



MannKind Restructures \$79.7 Million Debt Obligation to the Mann Group and Reduces Principal Owed to Deerfield by \$6.3 Million

March 12, 2018

WESTLAKE VILLAGE, Calif., March 12, 2018 (GLOBE NEWSWIRE) --

MannKind Corporation (NASDAQ:MNKD) today announced the restructuring of certain of its outstanding debt obligations, reducing outstanding principal by an aggregate of \$14.5 million along with the corresponding interest expense.

- Cancellation of approximately \$8.2 million in principal under the promissory note with the Mann Group with its purchase of 3,000,000 shares of common stock at the closing price on March 9, 2018 of \$2.72 per share. These shares were issued in a private placement and there is no obligation or intent by the Company to register these shares for resale.
- Maturity date of the remaining principal of approximately \$71.5 million under the amended and restated promissory note with the Mann Group extended 18 months to July 1, 2021, with principal and any accrued and unpaid interest permitted to be converted into common stock, at the option of the Mann Group, at a conversion price of \$4.00 per share.
- Exchanged \$5.0 million in principal due May 2018 under the Deerfield facility for 1,838,236 shares of common stock equal to the closing price on March 9, 2018 of \$2.72 per share.
- Exchanged approximately \$1.3 million in principal due May 2018 under the Deerfield facility for 441,618 shares of common stock

MannKind's Chief Financial Officer, Steven B. Binder commented, "These transactions further progress our efforts in recapitalizing and restructuring our balance sheet allowing us to focus on investing in the sustained growth of Afrezza."

Amended and Restated Promissory Note between MannKind Corporation and The Mann Group LLC, dated March 11, 2018

On March 11, 2018, the Company entered into an amended and restated promissory note (the "Restated Note") with the Mann Group LLC. The Restated Note amended the terms of the existing promissory note, dated as of October 18, 2012, with the Mann Group to, among other things, (i) reflect the current outstanding principal balance of the promissory note of \$71,505,500, after giving effect to the partial cancellation of principal in exchange for shares of the Company's common stock described below, (ii) extend the maturity date of the promissory note to July 1, 2021, (iii) permit accrued and unpaid interest to be paid-in-kind, and (iv) permit the principal and any accrued and unpaid interest under the Restated Note to be converted, at the option of the Mann Group, at any time on or prior to the close of business on the business day immediately preceding the stated maturity date, into shares of the Company's common stock at a conversion rate of 250 shares per \$1,000 of principal and/or accrued and unpaid interest, which is equal to a conversion price of \$4.00 per share. The conversion rate will be subject to adjustment under certain circumstances described in the Restated Note.

Also on March 11, 2018, the Company and the Mann Group entered into a common stock purchase agreement pursuant to which the Company agreed to issue to the Mann Group and the Mann Group agreed to purchase 3,000,000 shares of the Company's common stock at a price per share of \$2.72, the closing price on March 9, 2018 on the Nasdaq Global Market. As payment of the purchase price for the shares, the Mann Group agreed to cancel \$8,160,000 in principal amount under the promissory note dated October 18, 2012, with the principal repayment to be reflected in the Restated Note.

Exchange Agreement with Deerfield

On March 12, 2018, MannKind entered into an exchange agreement with Deerfield Private Design Fund II, L.P. and Deerfield Private Design International II, L.P. (collectively, "Deerfield") pursuant to which the Company agreed to, among other things, exchange \$5.0 million principal amount under the 8.75% Senior Secured Convertible Notes due 2019 held by Deerfield (the "Tranche B Notes") for 1,838,236 shares of the Company's common stock (the "Exchange Shares"). The exchange price for the Exchange Shares is \$2.72 per share, the closing price on March 9, 2018 on the Nasdaq Global Market. The principal amount being exchanged under the Tranche B Notes represents the principal amount that would have otherwise become due and payable in May 2018 under the Tranche B Notes.

Update Regarding Exchange and Sixth Amendment Agreement with Deerfield

On March 6, 2018, pursuant to the previously announced exchange and sixth amendment agreement with Deerfield, the Company exchanged \$1.25 million in principal amount of its outstanding 9.75% Senior Convertible Notes due 2019 held by Deerfield for 441,618 shares of the Company's common stock, at a conversion price of \$2.83 per share.

After giving effect to the exchange transactions described above, the Company's current amount of principal owed to Deerfield is \$45.0 million.

ABOUT MANNKIND CORPORATION

MannKind Corporation (NASDAQ:MNKD) focuses on the development and commercialization of inhaled therapeutic products for patients with diseases such as diabetes and pulmonary arterial hypertension. MannKind is currently commercializing Afrezza® (insulin human) inhalation powder, the Company's first FDA-approved product and the only inhaled rapid-acting mealtime insulin in the United States, where it is available by prescription from pharmacies nationwide. MannKind is headquartered in Westlake Village, California, and has a state-of-the-art manufacturing facility in Danbury, Connecticut. The Company also employs field sales and medical representatives across the U.S. For further information, visit

www.mannkindcorp.com.

FORWARD-LOOKING STATEMENTS

This press release contains forward-looking statements that involve risks and uncertainties, including statements regarding the completion of the debt and exchange transactions and expectations regarding MannKind's ability to execute its near-term business plan. Words such as "believes", "anticipates", "plans", "expects", "intend", "will", "goal", "potential" and similar expressions are intended to identify forward-looking statements. These forward-looking statements are based upon MannKind's current expectations. Actual results and the timing of events could differ materially from those anticipated in such forward-looking statements as a result of these risks and uncertainties, which include risks associated with MannKind's ability to satisfy closing conditions, whether MannKind's cash resources will be sufficient to operate its business and satisfy its debt repayment obligations and the risks detailed in MannKind's filings with the Securities and Exchange Commission, including the Annual Report on Form 10-K for the year ended December 31, 2017 and subsequent periodic reports on Form 10-Q and current reports on Form 8-K. You are cautioned not to place undue reliance on these forward-looking statements, which speak only as of the date of this press release. All forward-looking statements are qualified in their entirety by this cautionary statement, and MannKind undertakes no obligation to revise or update any forward-looking statements to reflect events or circumstances after the date of this press release.

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