6, 2020, we filed a new sales agreement prospectus to the Registration Statement, which registered an aggregate offering price of up to $60 million under the April 2019 ATM Agreement.

On July 13, 2021, we filed a shelf registration statement with the SEC on Form S-3, which was declared effective by the SEC on July 21, 2021 (the "Registration Statement"). The Registration Statement registered an aggregate offering price of up to $300 million of securities that may be issued and sold by us from time to time, including up to an aggregate offering price of $150 million of common stock (which amount is included in the $300 million aggregate offering price set forth in the base prospectus) that may be issued and sold pursuant to the April 2019 ATM Agreement.

During January 2022, the Company entered into a Securities Purchase Agreement with Hanmi, pursuant to which Hanmi purchased 12,500,000 shares of our common shares at a purchase price of $1.60 per share, for an aggregate purchase price equal to $20 million.

We sold and issued common shares under the April 2019 ATM Agreement as follows:

Period in Which Issued	No. of Common Shares Issued	Proceeds Received (Net of Broker Commissions and Fees)
Year ended December 31, 2021	15,851,391	$ 52,621

Note 9. Subsequent Events

During April 2022 and through the date of this filing, we sold and issued 1.4 million shares of our common stock for net proceeds of $1.4 million under the April 2019 ATM Agreement.

Item 2.

Management's Discussion and Analysis of Financial Condition and Results of Operations

Cautionary 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 (the "Securities Act"), and Section 21E of the Securities Exchange Act of 1934, as amended (the "Exchange Act"), in reliance upon the safe harbor provisions of the Private Securities Litigation Reform Act of 1995. Forward-looking statements include, without limitation, statements regarding our future product development and commercialization activities and costs, the revenue potential (licensing, royalty and sales) of our products and product candidates, the impact of the ongoing resurgences in coronavirus ("COVID-19") infections or new strains of the virus on our business, the success, safety and efficacy of our drug products, revenues and revenue assumptions, clinical studies, including designs and implementation, development and commercialization timelines, product acquisitions, accounting principles, litigation expenses, liquidity and capital resources and trends, and other statements containing forward-looking words, such as, "believes," "may," "could," "would," "will," "expects," "intends," "estimates," "anticipates," "plans," "seeks," "continues," or the negative thereof or variation thereon or similar terminology (although not all forward-looking statements contain these words). Such forward-looking statements are based on the reasonable beliefs of our management as well as assumptions made by and information currently available to our management. All forward-looking statements included in this Form 10-Q speak only as of the date of this Form 10-Q and 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 in our periodic reports filed with the U.S. Securities and Exchange Commission (the "SEC"), including our Annual Report on Form 10-K for the fiscal year ended December 31, 2021, as well as those discussed elsewhere in this Quarterly Report on Form 10-Q, and the following factors, among others:

- our ability to successfully develop, obtain regulatory approval of, and market our products;
- the approval, or timing of approval, of our products or new indications for our products by the U.S. Food and Drug Administration (the "FDA") and other international regulatory agencies;
- the overall impact of COVID-19 on our business, including, without limitation, delays caused by COVID-19 related travel restrictions;
- actions by the FDA and other regulatory agencies, including international agencies;
- the timing and/or results of pending or future clinical trials, and our reliance on contract research organizations;
- our ability to maintain sufficient cash resources to fund our business operations;
- our history of net losses;
- our ability to enter into strategic alliances with partners for manufacturing, development and commercialization;
- our competitors' progress with their drug development programs, which could adversely impact the perceived or actual value of our in-development drugs;
- our dependence on the production capabilities of contract manufacturing organizations ("CMOs") and other third-parties for active pharmaceutical ingredients ("APIs"), drug products, related supplies and logistical services;
- the ability of our manufacturing partners to satisfy regulatory requirements and to meet our product demands and timelines;
- our ability to identify and acquire new product candidates and to successfully integrate those product candidates into our operations;
- our ability to protect our intellectual property rights;
- the impact of legislative or regulatory reform on the pricing for pharmaceutical products;
- the impact of any litigation to which we are, or may become a party;

- our ability, and that of our suppliers, development partners, and manufacturing partners, to comply with laws, regulations and standards that govern or affect the pharmaceutical and biotechnology industries; and
- our ability to maintain the services of our key executives and other personnel.

All subsequent written and oral forward-looking statements attributable to us or by persons acting on our behalf are expressly qualified in their entirety by these cautionary statements. We expressly disclaim any intent or obligation to update information contained in any forward-looking statement after the date thereof to conform such information to actual results or to changes in our opinions or expectations.

Impact of COVID-19 Pandemic

On March 11, 2020, COVID-19 was declared a pandemic by the World Health Organization. Concerns related to the spread of COVID-19 have created global business disruptions as well as disruptions in our operations. The ongoing COVID-19 pandemic has adversely impacted economic activity and conditions worldwide, including workforces, liquidity, capital markets, consumer behavior, supply chains, and macroeconomic conditions. Despite progress in vaccination efforts, global economic activity remains uncertain and cannot be predicted with confidence. Further, in the first half of 2021, a new Delta variant of COVID-19 began to spread globally and caused an increase in COVID-19 cases in many places in the United States, and in November 2021, a new Omicron variant, which appears to be the most transmissible variant to date, was detected, and has since caused an increase in COVID-19 cases in multiple countries, including the United States, and of which the potential severity is currently being evaluated.

Public health officials and medical professionals have warned that COVID-19 cases may continue to spike due to the Delta variant and/or the Omicron variant, particularly if vaccination rates do not quickly increase or if additional, potent disease variants emerge. It is unclear how long the resurgence due to Delta or the resurgence due to Omicron will last, how severe the Delta resurgence or Omicron resurgence will be, and what safety measures governments will impose in response to the Delta resurgence or Omicron resurgence. The impact of the Delta variant and the Omicron variant cannot be predicted at this time, and could depend on numerous factors, including vaccination rates among the population, the effectiveness of COVID-19 vaccines against the Delta variant and the Omicron variant and the response by governmental bodies and regulators. The outbreak has and may continue to affect the Company's operations and those of third parties on which the Company relies. The degree and duration of COVID-19's impact on our business, our operations, and the global economy as a whole, are unknown at this time. However, the effects could have a material impact on our results of operations, and we will continue to monitor the situation closely.

The extent to which the COVID-19 pandemic may continue to impact our results of operations, including the long-term nature of the impacts, depends on numerous evolving factors, which are highly uncertain and difficult to predict, including the adoption rate of the COVID-19 vaccines, the emergence and spread of variants (including the Delta variant, a rapidly spreading strain of coronavirus), the scope and the timing to further contain the virus or treat its impact, and to what extent normal economic and operating conditions can resume, among others. For more information related to the impact of COVID-19 on our business, refer to the risk factors included in our Annual Report on Form 10-K for the year ended December 31, 2021, as filed with the SEC on March 17, 2022.

Company Overview

Spectrum Pharmaceuticals, Inc. ("Spectrum", the "Company", "we", "our", or "us") is a biopharmaceutical company, with a primary strategy comprised of acquiring, developing, and commercializing novel and targeted oncology therapies. Our in-house development organization includes clinical development, regulatory, quality and data management.

At Spectrum, we thrive on collaboration and cross-functional teamwork. We exist to attack cancer and improve care so people can live longer, more fulfilling lives and have built a team to support innovative oncology drug development. Our business model focuses on building a portfolio of novel and targeted drugs in the field of oncology, through acquisition and partnerships. We bring those drugs through the development process with our partners to make them available to patients. These collaborative efforts will continue to shape the future of our pipeline and our company.

We have two drugs in late-stage development:

- Eflapegrastim, a novel long-acting granulocyte colony-stimulating factor ("G-CSF") for the treatment of chemotherapy-induced neutropenia. On August 6, 2021, the Company announced the receipt of a CRL, that cited manufacturing deficiencies related both to the drug substance and drug product manufacturers. The company believes it has completed the remediation of these deficiencies and resubmitted the BLA on March

11, 2022. On April 11, 2022, the Company announced that it had received notice that the BLA had been accepted and received a PDUFA date of September 9, 2022; and

- Poziotinib, a novel irreversible tyrosine kinase inhibitor under investigation for NSCLC tumors with various mutations. On December 6, 2021, the Company announced it submitted its NDA for poziotinib to the FDA for use in patients with previously treated locally advanced or metastatic NSCLC with HER2 exon 20 insertion mutations. The NDA submission is based on the positive results of Cohort 2 from the ZENITH20 clinical trial, which assessed the safety and efficacy of poziotinib. The product has received Fast Track designation and there is currently no treatment specifically approved by the FDA for this indication. On February 11, 2022, the Company announced that it had received notice that the NDA had been accepted and received a PDUFA action date of November 24, 2022.

Our business strategy is the development of our late-stage assets through commercialization and the sourcing of additional assets that are synergistic with our existing portfolio (through purchase acquisitions, in-licensing transactions, or co-development and marketing arrangements).

Recent Highlights of Our Business, Product Development Initiatives, and Regulatory Approvals

Our product pipeline is summarized below:

Eflapegrastim, a novel long-acting G-CSF:

We submitted our BLA for eflapegrastim to the FDA on October 24, 2019 that is supported by data from two similarly designed Phase 3 clinical trials, ADVANCE and RECOVER, which evaluated the safety and efficacy of eflapegrastim in 643 early-stage breast cancer patients for the treatment of neutropenia due to myelosuppressive chemotherapy. Both studies met the pre-specified endpoint of non-inferiority in duration of severe neutropenia and met all of the secondary endpoints. In addition, the safety profile was similar to pegfilgrastim. On August 6, 2021, we announced the receipt of a CRL based on manufacturing deficiencies identified at both the drug substance and drug product manufacturers. The company believes these manufacturing deficiencies have been remediated and on March 11, 2022, we resubmitted the BLA for eflapegrastim.

A company sponsored clinical trial has been initiated to evaluate the administration of eflapegrastim on the same day as chemotherapy. This Phase 1 clinical trial is a randomized, open label, actively controlled study to evaluate the same-day dosing of eflapegrastim on duration of neutropenia when administered at varying intervals following docetaxel and cyclophosphamide (TC) chemotherapy in patients with early-stage breast cancer. On March 4, 2021, at the virtual 38th Annual Miami Breast Cancer Conference®, the Company presented positive early data showing rapid absolute neutrophil count (ANC) recovery in the first three patients dosed in the 30-minute arm of the same-day dosing. This arm met the prespecified interim safety evaluation criteria and therefore supported the expansion of this arm to 15 patients. The study design included an interim safety evaluation that was conducted once the first three patients in each arm (30 minutes, 3 hours, or 5 hours) completed Cycle 1. Based on this review, the 30-minute arm expanded to a total of 15 patients, while the 3- and 5-hour dosing arms have been discontinued. In the 30-minute dosing arm, ANC recovery was more rapid compared to the 3- and 5-hour arms. The overall safety profile for the 30-minute arm was similar to what has been seen previously in large randomized studies with G-CSF given 24 hours after chemotherapy.

Poziotinib, a Pan ErbB inhibitor targeting HER2 exon20 mutations:

Poziotinib is a novel, pan-HER inhibitor that irreversibly blocks signaling through the Epidermal Growth Factor Receptor (EGFR) family of tyrosine-kinase receptors, including HER1 (erbB1; EGFR), HER2 (erbB2), HER4 (erbB4), and HER receptor mutations. This, in turn, leads to the inhibition of the proliferation of tumor cells that over-express these receptors. Mutations of over-expression/amplification of EGFR family receptors have been associated with a number of different cancers, including NSCLC, breast cancer, and gastric cancer. In March 2015, we entered into a co-development and commercialization agreement with Hanmi for poziotinib worldwide rights, except in Korea and China.

Our clinical development program for poziotinib is focused on previously treated NSCLC, first-line treatment of NSCLC and treatment of other solid tumors with HER2 mutations. NSCLC tumors with HER2 exon 20 insertion mutations are rare and have generally not been responsive to other tyrosine kinase inhibitors. Patients with these mutations have a poor prognosis, and available treatment options are limited. Poziotinib, due to its unique chemical structure and characteristics, is believed to inhibit cell growth of tumors with HER2 exon-20 insertion mutations.

In October 2017, we announced the start of our pivotal ZENITH20 Phase 2 global clinical trial with active sites in the U.S., Canada and Europe. The ZENITH20 trial consists of seven cohorts of NSCLC patients. Cohorts 1, 2, 3 and 4 have

completed enrollment while Cohorts 5, 6, and 7 are currently enrolling patients. Cohorts 1 (EGFR) and 2 (HER2) include previously treated NSCLC patients with exon 20 mutations. Cohort 3 (EGFR) and 4 (HER2) include first-line NSCLC patients with exon 20 mutations. Cohorts 1- 4 are each independently powered for a pre-specified statistical hypothesis and the primary endpoint is overall response rate ("ORR"). Cohort 5 includes previously treated or treatment-naïve NSCLC patients with EGFR or HER2 exon 20 insertion mutations and is evaluating different dosing regimens. Cohort 6 includes NSCLC patients with classical EGFR mutations who progressed while on treatment with first-line osimertinib and developed an additional EGFR mutation. Cohort 7 includes NSCLC patients with a variety of less common mutations in EGFR or HER2 exons 18-21 or the extracellular or transmembrane domains.

On December 26, 2019, we announced that the pre-specified primary endpoint was not met in Cohort 1 of the ZENITH20 trial evaluating poziotinib in previously treated NSCLC patients with EGFR exon 20 insertion mutations. Cohort 1 enrolled a total of 115 patients who received 16 mg/day of poziotinib. The intent-to-treat analysis showed that 17 patients had a response (by RECIST) and 62 patients had stable disease for a 68.7% disease control rate ("DCR"). The confirmed ORR was 14.8% (95% CI 8.9%-22.6%). The median duration of response was 7.4 months and the progression free survival was 4.2 months. The safety profile was in-line with other second-generation EGFR tyrosine kinase inhibitors.

On July 27, 2020, we announced that we met the pre-specified primary endpoint for Cohort 2 in the ZENITH20 trial evaluating previously treated NSCLC patients with HER2 exon 20 insertion mutations. Cohort 2 enrolled a total of 90 patients who received an oral, once daily dose of 16 mg of poziotinib. All the patients had failed at least one line of prior systemic therapy with 60 patients (67%) having failed two or more prior therapies, including chemotherapy and immunotherapy. All responses were read independently and confirmed by a central imaging laboratory using RECIST criteria. The intent-to-treat analysis demonstrated a confirmed ORR of 27.8% (95% CI of 18.9%-38.2%). Based on the pre-specified statistical hypothesis for the primary endpoint, the observed lower bound of 18.9% exceeded the pre-specified lower bound of 17% in this heavily pre-treated population. The safety profile was in-line with the type of adverse events seen with other second-generation EGFR tyrosine kinase inhibitors. These results were presented at the European Society for Medical Oncology ("ESMO") Virtual Congress 2020 Science Weekend held in September 2020.

In December 2020, we reported that its pre-specified primary endpoint in Cohort 3 evaluating poziotinib in first-line NSCLC patients with EGFR exon 20 insertion mutations was not met. Cohort 3 of the ZENITH20 clinical trial enrolled a total of 79 patients who received an oral once daily dose of 16 mg of poziotinib. The median time of follow up of all patients was 9.2 months with 12 ongoing patients still on treatment. The intent-to-treat analysis showed that 22 patients had a partial response (by RECIST) and 68 patients had stable disease for an 86.1% DCR. 91% of patients experienced tumor reduction with a median reduction of 25.5%. The confirmed ORR was 27.8% (95% CI 18.4-39.1%). Based on the pre-specified statistical hypothesis for the primary endpoint, the observed lower bound of 18.4% did not meet the pre-specified lower bound of >20%. The median duration of response was 6.5 months and the median progression free survival was 7.2 months. The safety profile was similar with the type of adverse events observed with other second-generation EGFR tyrosine kinase inhibitors. Grade 3 treatment related rash was 33% and diarrhea was 23%. 94% of patients had drug interruptions with 6 patients (8%) permanently discontinuing due to adverse events.

In March 2021, we announced that the FDA granted Fast Track designation for poziotinib based on data from Cohort 2 of ZENITH20, which evaluated previously treated patients with NSCLC with HER2 exon 20 insertion mutations. On December 6, 2021, the Company announced the submission of its NDA for poziotinib to the FDA for use in patients with previously treated locally advanced or metastatic NSCLC with HER2 exon 20 insertion mutations. The NDA submission is based on the positive results of Cohort 2 from the ZENITH20 clinical trial, which assessed the safety and efficacy of poziotinib. On February 11, 2022, the Company announced that the file had been accepted and an action date of November 24, 2022 had been set.

In March 2022, the Company presented the results of Cohort 4 at the ESMO TAT meeting. Cohort 4 of the ZENITH20 clinical trial enrolled a total of 70 patients, 48 of whom received an oral once daily dose of 16 mg of poziotinib and 22 of who received an oral twice daily dose of 8 mg of poziotinib. The intent-to-treat analysis demonstrated a confirmed ORR of 41% (95% CI of 30%-54%). Based on the pre-specified statistical hypothesis for the primary endpoint, the observed lower bound of 30% exceeded the pre-specified lower bound of 20%. The median duration of response was 5.7 months and median progression free survival was 5.6 months. The most common treatment related Grade ≥ 3 adverse events were rash (30%), stomatitis (19%), diarrhea (14%), and paronychia (7%). In addition, the incidence of Grade ≥ 3 pneumonitis was low at 3%. The safety profile was consistent with the TKI class.

Components of Operating Results

See *Item 7. Components of Operating Results* of our Annual Report on Form 10-K for the year ended December 31, 2021, for a discussion of the nature of our revenue and operating expense line items within our accompanying Condensed Consolidated Statements of Operations.

Critical Accounting Policies and Estimates

See *Item 7. Management's Discussion and Analysis of Financial Condition and Results of Operations — Critical Accounting Policies and Estimates* of our Annual Report on Form 10-K for the year ended December 31, 2021, for a discussion of significant estimates and assumptions made by our management as part of the preparation of our accompanying Condensed Consolidated Financial Statements. These critical accounting policies and estimates arise in conjunction with the following accounts in the preparation of this Form 10-Q:

- Stock-based compensation; and
- Research and development costs.

Results of Operations

Comparison of the Three Months Ended March 31, 2022 and 2021

	Three Months Ended March 31,		Change	
	2022	2021	$	%
	(in thousands)		(in thousands)	
Operating costs and expenses:				
Selling, general and administrative	$ 9,870	$ 14,315	$ (4,445)	(31.1)%
Research and development	4,193	19,371	(15,178)	(78.4)%
Total operating costs and expenses	14,063	33,686	(19,623)	(58.3)%
Loss from continuing operations before other income (expense) and income taxes	(14,063)	(33,686)	19,623	(58.3)%
Interest income, net	11	84	(73)	(86.9)%
Other expense, net	(1,334)	(2,081)	747	(35.9)%
Total other expense	(1,323)	(1,997)	674	(33.8)%
Loss from continuing operations before income taxes	(15,386)	(35,683)	20,297	(56.9)%
Benefit for income taxes from continuing operations	(16)	7	(23)	(328.6)%
Loss from continuing operations	$ (15,402)	$ (35,676)	$ 20,274	(56.8)%
Loss from discontinued operations, net of income taxes	(40)	(21)	(19)	90.5 %
Net loss	$ (15,442)	$ (35,697)	$ 20,255	(56.7)%

***Selling, General and Administrative*.** Selling, general and administrative expenses decreased by $4.4 million in the current year period. This decrease primarily relates to (i) decreased legal costs of $0.9 million, (ii) a decrease in stock-based compensation expense of $0.9 million, (iii) $1.0 million of decreased deferred compensation expense given decreases in the overall market compared to the prior year period, (iv) $0.7 million of decrease in employee expenses, and a decrease of $0.6 million in other general expenses.

Research and Development. Research and development expenses decreased by $15.2 million in the current period, primarily due to the reversal of an $11.2 million eflapegrastim drug substance accrual during the current quarter. A concession was provided by Hanmi Pharmaceutical for drug substance which had been accrued during 2021 and is no longer payable. Expenses also decreased in the current period due to decreased program activities of $1.7 million for eflapegrastim, $1.1 million for poziotinib, and $0.3 million related to our early stage compounds.

Total Other Expense. Total other expense decreased by $0.7 million primarily due to $3.5 million of increase in the market value of our equity holdings compared to the prior year period, which was partially offset by (i) a decrease of $2.2 million of realized gains recorded during the current period for the sale of our equity holdings, and (ii) $0.4 million of decreased value of our deferred compensation plan assets.

Liquidity and Capital Resources

The Company expects to incur future net losses as it continues to fund the advancement and commercialization of its product candidates. Based upon our current projections, including our intention to continue to place a disciplined focus on streamlining our business operations, we believe that our $89.2 million in aggregate cash, cash equivalents and marketable securities as of March 31, 2022, will be sufficient to fund our current and planned operations for at least the next twelve months. However, should our costs and expenses prove to be greater than we currently anticipate, or should we change our current business plan in a manner that increases or accelerates our anticipated costs and expenses, we may require additional liquidity earlier than expected. To the extent it becomes necessary to raise additional cash in the future, we will seek to raise it through the public or private sale of debt or equity securities, out-licensing arrangements, funding from joint-venture or strategic partners, debt financing or short-term loans, or a combination of the foregoing. However, we do not currently have any binding commitments for additional financing. Accordingly, we cannot provide any assurance that we will be able to obtain this additional liquidity on terms favorable to us or our current stockholders, or at all. Our liquidity and our ability to fund our capital requirements going forward are dependent, in part, on market and economic factors that are beyond our control. The Company may never achieve profitability or generate positive cash flows, and unless and until it does, the Company will continue to need to raise additional capital.

We have no off-balance sheet arrangements that provide financing, liquidity, market or credit risk support, or involve derivatives. In addition, we have no arrangements that may expose us to liability that are not expressly reflected in the accompanying Consolidated Financial Statements and/or notes thereto.

Net Cash Used In Operating Activities

Net cash used in operating activities was $30.3 million for the three months ended March 31, 2022, as compared to $34.5 million in the prior year period. This decrease in net cash used in operating activities was primarily related to decreased research and development program spend.

Net Cash Provided by Investing Activities

Net cash provided by investing activities was $0.4 million for the three months ended March 31, 2022, as compared to $36.6 million during the prior year period. This decrease in net cash provided by investing activities was primarily related to a period over period decrease of (i) $49.0 million of proceeds from maturities of our investments and (ii) $2.6 million of proceeds received from the sale of our equity holdings, partially offset by a decrease of $15.3 million of purchased investments.

Net Cash Provided by Financing Activities

Net cash provided by financing activities was $20.0 million for the three months ended March 31, 2022, as compared to $21.4 million during the prior year period. The cash provided by financing activities for the three months ended March 31, 2022 related entirely to proceeds from shares of common stock sold to Hanmi, while cash provided by financing activities for the three months ended March 31, 2021 related to proceeds from shares of common stock sold pursuant to an at-the-market sales agreement.

Off-Balance Sheet Arrangements

We did not have any off-balance sheet arrangements during the periods presented, nor do we currently have any, as defined under SEC rules.

Item 3. Quantitative and Qualitative Disclosures about Market Risk

Not applicable.

Item 4. Controls and Procedures

Evaluation of Disclosure Controls and Procedures

Our management, with the participation of our chief executive officer, evaluated the effectiveness of our disclosure controls and procedures as of March 31, 2022. The term “disclosure controls and procedures,” as defined in *Rules 13a-15(e) and 15d-15(e)* under the Exchange Act, means controls and other procedures of a company that are designed to ensure that information required to be disclosed by a company in the reports that it files or submits under the Exchange Act is recorded,

processed, summarized and reported, within the time periods specified in the SEC's rules and forms. These include controls and procedures that are designed to ensure that information required to be disclosed by a company in the reports that it files or submits under the Exchange Act is accumulated and communicated to the company's management, including its principal executive and principal financial officers, as appropriate, to allow timely decisions regarding required disclosure.

Based on the evaluation of our disclosure controls and procedures as of March 31, 2022, our chief executive officer concluded that, as of that date, our disclosure controls and procedures were effective.

Changes in Internal Controls Over Financial Reporting

There has been no change in our internal controls over financial reporting (as defined in *Rules 13a-15(f) and 15d-15(f)* under the Exchange Act) during the first fiscal quarter of 2022 that has materially affected, or is reasonably likely to materially affect, our internal controls over financial reporting. We have not experienced any material impact to our internal controls over financial reporting despite the fact that most of our employees are working remotely due to the COVID-19 pandemic. We are continually monitoring and assessing the COVID-19 situation on our internal controls to minimize the impact on their design and operating effectiveness.

Limitations on Ensuring the Effectiveness of Internal Controls

An internal control system, no matter how well conceived and operated, cannot provide more than reasonable assurance that its objectives are completely met due to inherent limitations. Accordingly, no evaluation can provide absolute assurance that all internal control issues within a company have been detected. As part of our ongoing activities, we continuously seek to improve the efficiency and effectiveness of our business operations and accompanying internal controls.

Part II. Other Information

Item 1. Legal Proceedings

We are involved from time-to-time with various legal matters arising in the ordinary course of business. These claims and legal proceedings are of a nature we believe are normal and incidental to a pharmaceutical business, and may include product liability, intellectual property, employment matters, and other general claims. We may also be subject to derivative lawsuits from time to time.

We make provisions for liabilities when it is both probable that a liability has been incurred and the amount of the loss can be reasonably estimated. Such provisions are assessed at least quarterly and adjusted to reflect the impact of any settlement negotiations, judicial and administrative rulings, advice of legal counsel, and other information and events pertaining to a particular case. Litigation is inherently unpredictable. Although the ultimate resolution of these various matters cannot be determined at this time, we do not believe that such matters, individually or in the aggregate, will have a material adverse effect on our consolidated results of operations, cash flows, or financial condition.

Certain of the legal proceedings in which we are involved are discussed in *Note 6(g)*, "Financial Commitments and Contingencies and Key License Agreements," to our accompanying Condensed Consolidated Financial Statements, and are hereby incorporated by reference.

Item 1A. Risk Factors

As of the date of this filing, there have been no material changes to the risk factors included in our Annual Report on Form 10-K for the year ended December 31, 2021, as filed with the SEC on March 17, 2022.

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

None.

Item 3. Defaults Upon Senior Securities

None.

Item 4. Mine Safety Disclosure

Not applicable.

Item 5. Other Information

None.

Item 6. Exhibits

Exhibit Number	Description	Incorporated by Reference				Filed Herewith
		Form	Form No.	Exhibit	Filing Date	
2.1	Asset Purchase Agreement, dated January 17, 2019, by and among Spectrum Pharmaceuticals, Inc., Acrotech Biopharma LLC and Aurobindo Pharma USA, Inc.	8-K	001-35006	10.1	1/17/2019	
3.1	Restated Certificate of Incorporation.	8-K	001-35006	3.1	6/18/18	
3.2	Third Amended and Restated Bylaws	8-K	001-35006	3.1	3/29/2018	
31.1	Certification of Principal Executive Officer, pursuant to Rule 13a-14(a)/15d-14(a) promulgated under the Securities Exchange Act of 1934.					X
31.2	Certification of Principal Financial Officer, pursuant to Rule 13a-14(a)/15d-14(a) promulgated under the Securities Exchange Act of 1934.					X
32.1	Certification of Principal Executive Officer pursuant to Rule 13a-14(b)/15d-14(b) promulgated under the Securities Exchange Act of 1934 and 18 U.S.C. Section 1350.					X
32.2	Certification of Principal Financial Officer pursuant to Rule 13a-14(b)/15d-14(b) promulgated under the Securities Exchange Act of 1934 and 18 U.S.C. Section 1350.					X
101.INS	Inline XBRL Instance Document. The instance document does not appear in the interactive data file because its XBRL tags are embedded within the inline XBRL document.					X
101.SCH	Inline XBRL Taxonomy Extension Schema Document.					X
101.CAL	Inline XBRL Taxonomy Extension Calculation Linkbase Document.					X
101.DEF	Inline XBRL Taxonomy Extension Definition Linkbase Document.					X
101.LAB	Inline XBRL Taxonomy Extension Label Linkbase Document.					X
101.PRE	Inline XBRL Taxonomy Extension Presentation Linkbase Document.					X
104	Cover Page Interactive Data File (formatted as Inline XBRL and contained in Exhibit 101 filed herewith).					

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: May 12, 2022

By: /s/ Thomas J. Riga
Thomas J. Riga
President and Chief Executive Officer
(Authorized Signatory and Principal Executive and Financial Officer)

Exhibit 31.1

CERTIFICATION OF PRINCIPAL EXECUTIVE OFFICER

I, Thomas J. Riga, 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.

May 12, 2022

/s/ THOMAS J. RIGA

Thomas J. Riga
President and Chief Executive Officer
(Chief Executive Officer)

Exhibit 31.2

CERTIFICATION OF PRINCIPAL FINANCIAL OFFICER

I, Thomas J. Riga, 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.

May 12, 2022

/s/ THOMAS J. RIGA

Thomas J. Riga
President and Chief Executive Officer
(Principal Financial Officer)

Exhibit 32.1

CERTIFICATION OF PRINCIPAL EXECUTIVE OFFICER

I, Thomas J. Riga, certify, pursuant to 18 U.S.C. Section 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002, that, to my knowledge, the Quarterly Report of Spectrum Pharmaceuticals, Inc. on Form 10-Q for the quarterly period ended March 31, 2022 (the "Report") fully complies with the requirements of Section 13(a) or 15(d) of the Securities Exchange Act of 1934 and that information contained in the Report fairly presents in all material respects the financial condition and results of operations of Spectrum Pharmaceuticals, Inc.

Date: May 12, 2022

By: /s/ THOMAS J. RIGA
Name: Thomas J. Riga
Title: Chief Executive Officer and President

This certification accompanies the Report pursuant to Rule 13a-14(b) under the Securities Exchange Act of 1934 and 18 U.S.C. Section 1350 and shall not be deemed filed by the Company for purposes of Section 18 of the Securities and Exchange Act of 1934, or otherwise subject to the liability of that section. This certification shall not be deemed to be incorporated by reference into any filing under the Securities Act of 1933, or, the Securities Exchange Act of 1934, except to the extent that the Company specifically incorporated by reference.

Exhibit 32.2

CERTIFICATION OF PRINCIPAL FINANCIAL OFFICER

I, Thomas J. Riga, certify, pursuant to 18 U.S.C. Section 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002, that, to my knowledge, the Quarterly Report of Spectrum Pharmaceuticals, Inc. on Form 10-Q for the quarterly period ended March 31, 2022 (the "Report") fully complies with the requirements of Section 13(a) or 15(d) of the Securities Exchange Act of 1934 and that information contained in the Report fairly presents in all material respects the financial condition and results of operations of Spectrum Pharmaceuticals, Inc.

Date: May 12, 2022

By: /s/ THOMAS J. RIGA
Name: Thomas J. Riga
Title: Principal Financial Officer

This certification accompanies the Report pursuant to Rule 13a-14(b) under the Securities Exchange Act of 1934 and 18 U.S.C. Section 1350 and shall not be deemed filed by the Company for purposes of Section 18 of the Securities and Exchange Act of 1934, or otherwise subject to the liability of that section. This certification shall not be deemed to be incorporated by reference into any filing under the Securities Act of 1933, or, the Securities Exchange Act of 1934, except to the extent that the Company specifically incorporated by reference.