

2Q 2019 Earnings Call

NASDAQ: MNKD

August 7, 2019

Cautionary Statement

Today's presentation includes forward-looking statements relating to the development, commercialization and benefits of our products and investigational product candidates, including AFREZZA®, that are subject to certain risks and uncertainties that could cause actual results to differ materially from those projected herein. The words "believe," "expect," "intend," "anticipate," "plan," variations of such words, and similar expressions identify forward-looking statements, but their absence does not mean that a statement is not forward-looking. These forward-looking statements are not guarantees of future performance and are subject to certain risks, uncertainties, and assumptions that are difficult for us to predict and include, without limitation, our ability to generate significant product sales, our ability to manage our existing cash resources or raise additional cash resources, stock price volatility and other risks detailed in MannKind's filings with the Securities and Exchange Commission. For detailed information about the risks and uncertainties that could cause actual results to differ materially from those implied by, or anticipated in, these forward looking statements, please refer to our current and periodic reports filed with the Securities and Exchange Commission from time to time, including our annual report on Form 10-K for the year ended December 31, 2018.





Today's Agenda

Recapitalization & 2Q Highlights

Michael Castagna, CEO

Recapitalization & Financial Review

Steven B. Binder, CFO

Closing Remarks

Michael Castagna, CEO

Analyst Q&A



Michael Castagna
Chief Executive Officer

We Have Fundamentally Transformed MannKind Over the Past 24 Months

This Transformation Has 4 Pillars for Creating Shareholder Value

Partnerships

- United Therapeutics
- Cipla
- Biomm
- AMSL (New 2Q)
- Receptor Life Sciences
- OneDrop

Technosphere Platform

- Build out of high potency manufacturing
- United Therapeutics – TreT & undisclosed compound
- New molecules in development

Afrezza

- Packaging, Dosing, CGM data
- Q2, New Scientific Data released at AACE & ADA
- Pediatrics cohort 3 initiated

Financial Position

- Recapitalization
- June YTD 2019 Total Revenue \$32.5M (+341%) vs. 2018
- 3rd consecutive Qtr of Afrezza Gross Profit

Summary of Announced Transactions

- **Recapitalization creates solid financial foundation going forward**
 - Restructured over \$200M in liabilities to improve cash flow and capital structure
 - Reduced legacy third party debt by ~\$28M
 - Majority of near term maturities due in 2021 are now due in 5 years
- **Current financing provides over \$100M in non-dilutive capital**
 - 5 year \$75M Term Loan with MidCap Financial
 - \$40M upfront, with option for \$10M by April 15, 2020 and \$25M by June 30, 2021
 - United Therapeutics \$37.5M in milestones between 2H,2019-2020
- **Reduce cash burn**
 - Reduced insulin purchase commitment by \$45M+ over next 4 years
 - Drive efficiencies and reduced spending throughout our business

Expected to fund the company to cash flow break-even

Entered Into a Strong Partnership with MidCap Financial



In Alliance with Apollo

- **Middle market-focused specialty finance firm**
 - We partnered with their Life Sciences practice with deep biopharma experience
 - They understand our business and strategy
- **Broad access to sources of funding**
 - Over \$20B in commitments under management
- **Managed by Apollo Capital Mgt (Apollo has > \$300B under management)**

2Q Execution

- **Afrezza International Partnerships**

- Regulatory approval in Brazil; anticipate launch in 2H19; first order received
- Distribution agreement signed with AMSL for Australia

- **United Therapeutics**

- TreT
 - Progressing along timelines as anticipated
 - Completed construction of high potency commercial scale manufacturing in Danbury
 - Anticipate achieving 2nd milestone of \$12.5M in 2H 2019
- Research agreement for undisclosed PAH compound
 - Work substantially completed – expect decision in 2H 2019

- **MannKind/Inhaled Insulin Awareness**

- Sponsorship of Conor Daly Indianapolis 500 & Friends for Life
- Change the Conversation – print ads
- Inhalemyinsulin – website, social media, billboards

- **Increased coverage to 4 analysts with BTIG initiating in May**

Brazil Afrezza Approval-Biommm to launch 2H 2019



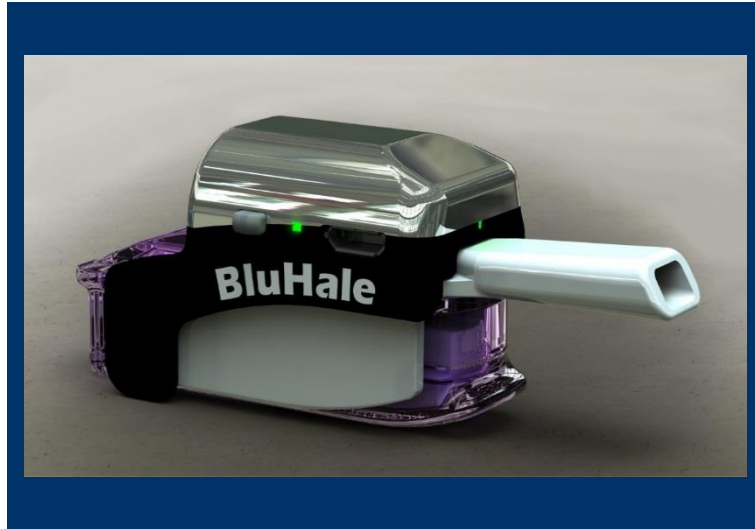
60+ appearances in local media: major newspapers in São Paulo, major news websites and major tv channels



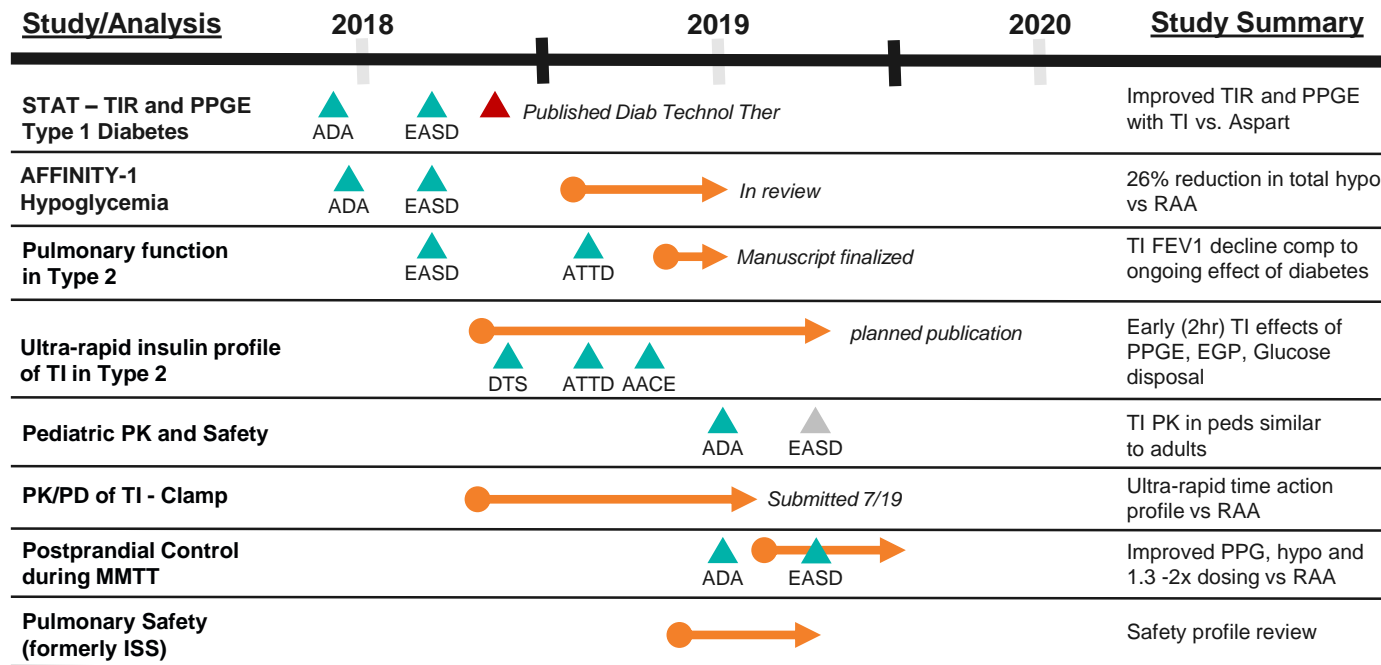
Two Targeted Messages Encourage Billboard Viewers to “Spread the Word”



Expect to Seamlessly Integrate Dosing Data From Our New BluHale Device Into the One Drop Platform



Scientific Communication Abstracts and Manuscripts



▲ Conference presentation ▲ Abstract Submission ▲ Publication ● Manuscript Submission (est)

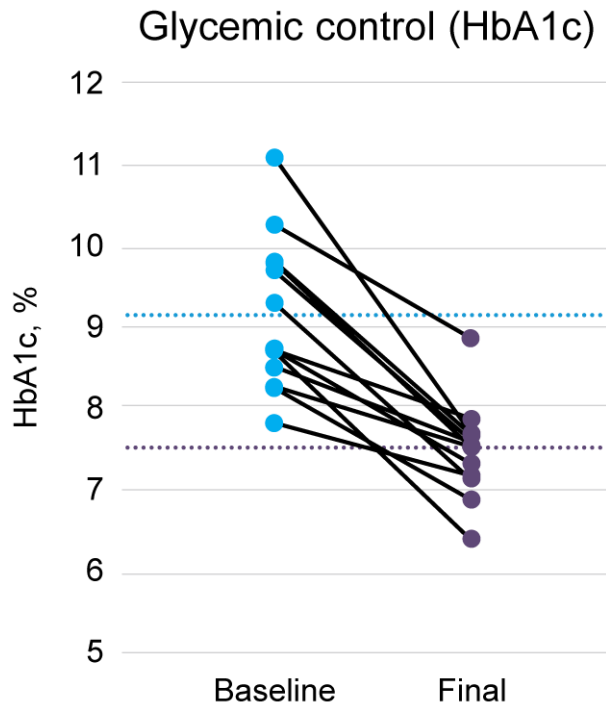
ADA, American Diabetes Association; ATTD, Advanced Technologies and Treatments for Diabetes; BMI, body mass index; DTS, Diabetes Technology Society; EASD, European Association for the Study of Diabetes; EGP, endogenous glucose production; FEV₁, forced expiratory volume in 1 second; HbA_{1c}, glycated hemoglobin; MMTT, mixed-meal tolerance test; PK/PD, pharmacokinetics/pharmacodynamics; PPGE, postprandial glucose excursion; T2D, type 2 diabetes; TI, Technosphere Insulin; TIR, time in range.

New ADA 2019 Data: Afrezza T2DM Results in a Significant 1.6% A1C Reduction

Mealtime
use of TI
lowered
HbA1c by
week 12 by

1.6%

($P < 0.0001$)



Baseline*
HbA1c (SD), %
9.1 (0.9)

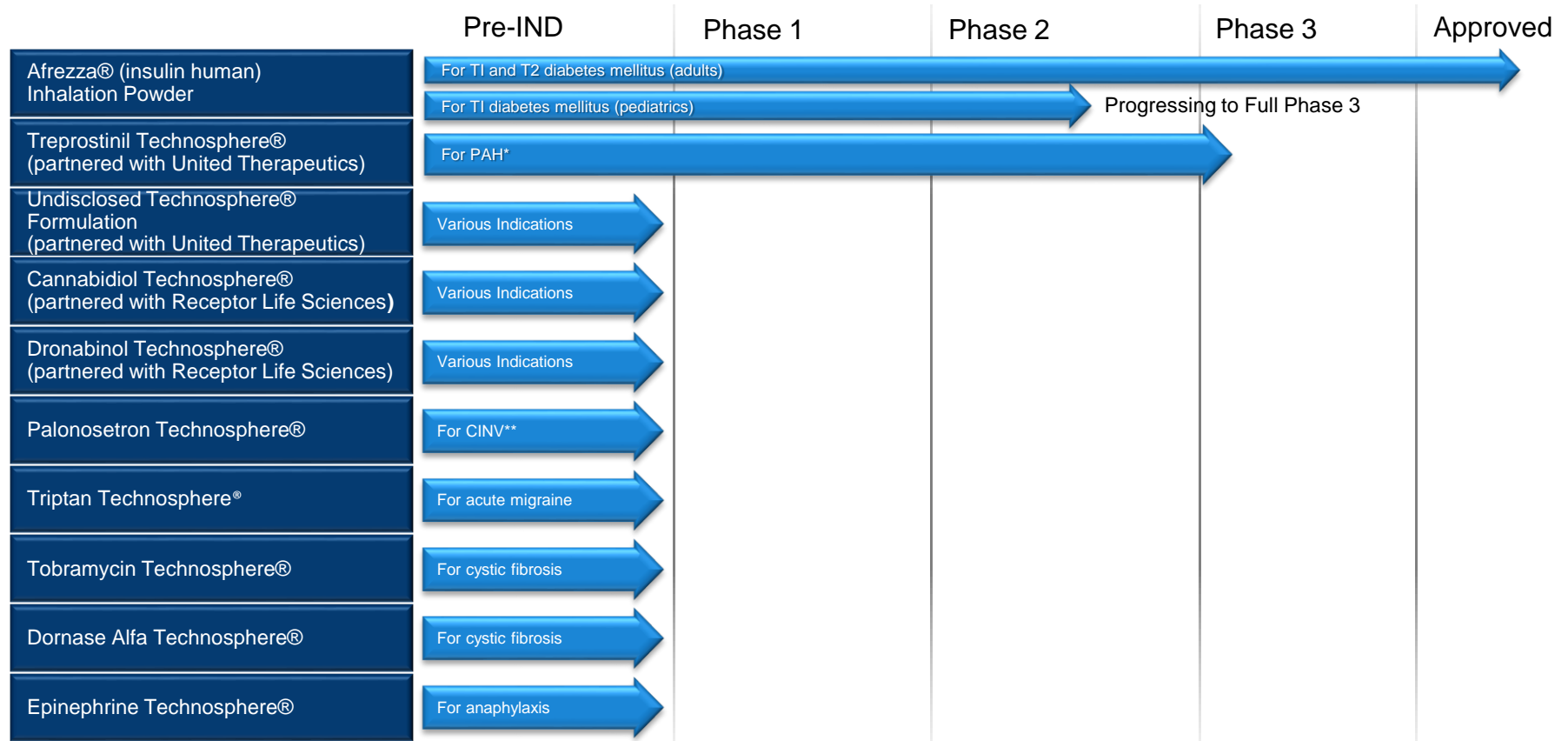


Week 12*
HbA1c (SD), %
7.5 (0.6)

- ✓ 93% Achieved HbA1c levels <8%
- ✓ Time-in-Range Improved by 76%
- ✓ Hyperglycemic Time >180mg/dL Reduced by Almost 50%

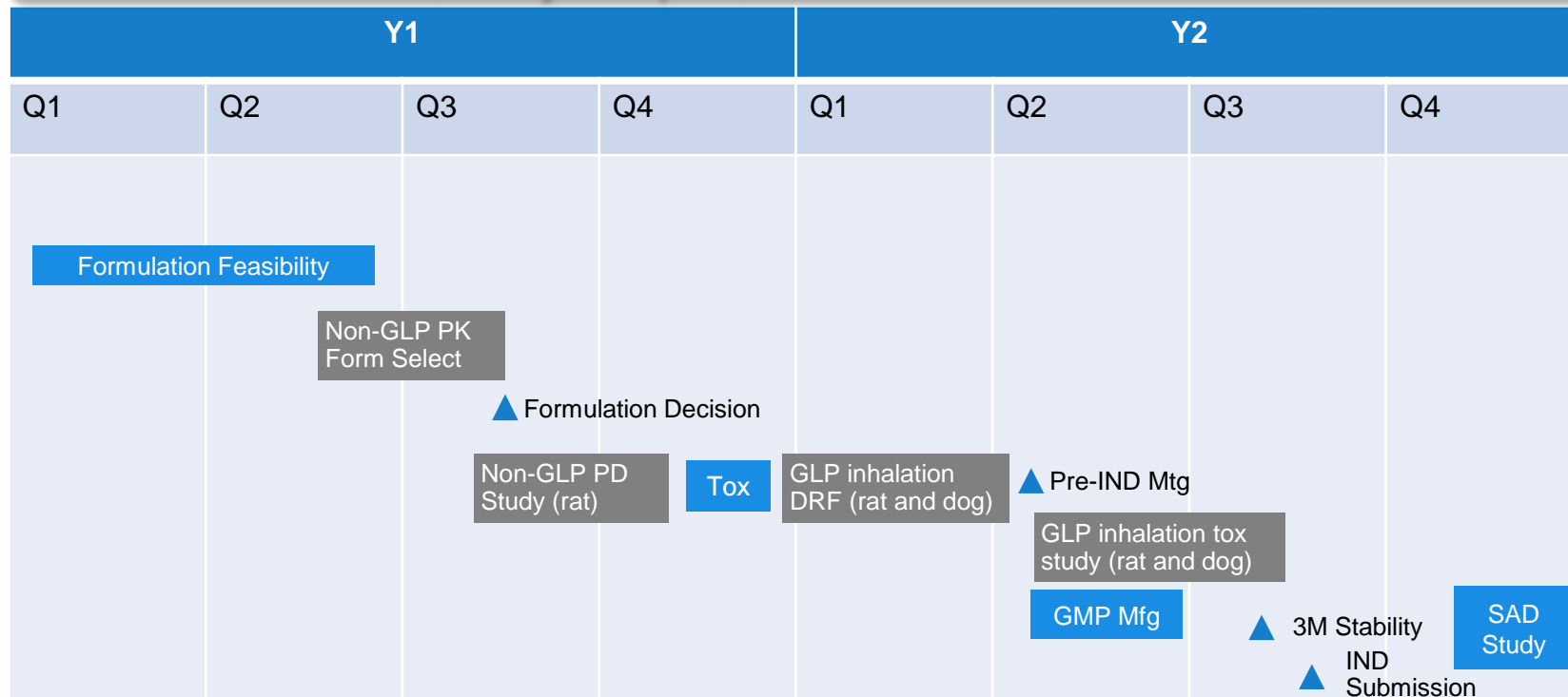
*N=14 interim results; HbA1c, glycated hemoglobin; SD, standard deviation; T2D, type 2 diabetes; TI, Technosphere Insulin

Landscape Assessment Completed in Q2 Confirmed Value is Significantly Improved with Phase 1+ Data



Sample Development Plan from Pre-IND to IND

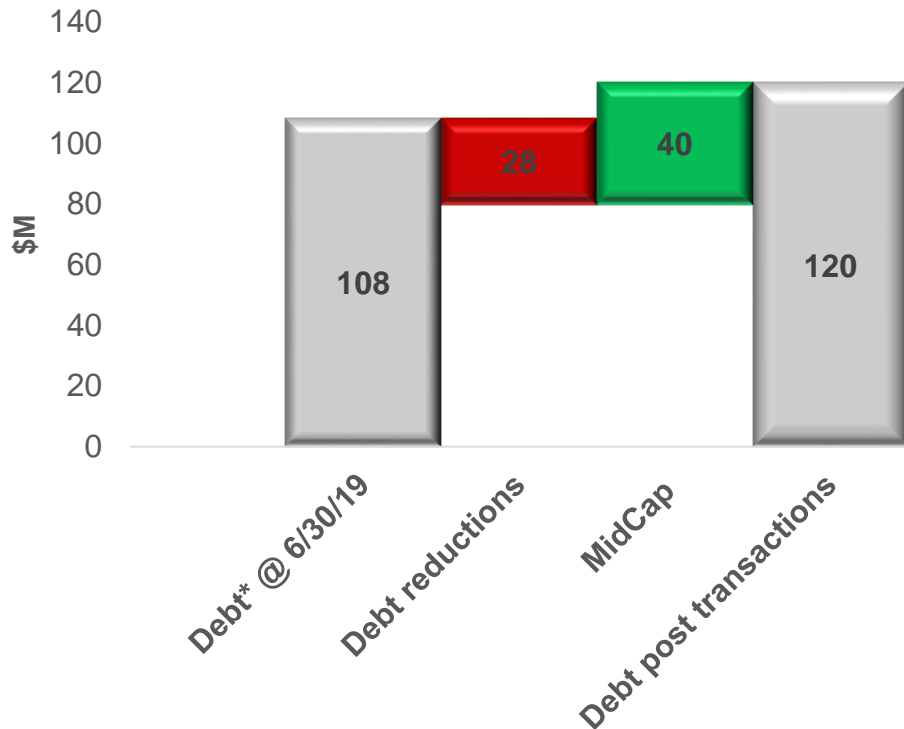
We are at different stages depending on molecule, for example EpiHale has already completed most of Year 1 work





Steven B. Binder
Chief Financial Officer

Recapitalization Strengthens MNKD Financial Position



- Started 3Q 2019 with \$38.2M Cash and ST Investments
- Recap Transaction Summary
 - Net cash increase \$30M; net debt increase \$12M
 - Near-term \$100M debt cliff gone
- Deerfield paid off
- Sr Conv Notes and Mann Group Note paid down/restructured
- MidCap funding \$40M upfront with option on additional tranches:
 - \$10M by April 15, 2019
 - \$25M by June 30, 2021

* See Borrowings Information Disclosure at the end of presentation

Amended Insulin Agreement Reduces Near-Term Commitment by \$46M; Operational Spending Reduced 1H 2019

	Expense Reductions 1H 2019 vs. 1H 2018							
	Total Change	Personnel Related Costs	Marketing Costs	Professional Fees	Clinical Trial Costs	Other Costs	Interest Exp	TV Advertising
R&D	(2.3)	(1.0)			(0.7)	(0.6)		
SG&A	(0.1)	(4.5)	(1.6)	(2.0)		(1.3)		9.3
Int Exp* & Int Inc	(2.7)						(2.7)	
Total	(5.1)	(5.5)	(1.6)	(2.0)	(0.7)	(1.9)	(2.7)	9.3

* Facility financing obligation and sr convertible notes

	2019 - 2023 Purchase Commitment Lowered by \$46M							
	2019	2020	2021	2022	2023	2024	2025	2026
Old Agreement	6.6	17.9	17.9	22.3	22.3	9.8	-	-
New Agreement	4.4	7.4	7.4	9.6	12.3	16.5	17.5	21.9
Change	\$ (2.2)	\$ (10.5)	\$ (10.5)	\$ (12.7)	\$ (10.1)	\$ 6.6	\$ 17.5	\$ 21.9

Note: EUR-USD exchange rate of \$1.13 used

Timing of Potential Cash Inflows From MidCap & United Therapeutics: Next 18 Months

	2H 2019	1H 2020	2H 2020	Total
\$M				
United Therapeutics Milestones	12.5	12.5	12.5	37.5
MidCap Funding	40.0	10.0	25.0	75.0
Total	52.5	22.5	37.5	112.5

Additional sources of future funding:

- Increasing U.S. & international expansion of Afrezza sales
- Outstanding warrants up to ~\$38M
- TreT royalties or ability to monetize TreT royalties
- Business development

2Q 2019 Total Revenues Growth +285%; YTD +341%

- 2Q Afrezza Net Revenue +62%; YTD +56%

	2Q		
	2019	2018	% Chg
	(\$M)		
Gross Revenue - Afrezza	\$ 10.3	\$ 6.7	54%
Gross-to-Net - Afrezza	(4.3)	(2.9)	
GTN %	41%	44%	
Net Revenue - Afrezza	6.1	3.8	62%
Revenue - Collaborations and Services	8.9	0.1	*
Total Revenues	\$ 15.0	\$ 3.9	285%

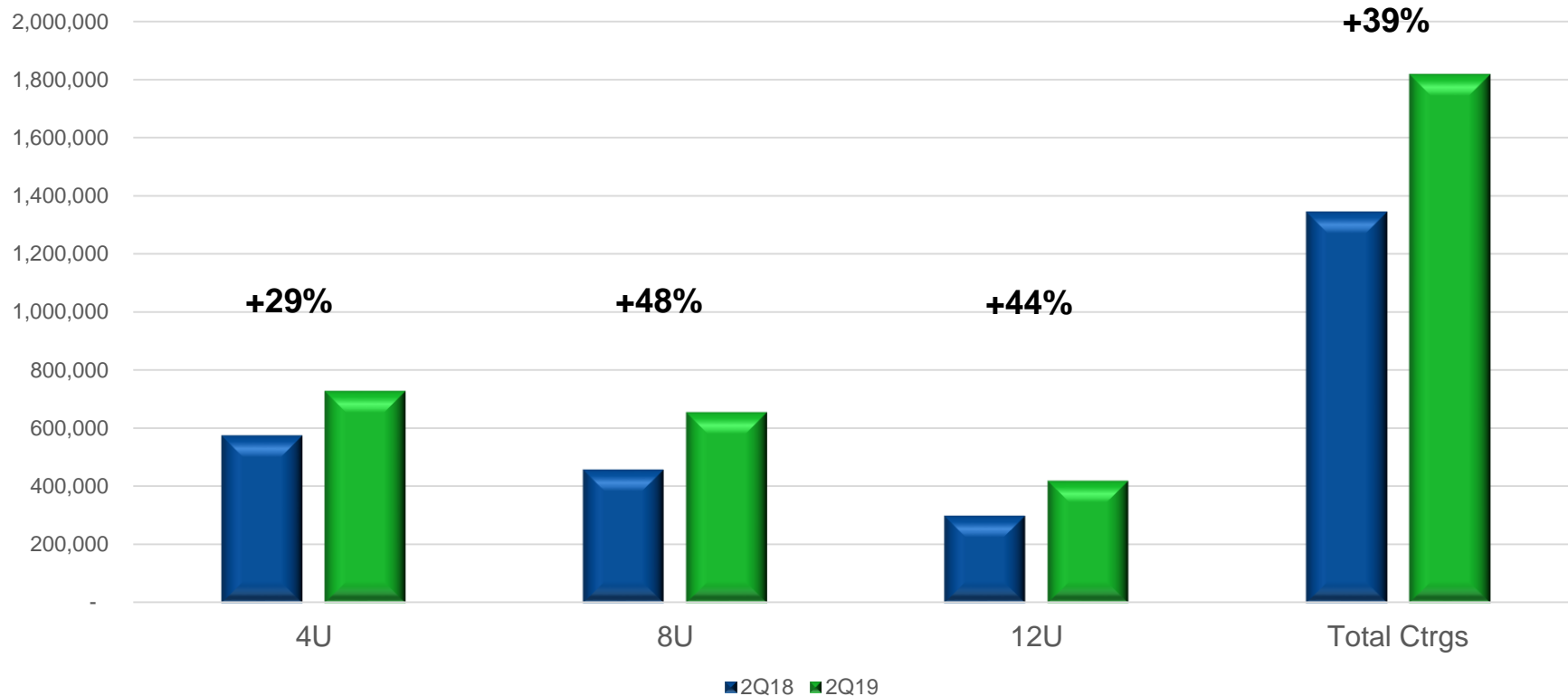
* >1000%

	June YTD		
	2019	2018	% Chg
	(\$M)		
Gross Revenue - Afrezza	\$ 18.5	\$ 11.9	56%
Gross-to-Net - Afrezza	(7.4)	(4.7)	
GTN %	40%	40%	
Net Revenue - Afrezza	11.1	7.2	56%
Revenue - Collaborations and Services	21.3	0.2	*
Total Revenues	\$ 32.5	\$ 7.4	341%

* >1000%

2Q 2019 Cartridge Growth Mix Continues to be Favorable

(without Bridge/Vouchers)



Achieved 2Q 2019 and June YTD Afrezza Gross Profit

- Third quarter in a row to achieve a gross profit

	(\$M)	2Q		\$ Chg	% Chg
		2019	2018		
Net Revenue - Afrezza	\$	6.1	3.8	2.3	62%
Cost of Goods Sold		(4.3)	(5.1)	0.8	-15%
Gross Profit (Loss) - Afrezza	\$	1.7	\$ (1.3)	\$ 3.1	230%
Gross Margin		28.7%			

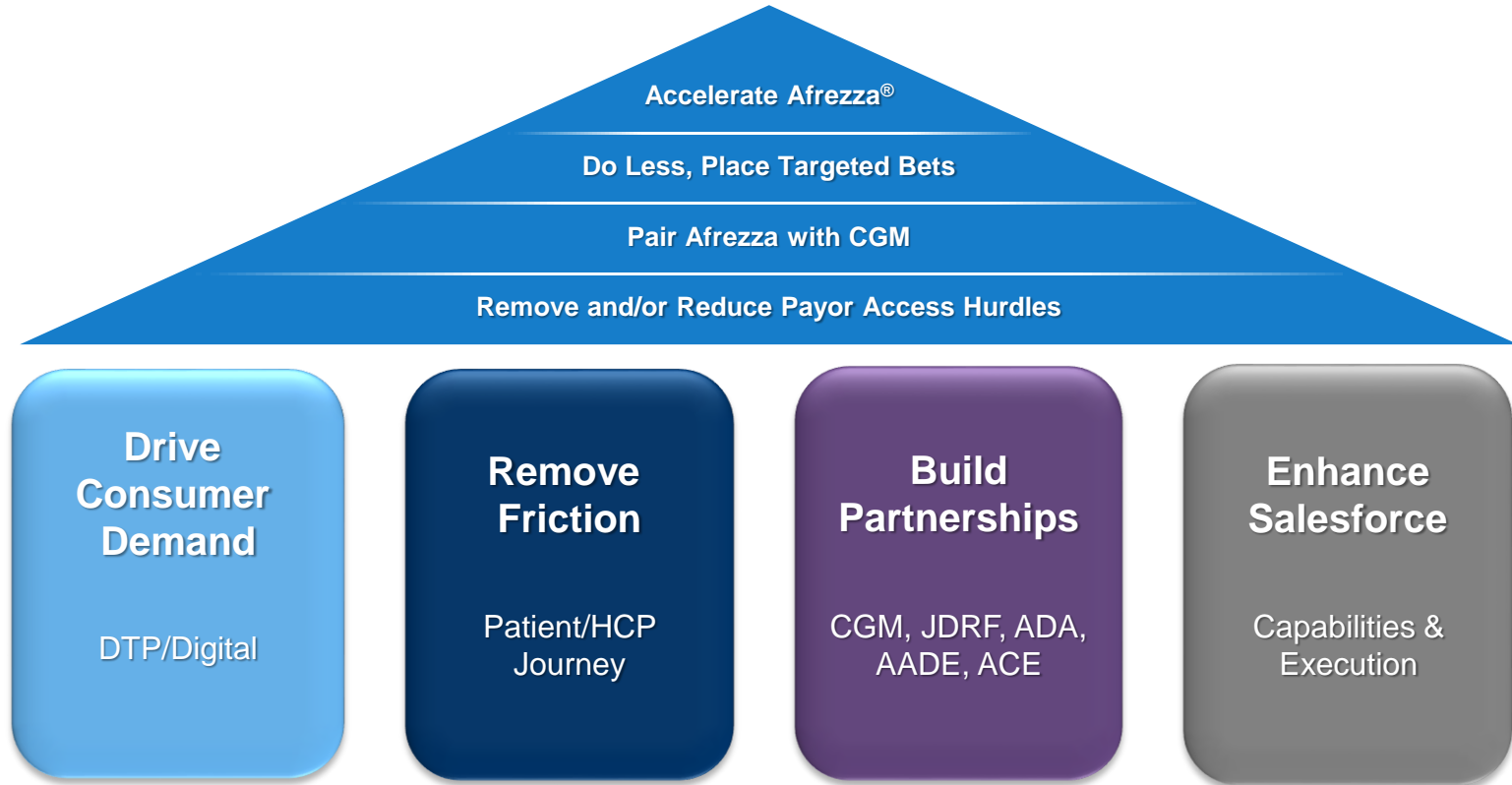
	(\$M)	June YTD		\$ Chg	% Chg
		2019	2018		
Net Revenue - Afrezza	\$	11.1	7.2	4.0	56%
Cost of Goods Sold		(8.3)	(9.1)	0.8	-8%
Gross Profit (Loss) - Afrezza	\$	2.8	\$ (1.9)	\$ 4.7	243%
		25.1%			

	4Q 2018	1Q 2019	2Q 2019
Afrezza Gross Margin	12.9%	20.8%	28.7%

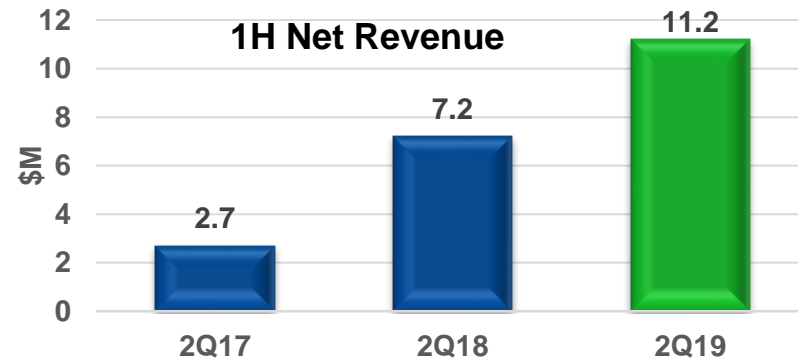
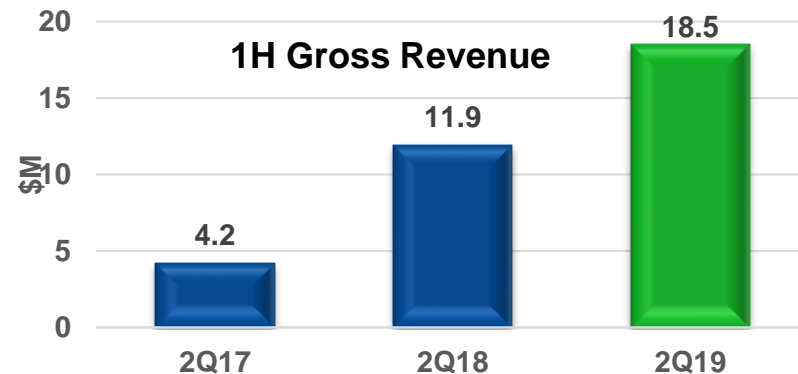
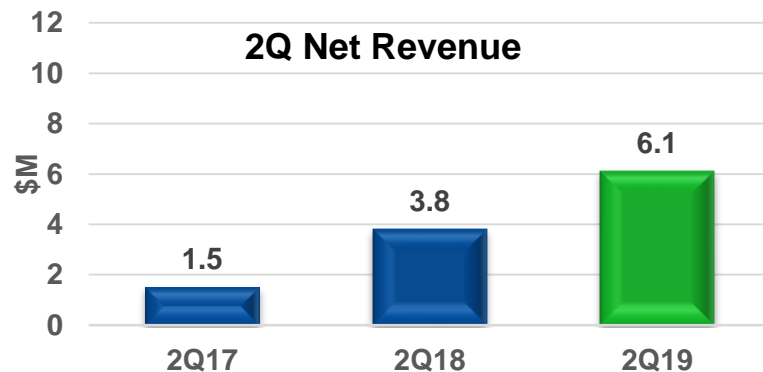
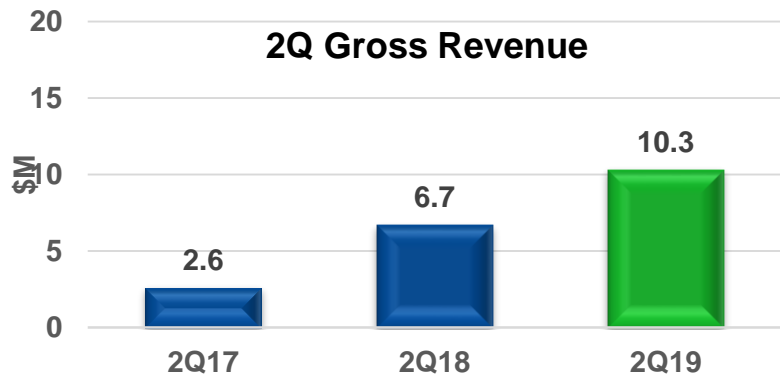


Michael Castagna
Chief Executive Officer

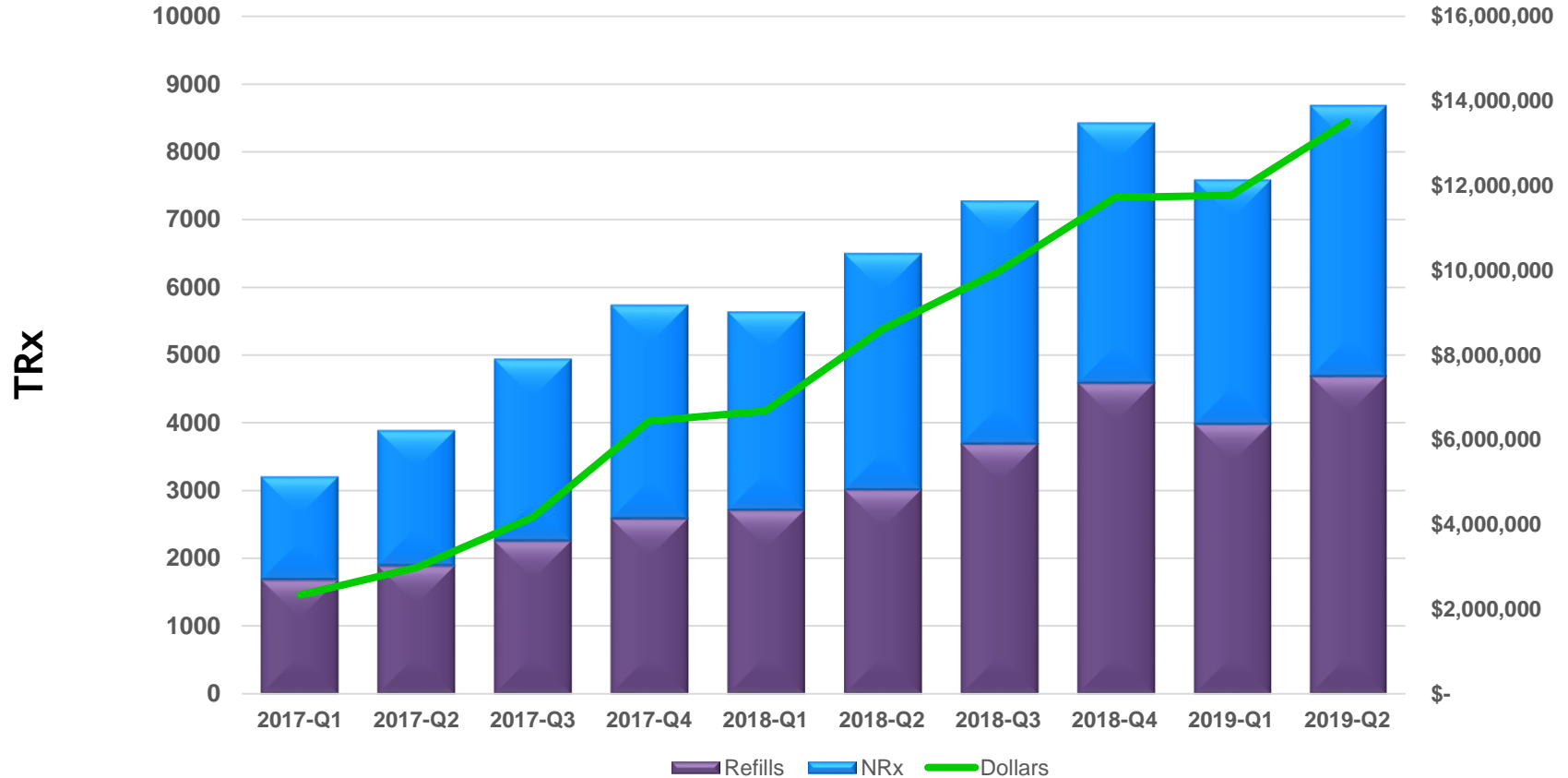
We Strive To Simplify Diabetes Treatment



Afrezza Revenue Has Grown 4x Since 2017



Quarterly TRx Continue to Grow Since Our 2017 Launch



Source: Symphony PHAST Data

Milestones for 2019

Key Events

- ✓ First milestone payment from United Therapeutics (UT)
- ✓ Multiple data publications on Hypoglycemia, Safety and Efficacy
- ✓ Determination of regulatory pathway for India
- ✓ Interim results of Phil Levin study (late breaker accepted at ADA)
- ✓ Brazil Afrezza approval
- ✓ Additional pursuit of international agreements – AMSL in Australia
- Completion of pediatric cohort 2
- Completion of formulation work for unnamed compound for UT
- Brazil Afrezza Launch
- Initiate Clinical Study in India
- Completion of Kipnes T2D Study enrollment

✓ **Recapitalization!**

Thank You

Contact: IR@mannkindcorp.com

Borrowings Information As Disclosed in Notes 6 & 7 to 2Q 2019 10Q

	Balance June 30, 2019
Facility Financing Obligation Principal Due	9.0
Note Payable to Related Party Principal Due	71.5
Note Payable to Related Party Accrued Interest	9.1
Senior Convertible Note Principal Due	18.7
Total	108.3